

STRENGTH AT THE **CORE** ANNUAL REPORT 2014-15



AVANTHA
GROUP COMPANY

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**CONSOLIDATED
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BOARD OF DIRECTORS

■ GAUTAM THAPAR

Chairman

■ R. R. VEDERAH

Non Executive Vice Chairman

■ B. HARIHARAN

Group Director (Finance)

■ SANJAY LABROO

■ A. S. DULAT

■ ASHISH GUHA

■ NANDINI ADYA (MS.)

■ B. VENUGOPAL

Nominee of LIC

■ A. P. SINGH

COMPANY INFORMATION

REGISTERED OFFICE

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

HEAD OFFICE

Thapar House, 124 Janpath,
New Delhi – 110001

OPERATING OFFICE

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

AUDITORS

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

LISTING ON STOCK EXCHANGES

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

NATIONAL STOCK EXCHANGE OF INDIA LIMITED

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

BSE LIMITED

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001

CONSOLIDATED HIGHLIGHTS

AWARDS AND CERTIFICATIONS

UNIT BALLARPUR

ENERGY EFFICIENT AWARD 2014

From CII GBC Hyderabad
for Excellence in Energy Management.

UNIT BALLARPUR

ENERGY CONSERVATION AWARD 2012-13

First Prize

From Maharashtra Energy
Development Agency, Pune (MEDA).

UNIT BHIGWAN

PPI INTERNATIONAL AWARD

For Water Efficiency

UNIT BHIGWAN

RISI-PPI INTERNATIONAL AWARD 2014

Finalist in the categories of:

- Water Efficiency
- Managing Risk and Safety Award
- Innovation in Sustainable Packaging.

SFI

ROLE MODEL COMPANY 2014 AWARD

From Industrial Training Institute,
Kota Kinabalu, Malaysia.

UNIT SHREE GOPAL

NATIONAL ENERGY CONSERVATION AWARD

First Prize in Pulp & Paper sector

From Ministry of Power,
Government of India.

UNIT ASHTI

CERTIFICATION

For Energy Management System
ISO 50001:2011.

Comprised 9 months, as against 12 months in previous financial years.

FINANCIALS

1 PAPER SALES IN MT

FY 2010-11	836,544
FY 2011-12	838,542
FY 2012-13	830,342
FY 2013-14	830,337
FY 2014-15	598,983

2 NET SALES IN RS. CRORE

FY 2010-11	4,498.1
FY 2011-12	4,732.3
FY 2012-13	4,854.8
FY 2013-14	5,220.3
FY 2014-15	3,625.9

3 PBDIT IN RS. CRORE

FY 2010-11	875.5
FY 2011-12	800.9
FY 2012-13	875.6
FY 2013-14	948
FY 2014-15	590.3

CHAIRMAN'S LETTER

Dear Shareholder

My letter to you in last year's annual report focused on three key themes: (a) the economic condition of India; (b) the transformation that has taken place in your Company; and (c) the challenges ahead. These are matters worth repeating this year as well.

As I wrote last year, for the first time in three decades, India has elected a Lok Sabha where a single party — the Bharatiya Janata Party (BJP) — has a clear majority with 282 seats. With the ruling National Democratic Alliance (NDA) winning 336 seats, and with a determined person like Mr. Narendra Modi as the prime minister, I believe today, as I did then, that India will see better governance and more reforms at the centre — certainly in comparison with what we witnessed under the second Congress-led UPA coalition.

Unfortunately, we are an impatient lot. Having overwhelmingly elected the BJP and the NDA to power, most of us expect instant miracles.

Consider the economy for example. Between 2011–12 and 2013–14, quarterly GDP growth had dropped from over 7% to well under 5%. In the last two years of the previous government, growth was 4.5% and 4.7%. Investments had come to a standstill — be these in industry, in infrastructure or even the services sector. Companies in most sectors were suffering not only from the lack of orders but also the financial effects of earlier capital expansions that could not

be optimised due to a widespread lack of demand. Power generation projects had virtually ground to a halt; as did investments in roads and highways. The manufacturing sector de-grew quarter after quarter. That was the state of the economy in 2015, when the country voted in the BJP-led NDA government.

Since then, things have been picking up. Even if one were to discount the new national income estimate of Gross Value Added put forth by the Central Statistical Organisation, few can deny that there has been an uptick in growth — both in manufacturing and in services. The honest truth is that it will be a gradual process. One cannot expect an economy that was crippled by policy — and decision-making paralysis for at least three years to suddenly revive and sprint as if nothing went wrong. My guess is that it will take another few quarters before we see a clear transition to a higher GDP growth rate — something like a steady-state path of 7.5% to 7.7%. Moreover, despite lower energy, minerals and metal prices, we may be facing new headwinds, particularly on account of the rapid de-growth in China. Even so, I believe that the economy will see distinctly better days after two or three quarters which,



I hope, will continue thanks to better governance and implementation.

One reform that all of us in corporate India look forward to is having the uniform Goods and Services Tax (GST) being implemented nationwide from 1 April, 2016. Although the disruptions in Parliament during this monsoon session may not augur well for the deadline, I hope that the government does everything it can to hold the GST regime from the beginning of the next fiscal year. India needs it.

Let me now move on to the next theme: the transformation that has taken place in your Company. As I wrote last year, modernisation and expansion of your Company's pulping facilities at Sabah (Malaysia) and Ballarpur have been completed, making BILT a completely integrated pulp and paper enterprise — one that is now fully engineered to best leverage growth in the markets where your Company and its subsidiaries operate.

Unfortunately, however, the nine-month period ending 31 March, 2015, witnessed three negative forces. The first was external: inadequate demand growth in India coupled with considerable excess capacity in China, ASEAN countries as well as in India led to a veritable glut in supply of paper and a resultant sharp drop in prices. Throughout the first nine months of FY2015, prices realised for most of the products were lower than those in the corresponding period of FY2014.

The other two factors were internal. Pulp production in Sabah was affected by the breakdown in the wood chipping facility between September and November 2014. Consequently it produced 19% less bleached pulp and 11% less of paper. In addition, your Company's rayon grade pulping facility at Kamalapuram continued to be very badly affected and found itself unable to compete with the landed price of imports into India. In fact, market conditions were such that all operations were suspended from May 2014. Without active fiscal assistance from the state government of Telengana, it is unlikely that the facility can re-start operations.

These three factors have negatively affected your Company's results. Net sales fell by 9.8% over the same nine-month period last year to Rs. 3,625.9 crore. EBITDA reduced by 17% to Rs. 590.3 crore. The burden of interest payments and depreciation on higher capital stock led to a loss at the PBT level of Rs. 59.8 crore. And PAT, net of minority interest, dropped from Rs. 49.3 crore last year to a loss of Rs. 21.35 crore.

Without doubt, these are disappointing results, the more so given the financial leverage of your Company. Where do we go from here? Other than hoping for better demand conditions and, hence, higher prices — over which we have little control — the task has to involve a totally focused and almost ruthless effort at reducing costs wherever possible. This has been done earlier in the history of

your Company. And I do believe that the present management can do so just as competently today. Moreover, we need to think of what are the non-core assets in your Company as a whole and create a strategy to divest these at the right prices. In a sentence, we need to be asset smart, cost savvy and operationally much cannier than before. It can be done. Indeed, your management has assured me that it will be done.

Once we substantially tighten operations across a leaner enterprise, your Company has the end-to-end structure, scale, product band-width and technology to turn in better results. Which I am confident it will. The battles may be tough. But the war can be won.

So join me in wishing your management the very best as it hunkers down to turn your Company around. As it must. And will.

Thanks for your support. I appreciate it greatly.

Yours sincerely,

GAUTAM THAPAR
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

NOTE: Traditionally BILT followed a financial year from 1 July of a year to 30 June of the following. Given the regulatory requirements of the new Companies Act 2013, the Company has closed its financial year on 31 March. Hence, this Management Discussion and Analysis, as well in subsequent sections of this Annual Report FY2015 refers to a nine month period from 1 July, 2014 to 31 March, 2015, and analogously for comparative purpose FY2014 refers to a nine months period from 1 July, 2013 to 31 March, 2014.

INTRODUCTION AND BUSINESS ENVIRONMENT

While logistics and distribution can create some localized comparative advantages for players in the pulp and paper business, in large part the market is integrated with global supply and demand conditions playing a significant role in setting market trends. Moreover, being a mature industry and given the nature of the product, there is usually a close correlation between this sector's growth and that of the country and geographic region to which it belongs. It is not surprising, therefore, that growth of the pulp and paper industry has been higher in the emerging markets of the world, especially in Asia, and significantly lower in advanced economies such as Europe and the USA. It is also not surprising that there has been in a shift in production capacity from the matured to the emerging markets. With the burden of high costs and tapering demand, many manufacturing facilities, particularly in Europe have shut down, while the emerging nations have seen investments and capacity addition.

Having said so, there are some disconcerting trends. According to the data released by the International Monetary Fund (IMF), the GDP growth for advanced economies as a whole has improved from 1.4% in 2013 to 1.8% in 2014 and is expected to touch 2.1% in 2015. That has not helped the pulp and paper industry on two counts: first, these nations already have a very high per capita consumption of paper; and second, at the margin, there is a substitution away in favour of electronic

media. The problem has been the falling growth in emerging markets — which has reduced from 5% in 2013 to 4.6% in 2014 to an estimate of 4.2% in 2015, largely on account of a slowing down in China. These markets are not only large but have considerable headroom for increasing per capita paper consumption. When their growth falls, it causes negative ripple effects throughout the pulp and paper industry. **Chart A** plots the data.

Thus, in such a macroeconomic scenario, the global paper industry is going through one of its most difficult and challenging phase. Emerging markets have slowed considerably. China has recording a very poor year from the point of view of pulp and paper off-take. Paper demand in the Asian economies, including India and China, grew by 2.2% in 2014. This was not sufficient to offset the 8% drop in demand in North America and Europe. Consequently, world demand reduced by 1.2% in CY2014 and a further 2.4% in the first three months of 2015.

It is no surprise that a global survey of CEOs in the forest, paper and packaging industry conducted by PwC suggests that such businesses will have to necessarily operate under more extreme conditions in 2016. Although 73% say there are more opportunities for growth than there were three years ago, 69% say there are also more threats. So, the industry is entering a phase of possibly higher potential returns but with much higher exposure to risks. The primary risks are government indebtedness in several countries, the potential for over-regulation, geopolitical

uncertainty and high or volatile energy costs.

The silver lining in FY2015 has been the reduction in oil prices from levels above US\$100 a barrel at the beginning of the year to around US\$60 a barrel today. This has resulted in reducing logistics costs and general price levels across the world, providing some impetus to demand. **Chart B** plots the data.

THE BUSINESS PORTFOLIO

BILT is one of India's leading pulp and paper companies with a presence across most elements of its value chain. It also operates Malaysia's leading uncoated paper manufacturer — Sabah Forest Industries (SFI). This kind of business warrants a certain scale of operation with a fine balance between integrated functioning and individual market segment specialisation.

BILT has developed a business model which involves reorienting the business organisation, corporate structures and processes. The paper and pulp industry is also highly capital intensive and the Company has had to take recourse to innovative financing mechanisms to raise sufficient capital at the right kind of costs.

In the process, BILT has created two separate business blocks: one under BILT and one under its step down subsidiary Bilt Paper.

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

- Specialty paper business operating from the Shree Gopal facility in Haryana

- Rayon Grade Pulp business operating from Kamalapuram in Andhra Pradesh
- Tissue paper business operated through its subsidiary Premier Tissues Limited

These businesses target the industrial and FMCG markets.

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

- BILT Graphic Paper Products Limited (BGPPL) is the asset heavy entity, which has four plants in India — Ballarpur (Maharashtra), Bhigwan (Maharashtra), Ashti (Maharashtra) and Sewa (Orissa)
- Sabah Forest Industries (SFI) that operates the pulp, uncoated wood-free and plantation businesses in Malaysia

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

- Writing and Printing Paper — India and Malaysia
 - Office Supplies and Stationary
 - Retail under the brand P3
- Specialty Paper
- Tissue Paper
- Rayon Grade Pulp

The Company undertook large capital outlays in the last few years which was

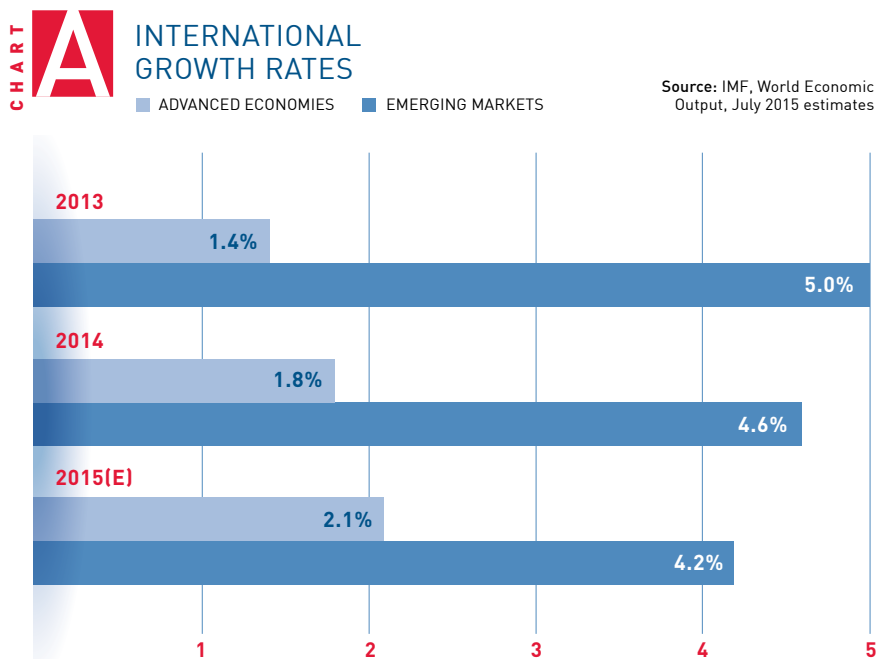
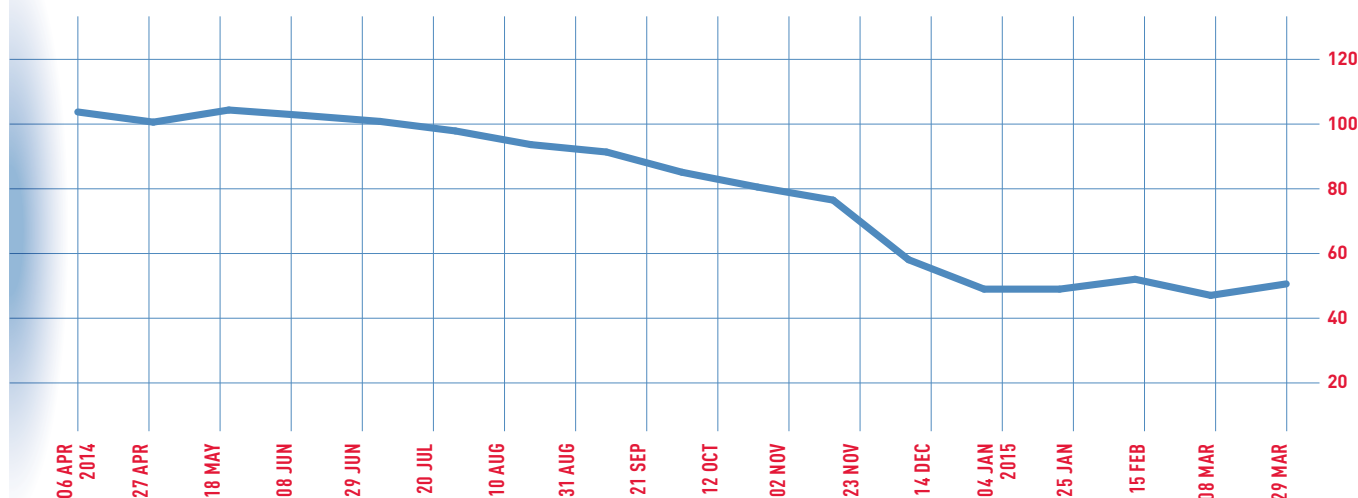


CHART **B** OIL FUTURE PRICES
US\$ / BARREL

Source: investing.com



necessary to build the optimal capacity and a production capability framework for giving it a competitive edge in the market. This has significantly increased the operating and financial leverage of the Company. The near term goal for BILT is to rapidly scale up operations to best utilise the large asset block and start generating healthy returns to service the capital raised.

Unfortunately for BILT, as it was poised to embark on a rapid growth path, it faced several turbulent headwinds. Market conditions became very challenging across most business segments. For the core paper and paper related businesses, not only has this affected volume of sales but also price realisation. In fact, through FY2015 prices realised for most of the products were lower than those in the corresponding period of FY2014.

For the Rayon Grade Pulp (RGP) operations from Kamalapuram, the market conditions were so depressed that operations had to be stopped in the first quarter of FY2015. While the Company has worked on reducing costs, it still had to bear most of the fixed costs without generating any revenues. This adversely hit financial performance, and may continue to do so unless the state government intervenes with some concessions — which are under discussion.

A competitive advantage in the pulp and paper industry arises out of vertical integration. In terms of fibre security, with SFI's 288,138 hectares of licensed plantations and forests, BILT is the only Indian enterprise to have access to its

own plantations outside India. Moreover, in India, it has methodically developed its social farm forestry programme, which gives it access to direct procurement from farmers. Thus, BILT is fully self-sufficient in hard-wood pulp.

This integrated structure from procuring wood to producing paper and even retailing to the end customer normally provides scope for flexibilities in operating decisions and help deliver products at optimal costs. Unfortunately for the Company, the structure was disrupted in FY2015. Due to a crack in the wood-chipping house, pulp production at SFI in Malaysia was badly affected between September and November 2014. Consequently, the benefits of integrated operations did not show up in financial performance of FY2015.

Under these conditions, on a consolidated basis, revenues reduced by 9.6% and returns were not sufficient to service fixed and financial costs. Hence, the Company generated net losses in FY2015. The financial results of the year has necessitated a re-evaluation of BILT's asset base to focus on leveraging assets with high development potential and explore the possibilities discarding certain poorly performing assets to de-stress the balance sheet.

Having said so, it needs to be stated that the Company is in a consolidation phase; and that with the foundation in place, it has the ability to leverage opportunities as and when the market demand cycle improves. BILT continues to maintain its strategy of attaining leadership position in the segments where it operates and in developing a fine

balance between mass market output and niche high value products. The core of the business still focuses on effectively servicing customers.

In the next sections, we will analyse the performance of the different businesses in BILT's overall portfolio.

WRITING AND PRINTING PAPER BUSINESS

BILT continues to be a dominant player in the Indian and Malaysian writing and printing paper segments. Its core strength comes from its products and distribution. In terms of products, the Company has set very high standards in terms of quality. It also has a wide range with offerings across applications. A major source of success for BILT has been its constant ability to innovate and introduce new products in the market — the biodegradable Gutka packaging paper is the latest such success story.

The business is supported by a unique distribution network. BILT has a multi-tiered distribution network with over 440 distributors in India, with most of the volume being sold by exclusive distributors. In Malaysia, sales is handled through around 40 widely spread distributors. In addition, the Company enjoys a strong market presence in the Middle East and Africa.

Today, BILT is India's largest producer of writing and printing paper and Malaysia's largest producer of uncoated wood-free paper products.

In India, the Company has approximately 38% market share in coated wood-free, 41% market share in

blade coated wood-free and 22% share in the high-end uncoated wood-free market. In Malaysia, it has around 21% market share in the high-end uncoated wood-free segment. Establishing and maintaining market leadership is a key element of BILT's business strategy.

INDIA MARKETS

Despite expansive growth of internet penetration and the digital economy in the last three years, India still is one of the fastest growing paper markets in the world. Estimates suggest that paper demand in India will grow by 38% over the next six years, increasing from today's levels of 13 million metric tons (MT) to 18 million MT by 2020. This will be primarily because of massive under-penetration of paper use in India. According to a report by 'India Ratings', India's per capita paper consumption is at 10.8 kg, which pales even against similar developing nations like Indonesia (22 kg), Malaysia (28 kg) and China (42 kg). The global average, which includes the advanced economies, stands at 54 kg. The government's sustained focus on literacy, increased consumer packaging and expansion in organised retail continue to boost demand for paper consumption in India. Thus, there is considerable headroom for growth — with every one kilogram of incremental per capita consumption in India translating to an additional demand of over one million MT per year.

Envisaging this demand growth, companies in the Indian paper industry have, over the last five years, invested a total of around Rs. 20,000 crore towards capacity enhancement, technology up-gradation and various acquisitions. In the immediate aftermath of these capacities coming on stream and demand in India not picking up as fast as expected, there has been an increase in competition. However, this is expected to settle down as enterprises focus on leveraging these assets without making much additional investments in the near future.

With India's Free-Trade Agreement (FTA) with the Association of Southeast Asian Nations (ASEAN) coming into effect from 1 January, 2014, the import duty on paper supplied from countries in this region to India has been practically waived. As it stands today, there is zero duty on import of coated-sheet products and 6% on import of coated-reel products. For import of both sheet

and reel uncoated products, there is zero duty. Consequently, there has been an increase in volume of imported paper from ASEAN countries in 2014 and 2015. This has exerted some additional competitive pressures on domestic paper manufacturers.

BILT also strategically exports some of its output to leverage global opportunities, develop a market position in some countries, and balance-out the supply in India. However, given market conditions, the stress on export was lower in FY2015.

BILT's writing and printing paper business can be divided into four categories: coated wood-free, uncoated wood-free, copier paper and creamwove. In addition, there is the business stationery and retail operations.

COATED WOOD-FREE

Coated wood-free consumption in India increased by around 8% to 716,000 MT per annum (MTPA) in FY2015. Demand for this category of paper continues to outstrip supply and the gap is filled by imports.

The segment includes blade coated, air knife and cast coated products. Growth has been higher in the premium end of the market with the high technology blade coated products growing by 9%, while air knife coated products grew by 5%.

In addition, the coated market can be segregated in two ways. One is in terms of one-side coated (C1S) and both-sides coated (C2S). The second is a division in terms of paper products and board products. Within blade coated products, which is the higher order technology, the C2S paper market grew by over 9% to 350,000 MTPA and the C2S board market grew by over 8.5% to 164,000 MTPA in FY2015. BILT continued to maintain and develop its leadership position across the segment.

Historically, being a value-added product, coated wood-free paper traditionally enjoyed a premium. However, with rapid market expansion and rise in import volumes, especially from China, this is getting transformed into a competitive, commodity-like product where price is becoming the critical factor. BILT counters this by continuously introducing new products such as C1S paper for sachet packaging. It is also enhancing customer service through a multi-format distribution network, and focusing on reducing costs

Markets
Despite expansive growth of internet penetration and the digital economy in the last three years, India still is one of the fastest growing paper markets in the world.

Both Ballarpur and Ashti are now fully integrated with respect to hardwood pulp.

through larger scale of operations and better efficiencies in production.

UNCOATED WOOD-FREE

During FY2015, with the Indian uncoated market — comprising Low Bright and Hi Bright segments — growing by 1% to 1,258,000 MTPA, competition continued to be intense. The market is largely restricted to domestic players and is highly fragmented with a multitude of products and manufacturers. The zero duty Asean imports have also started making an impact in this market with Indonesian players making an impact, although modest.

BILT remains the largest organised player in this space by continuing to offer a wide range of products. While maintaining a commanding presence in each product category, the Company has laid greater importance on optimising its product mix for greater profitability. Consequently, BILT has been focusing on the higher value Hi Bright segment, which accounts for around 70% of the entire uncoated maplitho segment. Hi Bright grew by 7% in FY2015, and BILT maintained its leadership position in the category.

Most of BILT's major brands in this segment maintained their market shares. This includes Magna and Wisdom Print used for Notebook and Publishing segment, Sunshine Super Printing Paper which is used for offset printing and Three Aces Natural Shade Deluxe (T.A.NSD) for commercial printing.

COPIER

Copier is a forward integration of the uncoated wood-free paper segment. This includes maplitho paper cut in sizes with product characteristics that are best suited for desktop printing and copying.

This has been a fast growing segment over the last few years. In fact, the mill packed copier market in India grew by 15% during FY2015 to 748,000 MTPA. However, supply has also increased and there is intense competition with participation from all major players in the Indian paper industry. There are almost 40 brands at various price points.

With four major brands in the market — Copy Power, Image Copier, Ten on Ten and BILT Matrix — BILT remains positioned to maintain a strong presence in this segment.

CREAMWOVE

This is a high volume, low value product segment. In volume terms, it is by

far the largest segment in India. It is characterised by several producers, each with sub-optimal capacities, and a highly price sensitive market. This market is stagnant and is estimated at 1.6 million MTPA in FY2015. BILT has strategically maintained a minimal presence in this segment.

OPERATIONS IN INDIA

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

UNIT: BALLARPUR

At Ballarpur, total paper production reduced to 181,035 MT in FY2015 from 185,870 MT in FY2014. During FY2015, throughput from the new pulp mill with latest pulping technology comprising continuous digester and ECF bleaching process was stabilised with better controls on pulp quality and chemical consumption. This allowed ramping up of pulp production from this mill. Consequently, both Ballarpur and Ashti are now fully integrated with respect to hardwood pulp. Bleached pulp production was 160,099 ADMT in FY2015.

Better technology and process controls in operations resulted in improved pulp quality with consistent brightness and increased pulp strength resulting in better operational efficiencies of paper machines as well. On the product development front, Ballarpur successfully developed the following products:

- Development of MG Poster for Wax Match Stick.
- Development of High Strength MG Poster for surgical Hand gloves covers and envelops for Fast Food packaging.
- Successful trials for development of pigmented paper for tea bag pouches.
- Developed product for Cine Posters on Paper Machine-7 with improved wet tensile strength and Surface hydrophobicity.

Moreover, quality of the existing products were improved to keep an edge over competition.

- Brightness of TA ML NSD Premium and Sunshine Super Printing improved from 89% to 91%.

- Use of better tinting pigment chemistry to improve light fastness of paper.
- Improvement in printability of AR Grade Poster on Rotogravure Printing Process by reducing surface roughness.

As part of cost reduction initiatives, there was continued focus on energy and fibre conservation. Ash levels in paper were further optimised through incorporation of new process technologies.

Environment Management and Resource Conservation: Ballarpur

The mill continued to improve its water footprint by adopting efficient technologies and deploying 3-R (Reduce-Reuse-Recycle) methodology in water conservation. The effluent generation was far below the national norms of 100 m³/MT of product. Installation of the modernised pulp mill along with wash presses has resulted in significant reduction in specific water consumption.

Reductions in steam and power consumption were brought about through implementation of various energy conservation initiatives across the pulp and paper manufacturing process. Some of these include installation of VFDs, optimising old water pumps, installing efficient fan pump and centri-cleaner pumps and installation of steam condensate system.

As a result of these measures, steam consumption by paper machines per MT of paper produced was reduced by 12.5% and power consumption went down by 5.2% in FY2015 over FY2014. Also the coal consumption was reduced by around 10% by replacing it with black liquor biomass from the new Pulp Mill.

As part of technology upgrading for energy and environmental sustainability, advanced energy and resource efficient equipment have been incorporated in the new pulp mill such as Continuous Cooking Digester, Oxygen De-lignification system, ECF Bleaching and Single High Pressure Recovery Boiler, with all commensurate control systems.

Along with the modernisation of the pulp mill, the effluent treatment plant (ETP) at Ballarpur has also been upgraded with MBBR (Moving Bed Bio-film Reactor) and DAF (Dissolved Air Floatation) effluent treatment process technologies. These technologies, particularly DAF have significantly improved the final treated effluent quality including significant reduction in effluent colour and other parameters

which is a benchmark for the Indian industries.

Awards and Achievements: Ballarpur

- Energy Efficient Award 2014 from CII GBC Hyderabad for Excellence in Energy Management.
- First prize in Energy Conservation Award 2012–13 from Maharashtra Energy Development Agency, Pune (MEDA).

UNIT: BHIGWAN

Total production was marginally lower at 204,172 MT in FY2015 compared to 205,457 MT in FY2014. However, the pure volume of output was higher as larger quantities of lower grammage products were manufactured in FY2015 to meet the changing demand conditions.

On the product development front, the mill successfully developed light weight both side coated 42 gsm paper for flexible packaging and medical leaflet printing, interleaving uncoated 38 gsm for interleaving applications in printing plates and metal rolls, and 250 gsm and 285 gsm playing card board. These new products continue to significantly enhance BILT's product basket.

In addition, finishing losses were reduced by 0.4 percentage points.

Environment Management and Resource Conservation: Bhigwan

Resource conservation was taken up with renewed focus in the areas of downtime reduction, optimisation of wet end and coating chemicals, lower maintenance cost, increased manpower productivity and reduction of production losses. Fibre usage was brought down by increasing ash levels in paper and board and overall ash levels were increased in finished paper by 1% through incorporation of new process technologies.

Energy conservation activities carried out in the plant include installation of VFDs at different locations, reduction in energy through optimization of machine parameters and through logic modifications. Automatic on-off control system for air dryer blowers and various hydraulic power packs were also incorporated.

For conserving fresh water, the unit has invested in an RO (Reverse Osmosis) plant of capacity of 1,320 m³/day for recycling ETP treated water. Three units of CAAQMS (Continuous Ambient Air Quality Monitoring Station) were installed for better monitoring of ambient air

Environment Management and Resource Conservation: Ballarpur
As part of technology upgrading for energy and environmental sustainability, advanced energy and resource efficient equipment have been incorporated in the new pulp mill such as Continuous Cooking Digester, Oxygen De-lignification system, ECF Bleaching and Single High Pressure Recovery Boiler, with all commensurate control systems.

Environment Management and Resource Conservation: Ashti

The mill reduced energy consumption by 5%. Coal consumption decreased by improving boiler efficiency through adopting automation and control software. Power consumption reduced by 3%. Fibre consumption was optimised by adopting swollen starch technology.

emission at various locations within the premises.

Awards and Achievements: Bhigwan

- Finalist of RISI-PPI International Award 2014 in the categories of:
 - Water Efficiency.
 - Managing Risk and Safety.
 - Innovation in Sustainable Packaging.
- Winners of PPI International Award for Water Efficiency.

UNIT: SEWA

Sewa produced 45,786 MT of paper in FY2015 against 50,703 MT in FY2014. Captive bleached pulp production was 40,786 ADMT in FY2015 against 43,176 MT in FY2014.

The mill undertook several initiatives for quality improvement and new product development. New grades of paper developed includes Image Copier 65 gsm and Premium Copy Paper (TOT 80 gsm) to cater to the specific needs of the market. In addition, efforts were undertaken to reduce fibre consumption, which was brought down by 0.78% per MT of paper. This was achieved by improving the overall ash retention.

Environment Management and Resource Conservation: Sewa

Significant improvements were achieved in resources conservation including improvement in chemical recovery efficiency resulting in lower caustic consumption; installation of data transfer system for the Ambient Air Quality Monitoring Station; installation of online Effluent Quality Monitoring Station with facility of data transfer; installation of online data transfer system for stack emission. By stabilising the energy conservation turbine there has been a reduction in grid power by 0.3 MW.

In terms of environment protection, Unit Sewa has continuously ensured compliance with the norms laid down by State Pollution Control Board, Odisha. In addition, steps were taken to improve and modify / strengthen the treated effluent channel / line.

UNIT: ASHTI

Ashti produced 34,458 MT of paper in FY2015 against 37,134 MT produced in FY2014. On the product development front, Ashti successfully developed ultra-smooth copy paper in collaboration with Kodak for digital printing in two variants — 80 gsm and 100 gsm. The unit also developed two new export varieties of

copier paper with brand name Oyster and HD Gold. During FY2015, it implemented new process technologies to reduce refining energy, fibre consumption, chemical consumption and to improve paper quality.

Environment Management and Resource Conservation: Ashti

The mill reduced energy consumption by 5%. Coal consumption decreased by improving boiler efficiency through adopting automation and control software. Power consumption reduced by 3%. Fibre consumption was optimised by adopting swollen starch technology. Fibre losses from the plant have been further controlled by optimizing disc filter operations to reduce sludge generation and ETP load.

Awards and Achievements: Ashti

- Certified for Energy Management System ISO 50001:2011.

OFFICE SUPPLY AND STATIONERY BUSINESS

The Office Supply and Stationery Business (OSSB) offers a wide range of paper products — Value Added Papers (VAP) and Copier as well as an array of stationery items for offices and schools. In the VAP category, while the Company's flagship brand REB continued its market leadership in the premium business paper segment, the Matrix Multipurpose Paper category continued to enjoy remarkable market standing in multipurpose printing.

However, it must be noted that this is primarily a sales channel and there are products like copier paper, which the Company also directly sells to wholesalers. In fact, in FY2015, there has been a shift in copier paper sales to wholesale channels instead of the OSSB channel. This has had an adverse impact on revenues apart from the fact that most other products in the portfolio also had moderate growth in FY2015.

Consequently, after growing by a CAGR of over 25% for the last 5 years, the OSSB witnessed a drop in revenues in FY2015. However, even under difficult market conditions, BILT continued to maintain a strong market positioning with its flagship brands Royal Executive Bond (REB), 'Matrix', and 'Ten on Ten' doing well.

The rapid growth in the business in the last five years was achieved by leveraging the institutional strengths of BILT including in-depth consumer insights,

proven brand building capability, deep and wide distribution network, and its paper and packaging expertise.

OSSB's stationery business comprises supplies for executives as well as students. In the executive stationery segment, the market standing of the 'Matrix' brand has significantly improved by leveraging an innovative and exciting range of premium notebooks, enhanced brand building efforts, unwavering focus on quality, and a robust marketing and distribution network. 'Matrix' continued to maintain its leadership in the premium executive notebook segment despite witnessing competition from local and regional players with the introduction of identical me-too products.

In the student stationery segment, portfolio enrichment has been driven through the launch of 'Ten on Ten' and 'Matrix Junior' in new and attractive notebook cover designs. Their innovative, first-to-market designs, based on branding of popular children's characters like Dora, Sponge Bob, Barbie, Hot Wheels, Ben10, Mickey Mouse, etc. have created excitement among school-going children and thus, significantly enhanced the consumer franchise of the brands. During the year under review, 'Ten on Ten' registered impressive growth through its exciting product portfolio, school contact programmes and strong visibility drives at outlet levels, product development capabilities, responsive supply chain and strong distribution network.

The business continued to focus on its sales infrastructure to support large scale distribution as well as to improve reach and availability. The products are presently marketed across India through a well-established network of more than 300 distributors, reaching in excess of 40,000 retail outlets. OSSB also strengthened its export operations and supplied to developed and developing markets — even becoming a supplier to global retailers, like Coles and Office Depot.

Office products and student stationery segments in India continue to be on a long term growth path, driven by rising disposable income, evolving consumer preference, growing literacy and thrust in the education sector. OSSB is also well poised to drive its accelerated growth and seize opportunities by drawing upon its strong portfolio of Copier, VAP and Notebooks, collaborative linkages with small and medium enterprises, sales and distribution competencies and product development capabilities.

RETAIL: P3

P3 is a unique offering that successfully combines world class stationery merchandise, convenience of buying and price integrity and direct office sales. BILT continues to rapidly scale up this relatively new business line by primarily leveraging its robust product portfolio, strong and efficient delivery capability on a pan-India basis and its own heritage of paper and printing expertise.

Today, P3 has emerged as one of the leading players engaged in office product merchandising space by supplying an array of office product requirements directly to over 475 corporate customers spanning sectors like FMCG, Banking, Insurance, Health Care, Power, Automobiles, Metal, Consumer Durables, Aviation and Education.

Efforts in expanding its customer base and building an efficient supply chain have enabled P3 to stay on the growth trajectory. It has also been well supported with a wide portfolio of office products encapsulating categories like Copier, Specialty Paper, Office Stationery, Technology Products, Corporate Gifting and Print Services.

With its increasing customer base, growing understanding of consumer insights, a large and relevant portfolio and a responsive supply chain, the business is well poised to expand its footprint in B2B space and accelerate growth in the business.

MALAYSIA

SABAH FOREST INDUSTRIES SDN.BHD.(SFI)

During FY2015, SFI's production reduced to 83,198 MT of paper against 93,868 MT in FY2014. Out of this 16,391 MT of paper was exported.

SFI ramped up production from the upgraded Pulp Mill having continuous digester and ECF bleaching process. Production levels have reached around 80% capacity utilization. Total bleached pulp production was 118,260 ADMT in FY2015 against 145,828 ADMT in FY2014. Pulp production was also affected by the breakdown in the wood chipping facility between November 2014 and January 2015.

In line with the strategy of vertical integration across BILT's different entities, SFI exported 50,194 ADMT of sheeted pulp to BILT's paper manufacturing unit in India during FY2015. However, the quantity supplied to India in FY2015 was much lower than

Retail: P3

Today, P3 has emerged as one of the leading players engaged in office product merchandising space by supplying an array of office product requirements directly to over 475 corporate customers spanning sectors like FMCG, Banking, Insurance, Health Care, Power, Automobiles, Metal, Consumer Durables, Aviation and Education.

Environment Management and Resource Conservation: Shree Gopal

In terms of natural resource conservation, the unit optimised the usage of veneer waste in raw material furnish to reduce pressure on wood consumption. Bleached pulp yield improved by another 1.2%; and fibre consumption reduced by 6 kg/MT of paper.

the 63,367 ADMT supplied in FY2014. The shortfall was primarily due to lower production.

As part of the pulping process, optimisation initiatives were undertaken to improve quality and reduce costs. The main focus was to maintain consistent pulp quality including the use of chemical additives in the pulping processes. Also, as part of the resource conservation initiatives, SFI continues with the efforts to maintain consistent and higher ash levels in the paper by using new technologies for saving fibre consumption.

Environment Activities at SFI: Plantation

In FY2015, SFI planted trees across 2,469 hectares. Plant production from the plantation nursery continues with 20% material now sourced from own short-cut selected hybrid clones. To capture productivity improvements from additional available selected hybrid clones, additional capacity in the clonal multiplication area and conversion of a second greenhouse for misting is required in the FY2016. Although planting production was reduced, quality of plantation activities conducted received high priority. This will improve yield from the plantations in the long run.

SFI was awarded a compliance certificate by the Sabah Forestry Department and Verified Legal Compliance (VLC) certification for the established plantations in the Industrial Tree Plantation and Titled Land FMU's was also retained during FY2015.

Awards and Certifications: SFI

- Role Model Company 2014 Award by Industrial Training Institute, Kota Kinabalu, Malaysia.

SPECIALTY PAPER BUSINESS

The specialty paper business focuses on the industrial segment of the paper market that deals with specialised paper like bond paper. The assets of this business is directly under BILT and comprises the plant at Shree Gopal (Haryana), India.

UNIT: SHREE GOPAL

Paper production FY2015 at Shree Gopal was 59,190 MT (for the nine months period, July 2014–March 2015) — which was marginally lower on annualised basis compared to the 79,686 MT in FY2014. The lower production was primarily due to increasing demand for

lighter gsm papers and sluggish demand for specialty papers given continued low levels of growth in industrial activity in India during FY2015.

The mill undertook new product development and quality improvement initiatives to improve customer base, servicing and satisfaction. Some of these initiatives include:

- Developed BILT Classic Ultra and Ivory Board for retail market segment, High Bulk (more than 1.85) Nature shade in Super printing and new shades in REB (Natural Green, deep shades of Coral Pink and Aquas Blue), MMPP (Deep Shades of Blush Pink and Mystic Blue)
- Trials conducted at PM-4 for ASA sizing to produce alkaline sized paper with PCC as filler to improve the product quality
- New approach flow screen installed at PM-2 to improve paper cleanliness

Environment Management and Resource Conservation: Shree Gopal

Shree Gopal has continuously ensured compliance with the Corporate Responsibility for Environment Protection (CREP) norms and has achieved levels of treated effluent and boiler stacks emissions which are below those laid down by Haryana State Pollution Control Board. In terms of natural resource conservation, the unit optimised the usage of veneer waste in raw material furnish to reduce pressure on wood consumption. Bleached pulp yield improved by another 1.2%; and fibre consumption reduced by 6 kg/MT of paper. As a result of continued efforts to reduce the energy consumption in the plant, received First Prize in National Energy Conservation Award (Pulp & Paper sector) from Ministry of Power, Govt. of India.

Awards and Certifications: Shree Gopal

- First prize in National Energy Conservation Award (Pulp & Paper sector) from Ministry of Power, Government of India.

TISSUE & HYGIENE PRODUCT BUSINESS [PREMIER TISSUES (INDIA) LTD]

During FY2015, the tissue market continued its growth momentum and Premier Tissues held its leadership position in branded consumer tissue market despite entry of international players like SCA with their Tempo brand in India and increased aggressiveness of other major player APP (Brand Paseo)

During FY2015, Ptil has made inroads to the online retail grocery segment which is at a nascent stage. The company has bagged contracts with online grocery marketers. The overall contribution of sales from modern trade was at a healthy 32%.

setting up local converting facility. Both these global competitors are gaining momentum with high quality products at extremely competitive prices.

The market has also seen increased consumer awareness because of the exposure to superior and high quality products. Ptil is holding to its strength with increased focus on servicing retail and modern trade channels, and by introduction of some new high quality, innovative products made from imported tissue.

During FY2015, Ptil has made inroads to the online retail grocery segment which is at a nascent stage. The company has bagged contracts with online grocery marketers. The overall contribution of sales from modern trade was at a healthy 32%.

During FY2015, major initiatives have been taken in manufacturing to increase productivity. There have been further investments in packaging mechanisation and in introducing three shift operations in converting to support the growth momentum. The business will need further investments in next financial year.

RAYON GRADE PULP BUSINESS

The India-based pulp business operates out of facilities at Kamalapuram, in the district of Warangal in Telengana. It mainly produces rayon grade pulp for manufacture of VSF and VSY. In India, this is the only Rayon Grade market pulp plant. The market has been under pressure for nearly three years now. During FY2015, increased supply relative to demand further depressed international market prices. This happened due to:

- Continued supply build-up of capacity mainly in China.
- Imposition of safeguard duty on North and South American suppliers by China that resulted in these players flooding other markets
- Regular availability of stock lots at deep discounts

Production in FY2015 was nil compared to 57,053 MT in FY2014. The primary reason was due to suspension of operations at the unit since May 2014, which was necessitated by market factors.

The management is working on multiple options, including exploring other products and market segments, while keeping an eye on the prevailing situation in rayon grade pulp market. The unit can, as an alternative, manufacture

paper grade pulp, which has a domestic market. To make the unit viable, the Company has given representation to the State Government for certain subsidies on inputs and power for restarting manufacturing activity. The representation is under active consideration of the Government of Telengana.

HUMAN RESOURCES

BILT's Human Resource (HR) agenda for FY2015 largely focused on developing leaders as well as on building the organisational capabilities for both current needs and future readiness. In addition, the Company's endeavour is to provide a work environment which fosters new ideas and respect for all in line with the Avantha values.

During FY2015, HR helped build a robust and diverse pipeline to fill the gaps in key positions for ensuring flawless business delivery. It will continue to focus on attracting, retaining and developing the talent for sustained business achievements.

The growth journey of employees through the 'Training and Development' initiative has gone in the right direction and the Company continues to invest in their development through a focused approach. The training agenda has a good blend of soft skills, behavioural, leadership, and functional programs covering a variety of areas with a view to achieve talent excellence. The training programs are conducted in various plant and corporate locations and have received good feedback from the participants.

Leadership Assessment and Development was undertaken successfully during the year and Individual Development Plans (IDP's) based on one-on-one discussions has been institutionalised for management action. These IDP's integrate powerful feedback to the individual along with employee involvement for career planning and development agenda for action. The interventions taken through these IDP's allows HR to have a robust people plan to guide the Company not just for immediate performance, but to also ensure that it is future ready with quality leadership pool.

'Coffee Sessions' of skip levels with the MD and CEO continue to be an effective platform for upward feedback apart from facilitation for self and professional development. It also facilitates sharing of ideas for business success.

As part of continuous improvement efforts, BILT works to rationalize manpower with a view to 'Right Size / Smart Size' the organization for improving the overall productivity.

The Company's Performance Management System continues to support consistent and transparent assessment of talent across the organisation. It drives a performance-focused culture for linkage between performance and reward, facilitates career dialoguing for career development, and strengthens development efforts for personal and professional enrichment.

Industrial relations continue to be peaceful in all the plant locations. At the end of FY2015, BILT had 1,521 permanent employees on its rolls. During FY2015, the Company undertook a 3 year wage settlement with the workers at Ballarpur, which has added to operating costs.

INFORMATION TECHNOLOGY (IT)

FY2015 saw some significant steps taken by IT in BILT. It started with roll-out of ERP for sales and production which replaced an ageing Manufacturing Execution System. It was a part of the larger process that started last year for Malaysia operations; after stabilisation in Malaysia, the ERP roll-outs were completed for four Indian manufacturing units. This has not only reduced the risk of the organisation working on an old system but also brought several new functionalities to improve the productivity of employees, interaction with customers and real time visibility of production line. In addition, new dashboards for sales and production were put in place so that teams can take more informed decisions. A host of applications and IT infrastructure were upgraded last year, including all plants having extensive Local Area Networks and end user infrastructure.

To keep tighter financial controls, automation measures like implementing repairs and maintenance expense monitoring, deploying system driven employee reimbursements as well as claims were completed last year. In addition, there were several tactical automation and analytics initiatives that got implemented in sales and marketing, HR, finance & accounting and production.

FARM FORESTRY

Through its subsidiary, BILT Tree Tech Limited (BTTL), the Company continues to work with the farming community to plant tree species that are suitable for pulpwood. With activities spanning over a decade, there are thousands of farmers today who are associated with BTTL's farm forestry programme. BTTL has a strong network of qualified forestry staff to motivate the farmers and provide service support at their doorstep. BTTL is currently operating its farm forestry programme in the states of Odisha, Madhya Pradesh, Chhattisgarh, Andhra Pradesh, Telengana, Maharashtra and Uttar Pradesh.

To strengthen the programme and increase its acceptability among farmers, especially among tribal communities in the catchment areas of its mills, BTTL supplies fast growing, site specific quality planting stock with technical know-how. It has environmentally controlled global standard nurseries in Maharashtra and Odisha with a capacity to produce 20 million clonal plants of eucalyptus and casuarina saplings. It also supplies quality seedlings of leucaena (subabul) in Andhra Pradesh and Maharashtra, casuarina in Andhra Pradesh and the Odisha Coast and acacia in Odisha.

The production programme is supported by strong R&D to improve the genetic stock of planting material to yield more productivity. BTTL has formed research collaborations with premier Indian research institutes like Institute of Forest Genetics and Tree Breeding (IFGTB), Coimbatore, and the Forest Research Institute (FRI), Dehradun. It is also collaborating with scientists from South Africa for its eucalyptus tree breeding programme.

BTTL also facilitates financial assistance for small and marginal farmers through bank loans to encourage them to take up plantations in their rain fed fallow lands. It gives assured buy back of wood at a declared support / market price, whichever is higher.

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

In FY2015, BTTL raised pulpwood plantations in approximately 10,000 hectares (25,000 acres) of farmland — thus benefiting 12,000–15,000 small and marginal farmers in the catchment area of BILT's paper mill units.

FINANCIAL REVIEW

Table 1 gives the salient points of the financial performance of the Company, on a consolidated basis for 9 months.

Net Sales for FY2015 was Rs. 3,625.92 crore, while EBIDTA was Rs. 590.30 crore. Net loss for the year after minority interest was Rs. 21.35 crore. The Company declared a dividend of 10% amounting to Rs. 0.20 per share.

In an important development in line with the goal of The Company to deleverage its balance sheet, BILT successfully secured a US\$100 million equity investment from International Finance Corporation (IFC) in its subsidiary, Bilt Paper B.V. The investment was done against allocation of fresh shares and subsequent to this, IFC holds 14.29% in Bilt Paper B.V.

INTERNAL CONTROLS AND THEIR ADEQUACY

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

The internal controls are designed to ensure that financial and other records are reliable for preparing financial information and for maintaining accountability of assets. A Board approved delegation of authority matrix has been adopted which defines the financial powers of different officials of the company.

In an IT driven networked environment, validation of ERP functioning and IT security continue to receive focused attention from the management. Internal audit is performed by an in-house team, which consists of chartered accountants, certified information system auditors, certified fraud examiners and certified internal auditors. The Company's internal audit department is ISO 9001:2008 certified. It has been assessed to

	FY2015	FY2014
Net Sales	3,625.92	4,020.40
Other Operating Income	60.86	56.59
Income from Operations	3,686.78	4,076.99
EBIDTA	590.30	713.44
Depreciation	338.09	345.97
EBIT	252.21	367.47
Interest	312.05	326.62
PBT	-59.84	40.85
Exceptional Item	2.55	-
Tax (net of MAT entitlement credit)	-15.49	-19.65
PAT	-46.90	60.50
Minority Interest	-25.55	11.20
PAT (after minority interest)	-21.35	49.30

conform to international standards and code of ethics by the Institute of Internal Auditors (IIA), USA.

BILT has adopted preventive as well as detective audit approaches to identify gaps, if any, and implements requisite corrective measures to strengthen the control environment. The Company has a pre-audit system as an effective preventive control apparatus which covers cash payments and major contracts at all the locations.

Internal audit is focused on regular system audits which primarily includes process audits, which are performed on the basis of an annual risk based audit plan. All high risk and critical processes are covered once in a year across all units and locations, which include raw material, quality assurance, general procurement, inventory management, overtime, contracts, operations, exports, imports and warehousing workings. To avoid duplicity and ensure effective utilization of internal audit resources, internal audit is not involved in the areas covered by statutory auditors. BILT has adopted the group risk management policy. Accordingly all operational processes are duly covered to assess the risk level. Business risks are assessed by operational management and steps are taken for the minimization of the same.

Transaction level risk assessment studies of all operations across all units have been conducted by the internal audit department. Annual audit plans are prepared at the beginning of the year, specifying areas to be covered and the timing thereof, and vetted by the Board's Audit Committee. Quarterly Management Information System of progress on the

annual audit plan is submitted to the management and the Board.

RISKS

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

■ First, in developed countries, with the penetration of the internet for many end uses, paper is getting substituted. While such a trend is not expected to be seen in BILT's primary markets of India and South East Asia in the near future, it needs stating that internet and the World Wide Web are key risks to the paper industry

■ Second, paper production at BILT still is wood based. With forest depletion and restrictions, there is always the risk of unavailability of the right raw materials given the growth plans of the Company. BILT has been continuously hedging against this risk with its initiatives in farm forestry and development of alternate sources

■ Third, India has witnessed large capacity expansion across all paper segments, but mainly uncoated wood-free. There will be intense competition to penetrate markets with products from these newly installed capacities. Thus, there is an increasing risk of having to face market pressures in an industry already characterised by over-supply. BILT has been proactively pre-empting this risk and its businesses strategy is geared to overcome this challenge

■ Fourth, in order to build scale and have appropriate capacities to demand conditions, the Company has raised capital. A large portion of this is debt

and the Company has high levels of financial leverage. This, in turn, has risk implications in terms of interest payments, periodic paybacks and general financial stability

CAUTIONARY STATEMENT

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

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman
DIN 00012289

B. HARIHARAN

Group Director (Finance)
DIN 00012432

Date 26 May, 2015

Place New Delhi

04

CORPORATE SOCIAL RESPONSIBILITY

COMMUNITY INITIATIVES

At the Avantha Group, CSR is linked to the way we conduct our business. We believe that business sustainability is connected to the sustainable development of the communities we live and work with and the environment in which we operate. CSR is planned as a long term intervention taking into account people's aspirations and expectations. All our projects are centred on Sustainable Development and are implemented through thematic areas such as Livelihood Creation, Education, Health, Management of Natural Resources & the Preservation of the Environment.

LIVELIHOOD CREATION

Livelihood interventions are implemented at the farm level for communities that are predominantly agrarian and through vocational education and skill building for youth to give them access to better job markets. Some of our successes are in the area of improved agricultural practices, animal husbandry and poultry that substantially augment incomes of farmers and take them from subsistence to surplus. Youth are trained for new age jobs in the service sector.

WOMEN EMPOWERMENT

The BILT CSR programmes have brought women, who have traditionally been neglected and excluded from the development process, into the centre stage of the decision-making and made them agents of change in their own communities. Formation of Self Help Groups, Credit Co-operative Society helping a large number of women to gain

financial independence through micro enterprise ventures has been the key highlight.

EDUCATION FOR THE UNDERPRIVILEGED

Education is a critical component of any development programme. BILT's CSR programmes focus on the improving the levels of learning in children in the age group of 6 to 14 years. This is done through bridge programmes that get children back into schools, remedial education programmes that prevent children from dropping out and Libraries that encourage children to read and retain their interest in education. In addition, the group companies run some innovative programmes like the 'Mobile Computer Literacy' programme that delivers computer education through busses to school in far flung areas.

COMMUNITY-BASED HEALTH INTERVENTION

Bilt's collaborative health intervention programme involves both awareness and prevention. These projects help augment government medical services at the grass-roots through village health workers. A focus on Maternal and Child health issues has ensured that this critical issue is addressed at the right time. The availability of health providers at the doorstep gives timely help to communities on their minor health issues and better awareness regarding diseases and their prevention. Thematic health camps are held regularly for communities

HIV/AIDS PREVENTION

The HIV/AIDS awareness and prevention programme covers employees, their families, community members and high-risk groups such as truckers and transporters who work with the group companies. The HIV/AIDS awareness programme has reached over 200,000 people at the workplace and in the communities. Around 300 employees and over 400 community volunteers are actively involved in spreading awareness about the disease. Bilt along with Avantha Foundation runs two ART centres that cater to the needs of people living with HIV/AIDS in 'Public Private Partnership' with NACO which is the apex government body set up for prevention and control of the disease.

NATURAL RESOURCES MANAGEMENT & PRESERVATION OF ENVIRONMENT

Responsiveness towards a cleaner and safer environment is an important commitment that includes ensuring proper management and regeneration of water, waste management & preservation and conservation of rain forests. We have undertaken participatory water management initiatives that involves rehabilitation & restoration of the traditional water harvesting structures and also enabling the communities to use water efficiently for the various agricultural practices.

WAY FORWARD

At Bilt, we continue our commitment to work with a range of stakeholders to create values for the participating communities. We shall take up



some more projects / activities in the areas of Livelihood Enhancement / Natural Resources Management collaboration with the government that can be replicated at a scale in similar geographies / communities.

1 IMPROVED PADDY CULTIVATION
Towards Food Security,
Koraput District, Odisha

2 IMPROVED PADDY CULTIVATION
Towards Food Security,
Koraput District, Odisha

3 PREVENTIVE HEALTH CARE
Community Based Monitoring
of the infants,
Chandrapur District, Maharashtra

4 PREVENTIVE HEALTH CARE
Community Based Monitoring
of the infants,
Gadchiroli District, Maharashtra

**5 RESTORATION OF WATER
HARVESTING STRUCTURE**
Before Intervention,
Pune District, Maharashtra

**6 RESTORATION OF WATER
HARVESTING STRUCTURE**
After Intervention,
Pune District, Maharashtra

CORPORATE GOVERNANCE

NOTE: For all information pertaining to this report, the financial year 2014–2015 refers to nine month period from 1 July, 2014 to 31 March, 2015.

CORPORATE GOVERNANCE PHILOSOPHY

Ballarpur Industries Limited ('the Company' or 'BILT') has always been a responsible corporate citizen adhering to sustainable business practices that are tuned to long term value creation. To fulfil this objective, it is important to adhere to a strong set of values and continuously engage with all its stakeholders including shareholders, customers, partners, employees and the society at large. The Company's corporate governance systems are structured to deliver these goals. It provides the fundamental systems, processes and principles that promote objective decision making, performance based management and a corporate culture that is characterized by integrity and fairness in all dealings. Critical to this, is the high degree of transparency in disclosures across all levels of stakeholder engagement, which are periodically done while maintaining the importance of reserving competitive information from being disseminated. In this endeavor, BILT is led by a strong and independent Board of Directors providing the Company strong oversight and strategic counsel. The Company has well established systems and procedures to ensure that the Board remains well-informed and well-equipped to fulfil its governance responsibilities and provide management with the strategic direction required to create long-term shareholder value.

The corporate secretarial department and the internal audit function of the Company are ISO 9001:2008 certified and

remain committed to adopting best-in-class practices of corporate governance and internal controls. In FY2015, as BILT focused on executing its well crafted business plans, the Company remained focussed on regular monitoring of strategic issues and risk management, which included both evaluation and mitigation.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the Listing Agreement with the Stock Exchanges. BILT remains committed to maintaining strict compliance with the letter and spirit of Clause 49.

This chapter, along with the chapters on Management Discussion & Analysis and Additional Shareholders' Information, reports BILT's compliance with Clause 49.

BOARD OF DIRECTORS COMPOSITION

As on 31 March, 2015, the Company had eight members on the Board of Directors. The Board comprises a non-executive Chairman, Mr. Gautam Thapar, who is a Member of the Promoter Group; one executive director — Mr. B. Hariharan, who is Group Director — Finance; four Non Executive Independent Directors including Mr. Sanjay Labroo, Mr. A. S. Dulat, Mr. Ashish Guha and Ms. Nandini Adya; and two non-independent non-executive Directors including Mr. R. R. Vederah — non-Executive Vice Chairman, an ex-employee and Mr. A. P. Singh

{Nominee Director of the Life Insurance Corporation of India (LIC)}. All the Directors are eminent personalities and experienced professionals in business, law, finance and corporate management. The composition of the Board of the Company is in conformity with Clause 49 of the Listing Agreement. **Table 1** gives the details of the Directors on the Board. None of the Directors of the Company are related to each other.

The Independent Directors meet the criteria of Clause 49(II)(B)(1) of the Listing Agreement entered into with the Stock Exchanges and Section 149(6) of the Companies Act, 2013.

BOARD MEETINGS

There were three Board Meetings held in the financial year 2014-15 (1 July, 2014-31 March, 2015): 27 August, 2014, 11 November, 2014 and 5 February, 2015. The Board of Directors of the Company is provided with all the statutory and other significant and material information to enable it to discharge its responsibilities as trustees of the Shareholders.

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

and companies incorporated outside India.

The Board meetings calendar of the Company is scheduled in advance and appropriate notice is being served for convening Board meetings. Although the Directors are familiar with the operations of the Company, the Company arranges plant visit, presentation on different operation's function by functional heads from time to time which further provides better insight to the Board on the Company's operations and interaction with the management.

The Board regularly discuss & review the Company's strategy, risks and opportunities, management reports, operational & financial performance, annual budget, compliance, internal control systems etc. besides other agenda items.

INDEPENDENT DIRECTORS' MEETING

A meeting of the Independent Directors was held on 26 May, 2015 to discuss the current strategic and operational position of the Company, assess information flows from Management to the Board and performance evaluation of the Board and Chairman.

DIRECTORS' COMPENSATION

The Directors are paid compensation, as approved by the Board and Shareholders within the ceilings prescribed under the Companies Act, 1956 / Companies Act, 2013.

The Executive Director of the Company is paid salary, perquisites and other retiral benefits. The Non Executive Directors are paid sitting fees for attending meetings of the Board and its Committees and profit related commission, if any. In addition, the Chairman of the Audit Committee and the Stakeholders Relationship Committee are paid a variable component, over and above the aforesaid normal commission, for their guidance, expertise and valuable contribution.

The Shareholders, at the 66th Annual General Meeting held on 16 December, 2011, approved payment of remuneration by way of commission and/or other means to the Non Executive Directors including Independent Directors of the Company (as a percentage of profits or otherwise, prescribed from time to time), in addition to fees for attending the meetings of the Board of Directors and/or duly authorised Committees thereof, for each of the five financial years commencing from 1 July, 2011 as may be permitted pursuant to Section 309 & any other applicable provisions, if any, of the Companies Act, 1956 (or other equally applicable provisions). The remuneration paid/payable to the Directors for the financial year 2014-2015 is given in **Table 2**.

NON EXECUTIVE DIRECTORS' SHAREHOLDING

As on 31 March, 2015, Mr. Gautam Thapar held 1,161,216 Equity

TABLE 1 DETAILS OF THE BOARD

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

*Committees included are Audit and Stakeholders Relationship Committee.

[#]69th Annual General Meeting held on 19 December, 2014.

[®]Appointed as an additional Independent Director on 11 November, 2014 & appointed by Shareholders as an Independent Director at the AGM held on 19 December, 2014.

TABLE 2 DETAILS OF REMUNERATION OF THE DIRECTORS
AMOUNT IN RS.

NAME OF THE DIRECTORS	SALARY AND PERQUISITES	PROVIDENT FUND AND SUPERANNUATION FUND	COMMISSION PAYABLE	SITTING FEES	TOTAL
Mr. Gautam Thapar	-	-	-	60,000	60,000
Mr. R. R. Vederah	-	-	-	60,000	60,000
Mr. B. Hariharan	4,554,268	1,229,652	-	-	5,783,920
Mr. Sanjay Labroo	-	-	-	40,000	40,000
Mr. A. S. Dulat	-	-	-	100,000	100,000
Mr. Ashish Guha	-	-	-	80,000	80,000
Mr. A. P. Singh	-	-	-	120,000	120,000
Ms. Nandini Adya ^a	-	-	-	40,000	40,000

^aAppointed as an additional Director on 11 November, 2014

TABLE 3 COMPOSITION OF BOARD-LEVEL COMMITTEES

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

*Resigned as Member on 5 February, 2015 and had attended all meetings.

[#] Appointed as a Member w.e.f. 11 November, 2014. The first meeting under his tenure was held on 5 February, 2015.

Shares and Mr. Sanjay Labroo held 495,802 Equity Shares in the Company. The Company has not issued any convertible instrument to any Non Executive Director.

CODE OF CONDUCT

The Company has a Code of Conduct for its Directors and designated senior management personnel. The Code of Conduct is available on the website of the Company (www.bilt.com). All Board members and designated senior management personnel have affirmed compliance with the Code of Conduct for the financial year 2014–2015. A declaration signed by Mr. Anup Kansal, Chief Executive Officer to this effect is annexed to this Report.

COMMITTEES OF THE BOARD

The composition of BILT's Audit Committee, Nomination and

Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Risk Management Committee as on 31 March, 2015 are given in **Table 3**.

Apart from the above, BILT also has other Board level committees to manage the day to day decisions pertaining to operations / business of the Company. All decisions pertaining to the mandate of these Committees and appointment of members are taken by the Board of Directors.

AUDIT COMMITTEE

During the year, the Committee met three times: 27 August, 2014, 11 November, 2014 and 5 February, 2015. The attendance record is given in **Table 4**. All members had attended all meetings, as held during their tenure.

All members of the Audit Committee have accounting and financial management expertise. The Committee

acts as a link between the Management, Auditors and the Board of Directors of the Company and has full access to financial information. The Company Secretary of the Company acted as the Secretary to the Committee. The Non Executive Vice Chairman, Chief Executive Officer, Head of Internal Audit, other relevant officials of the Company and the representatives of the Statutory Auditors had attended the meeting(s) as invitees, whenever required.

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

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. B. Hariharan*	Member	3
Mr. A. S. Dulat	Chairman	3
Mr. A. P. Singh	Member	3
Mr. Ashish Guha**	Member	1

*upto 5 February, 2015 | **from 11 November, 2014

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

NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the Committee, with the composition as provided in **Table 3** with the mandate in compliance the requirements of the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement with Stock Exchanges. The Committee has formulated criteria and policy for the identification / appointment / removal of directors, key managerial personnel & senior management, their remuneration and evaluation. An excerpt of the said policy is annexed herewith.

RISK MANAGEMENT COMMITTEE

The Board had constituted the Committee to understand and assess various kinds of risks associated with the running of business and suggesting / implementing ways and means for eliminating / minimising risks to the business of the Company and periodic review of the management control procedures / tools used to mitigate such risks.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Stakeholders Relationship Committee (earlier known as Investors' / Shareholders' Grievance Committee), details of which are given under the Section 'Shareholders' in this Report.

A meeting was held on 1 May, 2015 and was attended by all its members.

During the financial year ended 31 March, 2015, 6 complaints were received from the Investors / Shareholders and all of them were redressed / resolved.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has constituted the

Committee, with the composition as provided in **Table 3** with the mandate in compliance the requirements of the provisions of the Companies Act 2013. The Committee has formulated and recommend to the Board, a Corporate Social Responsibility Policy to indicate the activities to be undertaken by the company, amount to be spent and shall monitor from time to time.

MANAGEMENT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

DISCLOSURES OF MATERIAL TRANSACTIONS

Considering the size and nature of operations, there were no related party transactions of a materially significant nature in terms of the Listing Agreement with Stock Exchanges that could have a potential conflict with the interests of the Company at large. Other related party transactions, which were in ordinary course of business and on arm's length basis, are provided in the financial statements.

ACCOUNTING POLICIES

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

INSIDER TRADING

In compliance with the SEBI regulations on prevention of insider trading, the Company has a Code on Insider Trading for its Directors, Management and Designated Executives. The Code lays down guidelines, which advise them on procedures to be followed and disclosures to be made, while dealing in securities of the Company.

SHAREHOLDERS

DISCLOSURE REGARDING APPOINTMENT AND / OR RE-APPOINTMENT

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

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, all Independent Directors of the Company were appointed for a period of five years at the last Annual General Meeting of the Company held on 19 December, 2014.

A brief profile of Mr. Gautam Thapar is given hereunder.

Mr. Thapar, aged 54 years, is Founder and Chairman of India's foremost diversified corporation, the Avantha Group. The Avantha Group is one of India's leading business conglomerates. Its successful entities in diversified sectors include Crompton Greaves (power transmission and distribution equipment and services), BILT (paper and pulp), The Global Green Company Limited (food processing), Biltech Building Elements Limited (infrastructure), Avantha Power (energy), Avantha Business Solutions Limited (IT and ITES), Jg Glass (glass containers) and Avantha Ergo Life Insurance. With a global footprint, the Group operates in 90 countries with more than 25,000 employees worldwide.

He began his education at the prestigious Doon School, where he imbibed a liberal education based on the ideals of secularism, discipline and equality. After studying chemical engineering in the U.S.A., he returned to India and started his career as a factory assistant in one of the organisation's manufacturing companies. He rose steadily and steered the organisation through a strategic and visionary turnaround, involving resilience and restructuring, ensuring that the Group

DETAILS OF OTHER DIRECTORSHIPS AND MEMBERSHIPS OF COMMITTEES OF BOARDS

DIRECTORSHIPS IN OTHER PUBLIC LIMITED COMPANIES	COMMITTEE MEMBERSHIP / CHAIRMANSHIP	
	AUDIT	STAKEHOLDERS RELATIONSHIP COMMITTEE
Aashi India Glass Limited	Member	-
Avantha Business Solutions Limited	-	-
Avantha Ergo Life Insurance Company Limited	-	-
Avantha Holdings Limited	-	-
Bilt Tree Tech Limited	-	-
Crompton Greaves Limited	-	Chairman
Global Green Company Limited	-	-
Lavasa Corporation Limited	-	-

DETAILS OF GENERAL MEETINGS HELD DURING THE LAST THREE YEARS

YEAR	CATEGORY	DESIGNATION	DATE
2012	AGM	P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra	18 December, 2012
2013	AGM	P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra	12 December, 2013
2014	AGM	P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra	19 December, 2014

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

attained dominant status in key operating sectors.

Mr. Thapar became Group Chairman on 1 July, 2006. He sits on the boards of various companies in India and overseas. In 2008, he received the Ernst & Young Entrepreneur of the Year Award for manufacturing.

Mr. Thapar is widely recognized and acknowledged for his thought leadership. He has been appointed Board Member of the National Security Advisory Board, a key component of the National Security Council of India, the apex agency looking into the nation's political, economic, energy and strategic security concerns.

Keen on giving back to society, Mr. Thapar takes his social responsibilities very seriously. This is manifested in his involvement across three sectors: education, leadership development and sports. He is President of Thapar University, one of the top ten technical schools in India, and Chairman of the Board of Governors, National Institute of Industrial Engineering (NITIE). He is Chairman of The Ananta Aspen Centre, which aims to internationalise India's business, political and cultural leadership, Chairman of the CII-Avantha Center for Competitiveness for SMEs, and is Past President of All India Management Association (AIMA), the

apex body of professional management in India. He was awarded AIMA Honorary Life Fellowship in February 2013. He also takes an avid interest in promoting golf, and is President of the Professional Golf Tour of India (PGTI). In July 2013, King's College, London conferred an Honorary Fellowship in recognition of his 'exceptional achievements in the fields of industry and philanthropy'.

Details of his directorships and memberships of committees of boards are given in **Table 5**.

COMMUNICATION TO SHAREHOLDERS

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

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

will be happy to provide the same upon request.

The financial results of the Company are usually published in The Financial Express (all editions) & Loksatta (Nagpur: Marathi edition) and are simultaneously uploaded on the Company's website (www.bilt.com). The Company also sends the results and announcements to the Luxembourg Stock Exchange for the benefit of the GDS holders.

GENERAL BODY MEETINGS

Table 6 gives the details of General Meetings, held in the last three years. The following Special Resolutions were taken up in the previous AGMs and approved by Shareholders with requisite majority.

2012

Re-appointment of Mr. R. R. Vederah as Managing Director & Executive Vice Chairman and approval for payment of remuneration w.e.f 1 July, 2012 for a period of 2 years, not liable to retire by rotation.

2013

Approval for borrowings under Section 180(1)(c) of the Companies Act, 2013.

2014

- Offer, issue and allot, in one or more tranches, upto 2.50 crore Cumulative Non-Convertible Compulsorily Redeemable Preference Shares of the face value of Rs. 100 each for cash at par or at a premium aggregating upto a nominal value of Rs. 250.00 crores on a private placement basis.
- Offer, issue and allot secured and/or unsecured redeemable Non-convertible Debentures (NCDs), in one or more series/tranches upto an aggregate amount of Rs. 250.00 crores, on a private placement basis.
- Mortgage and /or charge, in addition to the mortgages /charges created / to be created by the Company, amounting in aggregate to a sum not exceeding the paid-up Share Capital of the Company and its free reserves by Rs. 1,600 crores on all or any of the movable and/or immovable properties of the Company. The said limit remained unchanged, as approved by the Members at the Extraordinary General Meeting held on 7 November, 2001 by an ordinary resolution.

POSTAL BALLOT

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

CAPITAL MARKET COMPLIANCE

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

UNCLAIMED SHARES

The Company has completed the process of intimation to shareholders, as per Clause 5A of the Listing Agreement with Stock Exchanges, for unclaimed shares for transfer in the Unclaimed Suspense Account. The Company is in the process of transferring unclaimed shares to a separate dematerialised account viz. Unclaimed Suspense Account and voting rights shall be suspended thereon. The rightful members would be entitled to claim their shares from the Unclaimed Suspense Account after submission of the requisite documentary proof of their identity to the Company.

GOVERNANCE OF SUBSIDIARIES

The subsidiaries of the Company are

managed by an experienced Board of Directors. The minutes of the subsidiaries are reviewed by the Board of Directors of the Company on a regular basis. In compliance with Clause 49 of the Listing Agreement, Ms. Nandini Adya, Independent Director of the Company is a Director on the Board of Directors of BILT Graphic Paper Products Limited (BGPPL), a material non-listed Indian subsidiary.

CEO/CFO CERTIFICATION

The Group Director (Finance) and Chief Executive Officer have certified to the Board with respect to the financial statements, internal controls and other matters, as required by Clause 49 of the Listing Agreement with Stock Exchanges.

REPORT ON CORPORATE GOVERNANCE

This chapter, read with the information given in the section titled Additional Shareholders' Information, constitutes the compliance report on Corporate Governance for the FY2014-15.

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

The Company has obtained a certificate from the Statutory Auditors of the Company regarding compliance of conditions of Corporate Governance for the FY2014-15, as prescribed by Clause 49 of the Listing Agreement with Stock Exchanges, which is attached herewith.

ADDITIONAL SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING

Date 30 September, 2015

Time 12:00 noon

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

FINANCIAL CALENDAR 2015-16

Financial year April-March.

Financial results Normally within 45 days of end of the Quarter, except last Quarter and audited annual results which shall be published within 60 days.

BOOK CLOSURE

The dates of book closure are from 24 September, 2015 to 30 September, 2015, both days inclusive.

UNCLAIMED DIVIDENDS

Dividends pertaining to the financial years 2007-08 onwards, as detailed in **Table 7**, which remain unclaimed and

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

UNCLAIMED BUY BACK CONSIDERATION

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

LISTING DETAILS

At present, the Equity Shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in India. The annual listing fee for the financial year 2014-15 has been paid to both the Stock Exchanges. The Company's stock codes at various exchanges are given in **Table 8**. **Table 9** gives the details of monthly price and volumes traded of BILT's shares at the BSE and the NSE, while **Charts A and B** compare the price movements of BILT's share with respect to the BSE SENSEX and the NSE NIFTY, respectively.

NON CONVERTIBLE DEBENTURES (NCDs)

The unsecured NCDs of Rs. 250 Crores are in dematerialized form and are listed on BSE Limited. These NCDs were rated as A+(ind) with stable outlook by India ratings (FITCH group). As on date of this Report, NCDs of Rs. 50 Crore are outstanding. The Company had raised Rs. 150 Crores by private placement of Secured redeemable non-convertible debentures (NCDs) of face value of Rs. 10 lac each in 2014. These NCDs are rated as A+(ind) with stable outlook by India ratings (FITCH group) which are in dematerialised form and listed on BSE Limited. As on the date of this Report, the same are outstanding.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent for the Equity Shares, both in physical and electronic form and NCDs of the Company is:
M/s. RCMC Share Registry (P) Limited
B-25/1, First Floor, Okhla Industrial Area,
Phase II, New Delhi-110020
Tel +91 11 26387320, 26387321,

TABLE 7 UNCLAIMED DIVIDENDS

DATE OF DECLARATION OF DIVIDEND	DIVIDEND FOR THE FINANCIAL YEAR	TENTATIVE SCHEDULE FOR TRANSFER TO IEPF
2 December, 2008	2007-08	December 2015
18 December, 2009	2008-09	January 2017
1 December, 2010	2009-10	December 2017
16 December, 2011	2010-11	January 2019
18 December, 2012	2011-12	January 2020
12 December, 2013	2012-13	January 2021
19 December, 2014	2013-14	January 2022

TABLE 8 BILT'S STOCK CODES

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

26387323
Fax +91 11 26387322

SHARE TRANSFER SYSTEM

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

DEMATERIALISATION OF SHARES

The Equity Shares of the Company are compulsorily traded on the Stock Exchanges, only in dematerialised form and are available for holding in the depository systems of National Securities Depository Limited and Central Depository Services (India) Limited. As on 31 March, 2015, 98.45 percent of the total Equity Shares of the Company were held in dematerialised form, as compared to 98.42 percent last year.

OUTSTANDING GLOBAL DEPOSITARY SHARES (GDS)

As on 31 March, 2015, there were 41 outstanding GDS which represent 123 underlying equity shares.

DISTRIBUTION OF SHAREHOLDING

Tables 10 and 11 give the distribution of shareholding of the equity shares of the Company by size and ownership as on 31 March, 2015.

REGISTERED OFFICE

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

PLANT LOCATIONS

UNIT SHREE GOPAL
P.O. Yamunanagar, Distt. Yamunanagar,
Haryana – 135001

UNIT KAMALAPURAM

Mangapet Mandal, Distt. Warangal –
506172, Telangana

ADDRESS FOR CORRESPONDENCE

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

Corporate Secretarial Department,
Ballarpur Industries Limited, First India
Place, Tower-C, Block-A, Sushant Lok-1,
Mehrauli-Gurgaon Road, Gurgaon –
122002.

Tel +91 124 2804242 / 43
Tel +91 124 4099208
Fax +91 124 2804261
Email sectdiv@bilt.com

For and on behalf of the Board of Directors

GAUTAM THAPAR
Chairman
DIN 00012289

B. HARIHARAN
Group Director (Finance)
DIN 00012432

Date 26 May, 2015

Place New Delhi

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

As required by Clause 49 of the Listing Agreement, the CEO declaration for Code of Conduct is given below:

THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

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

For Ballarpur Industries Limited

ANUP KANSAL
Chief Executive Officer

Date 26 May, 2015
Place New Delhi

TABLE 9

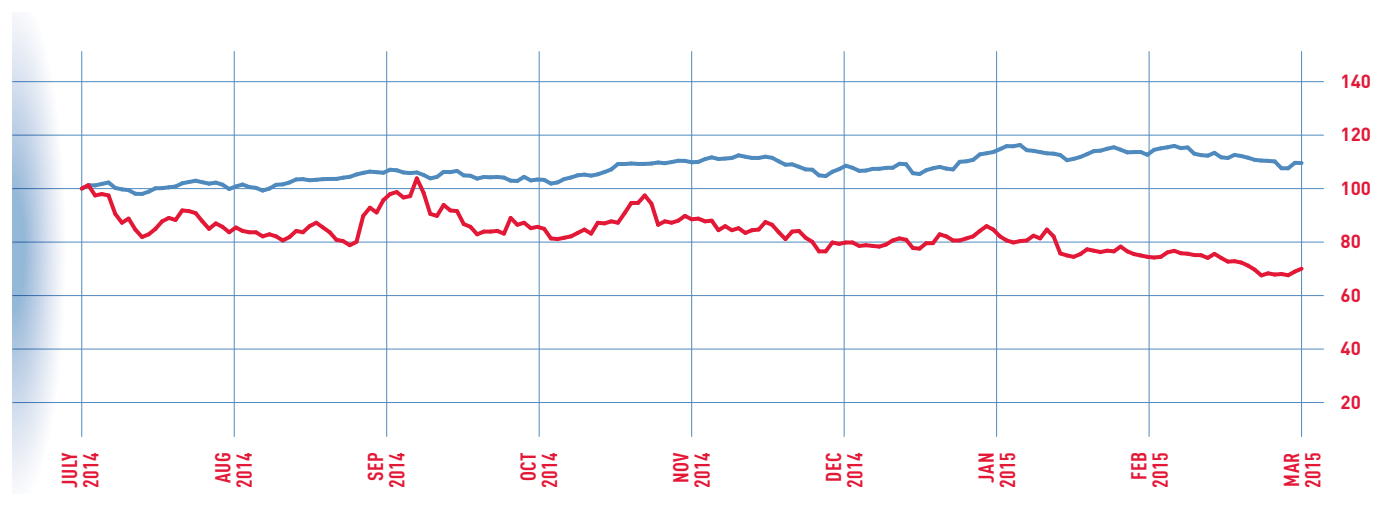
MONTHLY PRICE AND VOLUMES OF BILT'S SHARES FOR 2014-15 AT BSE AND NSE, INCLUDING INDICES

MONTH	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	HIGH (RS.)	LOW (RS.)	VOLUME (LACS)	SENSEX (CLOSE)	HIGH (RS.)	LOW (RS.)	VOLUME (LACS)	NIFTY (CLOSE)
Jul-14	20.30	15.95	139.41	25,894.97	20.20	15.75	396.17	7,721.30
Aug-14	17.60	15.25	72.55	26,638.11	17.60	15.25	182.19	7,954.35
Sep-14	20.55	15.35	184.19	26,630.51	20.60	15.30	511.95	7,964.80
Oct-14	18.50	15.55	48.23	27,865.83	18.50	15.55	143.73	8,322.20
Nov-14	19.40	16.30	99.57	28,693.99	19.35	16.25	237.65	8,588.25
Dec-14	17.65	14.55	65.69	27,499.42	17.60	14.60	141.05	8,282.70
Jan-15	17.30	15.05	65.95	29,182.95	17.30	15.05	143.17	8,808.90
Feb-15	17.25	14.45	69.53	29,361.50	17.30	14.40	160.00	8,901.85
Mar-15	15.37	13.00	74.24	27,957.49	15.40	13.00	101.43	8,491.00

CHART A

BILT'S SHARE WITH RESPECT TO THE BSE SENSEX

— SENSEX — BILT

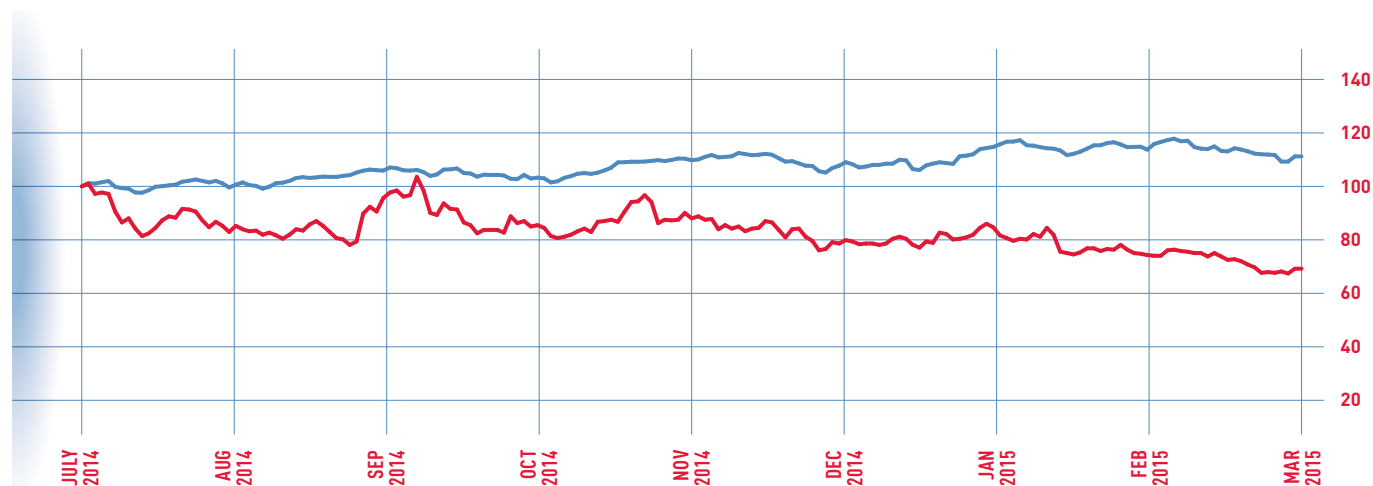


Note: Both Bilt's share price at the BSE and the SENSEX have been indexed to 100 as of 1 July, 2014

CHART B

BILT'S SHARE WITH RESPECT TO THE NSE NIFTY

— NIFTY — BILT



Note: Both BILT's share price at the NSE and the NIFTY have been indexed to 100 as of 1 July, 2014

SHAREHOLDING PATTERN BY SIZE AS ON 31 MARCH, 2015

NUMBER OF EQUITY SHARES HELD	NUMBER OF SHARE HOLDERS*	PERCENT OF SHARE HOLDERS	NUMBER OF SHARES#	PERCENT OF SHAREHOLDING
1-1000	69,226	85.49	18,380,584	2.80
1001-5000	8,993	11.11	21,199,114	3.23
5001-10,000	1,437	1.77	10,796,302	1.65
10,001 and above	1,316	1.63	605,147,839	92.32
Total	80,972	100.00	655,523,839	100.00

*61,300 shareholders hold 645,363,756 equity shares in demat form.

SHAREHOLDING PATTERN BY OWNERSHIP AS ON 31 MARCH, 2015

CATEGORY	NO. OF SHARES HOLDERS	PERCENT OF SHARE HOLDERS	NO. OF SHARES HELD	PERCENT OF SHAREHOLDING
Promoters and Promoter Group	7	0.01	324,010,667	49.43
FII's and FFI's	44	0.06	112,633,922	17.18
Mutual Funds	22	0.03	27,317,663	4.17
Qualified Foreign Investor	1	-	1,560,554	0.24
Financial Institutions / Banks	38	0.05	480,297	0.07
Insurance Companies	6	0.01	63,716,669	9.72
NRI's	1,300	1.61	2,837,271	0.43
Corporates	986	1.22	19,923,906	3.04
Individuals and Others	78,568	97.00	103,042,890	15.72
Total	80,972	100.00	655,523,839	100.00

CERTIFICATE

THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Ballarpur Industries Limited, (the "Company"), for the financial year (nine months) ended 31 March, 2015 as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the

conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

ABHAY UPADHYE

Partner
Membership No. 049354

For and on behalf of

K. K. MANKESHWAR & CO.
Chartered Accountants
FRN 106009W

Date 26 May, 2015

Place New Delhi

ANNEXURE TO CORPORATE GOVERNANCE REPORT

EXCERPTS OF NOMINATION & REMUNERATION POLICY

The Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 (read with applicable rules thereto) and Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Policy provides for appointment / removal / remuneration of Directors, Key Managerial Personnel & Senior Management and Board diversity.

I. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

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

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

At the time of appointment of an Independent Director, the Committee shall ensure that appointee shall meet with the requirements of the Companies Act, 2013, Clause 49 of the Listing Agreement and conditions stipulated in the Policy from time to time, for determining independence of a director. Further, the continuity of such independent director shall be on the basis of a yearly review process.

II. REMUNERATION OF DIRECTORS, KMP AND OTHER EMPLOYEES

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

The remuneration / sitting fee / commission payable to directors shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made there under for the time being in force. Review of remuneration of executive directors shall be made by NRC and shall be recommended to the Board for approval, if required. Further, the Board shall apportion the commission amongst the Non-Executive Directors out of available profits in compliance of statutory provisions, on the basis of

their involvement and role played for the Company's initiatives and strategic direction. An Independent Director shall not be entitled to any stock option of the Company.

B. CEO and Executive Director

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

C. Key Managerial Personnel, Senior Management and other executives

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

D. Workmen

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

III. LOANS AND ADVANCES TO EMPLOYEES

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

IV. DEVIATIONS FROM THIS POLICY

Deviations from the Policy, in extraordinary circumstances, is possible

in the interests of the Company if there are specific reasons to do so in an individual case.

V. EXTERNAL ASSISTANCE

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

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BOARD'S REPORT

Your Directors have pleasure in presenting the Seventieth Annual Report together with the Audited Financial Statements for the financial year ended 31 March, 2015.

FINANCIAL HIGHLIGHTS

The previous financial year of Company comprised 12 months commenced 1 July, 2013 and ended 30 June, 2014 (July–June). In order to comply with the requirement of uniform accounting year as per Section 2(41) of The Companies Act 2013, the Board of Directors of the Company, effective 1 July, 2014, had approved change in financial year from July–June to commencing 1 April of every year ending on 31 March of the subsequent year (April–March). Accordingly, the current financial year comprised 9 months commencing 1 July, 2014 and ending 31 March, 2015.

The subsequent financial year of the Company shall comprise 12 months from April–March. Accordingly, the figures are not comparable for the period under discussion.

OPERATIONS

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

DIVIDEND

Your Directors have recommended payment of dividend of Rs. 0.20 per equity share of Rs. 2/- each (previous year Rs. 0.20 per equity share) on the equity

share capital of the Company for the financial year ended 31 March, 2015.

FIXED DEPOSITS

No amount of principal or interest on erstwhile fixed deposits was outstanding as on 31 March, 2015. Further, the Company has not invited any fresh deposits.

DIRECTORATE

In accordance with the provisions of the Companies Act, 2013 ("the Act") and the Articles of Association of the Company, Ms. Nandini Adya was appointed as an Additional Director (Independent) by the Directors on 11 November, 2014 and subsequently appointed as an Independent Director of the Company at the Annual General Meeting (AGM) held on 19 December 2014, to hold office for a term of 5 (five) consecutive years upto 10 November, 2019.

Pursuant to provisions of the Act, Mr. Sanjay Labroo, Mr. A. S. Dulat and Mr. Ashish Guha were also appointed as Independent Directors of the Company at the AGM held on 19 December, 2014, to hold office for a term of 5 (five) consecutive years upto 18 December, 2019.

As per the provisions of the Act, Mr. Gautam Thapar retires by rotation at the forthcoming AGM and being eligible,

offers himself for re-appointment. His profile is in the Corporate Governance Report.

The Nomination and Remuneration Committee has formulated criteria and policy for the identification / appointment / removal of directors, key managerial personnel & senior management, their remuneration and evaluation. The same is also briefed in the Corporate Governance Report.

DECLARATION GIVEN BY INDEPENDENT DIRECTORS

All the Independent Directors have given declaration of independence as required under sub section (6) of Section 149 of the Companies Act, 2013.

MEETINGS OF THE BOARD

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

PROMOTER GROUP

The Company is a part of the Avantha Group, one of India's leading business conglomerates led by the Chairman, Mr. Gautam Thapar. The Avantha Group has a worldwide presence in 90 countries with more than 25,000 employees. As required by the Listing Agreement with the Stock Exchanges,

PARTICULARS	STANDALONE		CONSOLIDATED	
	2014-15	2013-14	2014-15	2013-14
Net Sales	446.27	944.81	3,625.92	5,220.32
Profit before Interest, Depreciation, Amortisation and Taxes	69.30	135.62	590.30	948.05
Less: Finance Cost	35.99	53.74	312.05	422.86
Profit before Depreciation, Amortisation and Taxes	33.31	81.88	278.25	525.19
Less: Depreciation and Amortisation	44.35	71.74	338.09	495.64
Profit / (Loss) for the year before Tax	(11.04)	10.14	(59.84)	29.55
Exceptional item	-	-	(2.55)	-
Less: Tax Expense	(19.98)	(25.08)	(15.49)	(32.11)
Profit / (Loss) after Tax	8.94	35.22	(46.90)	61.66
Less: Minority Interest	-	-	(25.55)	11.89
Add: Balance brought forward from the previous year	246.83	255.47	520.09	600.56
Add: Debenture Redemption Reserve no longer required	15.64	18.75	34.39	23.12
Leaving a surplus of	271.41	309.44	533.13	673.45
Which your directors recommend, be appropriated as follows:				
Transfer to General Reserve	-	-	-	-
Distribution on unsecured perpetual securities	-	-	61.63	101.55
Transfer to Debenture Redemption Reserve	-	46.88	-	30.00
Adjustment for Depreciation	(0.58)	-	7.05	-
Payment of Dividend:				
Proposed Dividend on 655,523,839 Equity Shares of Rs. 2/- each @ 10 percent	13.11	13.11	13.11	13.11
Add: Dividend Tax	2.67	2.62	10.37	8.70
Balance carried forward to next year's Account	256.21	246.83	440.97	520.09

the Company periodically discloses its Promoter Group and persons acting in concert in the shareholding pattern and other filings with the Stock Exchanges.

SUBSIDIARY COMPANIES

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

The report on the performance and financial position of each of the subsidiary companies included in the consolidated financial statement are provided in the notes to accounts.

The Company has no joint venture or associate companies.

CONSOLIDATION OF ACCOUNTS

Management Discussion and Analysis Report, as annexed herewith comprises note on the performance of each of the subsidiaries. Further, consolidated financial statements of the accounts of the Company and its aforesaid 8 subsidiaries are annexed to this Report.

The performance and financial position of each of the subsidiaries, associates and joint venture companies are detailed in 'Statement containing salient features of the financial statement of subsidiaries in form AOC I pursuant to section 129 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e., 31 March, 2015, and the date of the Directors' report i.e. 26 May, 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In the preparation of the annual accounts, the applicable accounting standards have been followed and there is no material departure;
- They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the financial year;
- The directors had taken proper and sufficient care for maintenance of adequate accounting records as provided in the companies act, 2013, for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- The annual accounts of the company have been prepared on a "going concern" basis;
- The directors had laid down internal financial controls to be followed by the

company and that such controls are adequate and were operating effectively; and

■ They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS & AUDITORS' REPORTS

The Statutory Auditors of the Company, M/s. K. K. Mankeshwar & Co., retire at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment on terms to be recommended by the Audit Committee and Board of Directors. The Company has received requisite certificate to the effect that their re-appointment, if made at the ensuing Annual General Meeting, would be in accordance with Section 141 (3)(g) of the Companies Act, 2013.

Board's explanation to Auditors' qualified opinion:

"The qualified opinion of Statutory Auditors in their report on continuation of Unit Kamalapuram of the Company as a going concern is self-explanatory and also suitably explained in Note No. B-36 of the Notes to the Financial Statements and does not require additional comment."

The Board has appointed M/s P. Balodia & Co., Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2014-2015. The Secretarial Audit Report for the said financial year is annexed to this report and does not contain any qualification, reservation or adverse remark.

CORPORATE GOVERNANCE

The Statutory Auditors, M/s. K. K. Mankeshwar & Co., have certified compliance of the Company with the provisions of Corporate Governance, in terms of Clause 49 of the Listing Agreement with the Stock Exchanges. The Report on Corporate Governance together with the said certificate is attached and forms part of this Report.

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

During the period under review, all transactions with related parties, referred to in sub-section (1) of Section 188 and Clause 49 of the Listing Agreement with Stock Exchanges, were

in the ordinary course of business and at arm's length, duly reviewed / approved by the Audit Committee of the Company. Further, there were no material contracts, arrangements or transactions with related parties which requires disclosure in Form AOC-2.

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

ADEQUACY OF INTERNAL FINANCIAL CONTROLS

The Company has designed and implemented a process driven framework for internal financial controls within the meaning of explanation to Section 134 (5)(e) of the Companies Act, 2013. For the year ended 31 March, 2015, the Board is of the opinion that the Company has sound internal financial controls commensurate with the nature and size of its business operations; wherein controls are in place and operating effectively and no material weaknesses exist. The Company has a process in place to continuously monitor the existing controls and identify gaps, if any, and implement new and / or improved controls, wherever the effect of such gaps would have a material effect on the Company's operation.

RISK MANAGEMENT

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

STATUTORY COMMITTEES

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

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

STATUTORY POLICIES

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

- Policy on materiality of and dealing with related party transaction.
- Policy for determining material subsidiaries of the company.
- Corporate Social Responsibility Policy.
- A Whistle Blower Policy, covering all employees and Directors, for the vigil mechanism inter alia providing a direct access to a whistle blower to the Chairman of the Audit Committee.

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

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

PARTICULARS OF EMPLOYEES

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

EXTRACT OF THE ANNUAL RETURN

An extract of the Annual Return as of 31 March, 2015, pursuant to the sub-section (3) of Section 92 of the Companies Act, 2013 and forming part of the report is annexed with this Report as **Annexure 3**.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

In terms of Section 135 and Schedule VII of the Companies Act, 2013, the Board of Directors of your Company have constituted a CSR Committee. A report on CSR activities undertaken by the Company as per CSR Policy of the Company in terms of said section and the Companies (Corporate Social

Responsibility Policy) Rules, 2014 is annexed with this Report as **Annexure 4**.

ACKNOWLEDGEMENT

The Directors wish to convey their gratitude and appreciation to all of the Company's employees for their tremendous individual efforts as well as their collective dedication and contribution to the Company's performance.

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

For and on behalf of the Board of Directors

GAUTAM THAPAR
Chairman
DIN 00012289

B. HARIHARAN
Group Director (Finance)
DIN 00012432

Date 26 May, 2015

Place New Delhi

ANNEXURE TO BOARD'S REPORT

ANNEXURE 1

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

1. CONSERVATION OF ENERGY:

A) ENERGY CONSERVATION MEASURES TAKEN

Unit: Shree Gopal

Reduced power consumption by 250 KWH as per below details:

- Installed 200 KW VFD at screw compressor no.1 in SPM pump house.
- Commissioned new energy efficient cooling tower at new location of ClO2 plant.
- Installed 200 KW VFD at screw compressor no.2 in SPM pump house.
- Installed 75 KW VFD at UTM pulper no.1, PM-4
- Installed 75 KW VFD at treated effluent pump ETP
- Power saving by optimization of equipments.
- Power saving by replacing inefficient old motors with energy efficient motors.
- Replaced 350 KW LT motor with HT motor for better efficiency

ENERGY CONSERVATION MEASURES PLANNED

The following projects have been planned for implementation to further reduce energy & water consumption:

Unit: Shree Gopal

- Energy saving by installation of VFD's at identified 16 locations.
- Energy saving by replacing inefficient pumps and motors with energy efficient pumps and motors and optimization of equipments.
- Energy saving by upgrading power plant compressors.
- Energy saving in lighting by CFL & LED lighting fixtures.
- Energy saving by replacing DC motor & drives with AC motors controlled with VFD's at 2 locations.
- Installation of disc filter at PM-1, 5 & 7 for water conservation and fiber recovery.
- Optimization of specific steam consumption in dryer section of paper machines

B) STEPS TAKEN BY THE COMPANY FOR UTILISING ALTERNATE SOURCES OF ENERGY

- Day light utilization in mills

- Use of waste wood dust for firing in boilers along-with coal

C) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

- Investment for FY2014-15: Rs. 115 lakhs

2. TECHNOLOGY ABSORPTION

A) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

Unit: Shree Gopal

- Use of STL wire at PM-4: Technology upgrade.
- New QCS Scanner for PM-5: Technology upgrade.
- New approach flow screen at pm/c # 2
- Flexible doctoring system at press section PM-4.
- New product development- (Supper Ptg. NS, REB Nature green, New deep shade of MMPP, BILT classic tinted shade: BILT Ultra, Super ptg. 57 GSM high smooth)
- Installed & commissioned Synchronizing and generator protection panel for BTH turbine & commissioned new AVR panel for BTH turbine.
- Industrial Effluent Treatment & installation of online quality monitoring system.
- Introduced Nylgum Imported starch as glue in art board and BCB lamination.

B) BENEFITS DERIVED AS A RESULT OF THE ABOVE

Unit: Shree Gopal

- Better product quality.
- Energy saving.
- Better process efficiency.
- Better resource utilization.
- Cost reduction.
- Sustenance in business through:
- Improved product quality.
- New product development.
- Environment protection.
- Cost competitiveness.
- Stakeholder's satisfaction.
- Customer satisfaction.
- Renewal Energy Certificates (REC) generation.

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

- Installed flexible doctoring system at press section PM-4
- Up gradation of MP200 controller of Bleach plant DCS with AC450 controller.
- Installation of Forbes Marshal Thermo Compressor based Steam & Condensate system at PM-4
- Has technology been fully absorbed: **Yes.**
- If not fully absorbed, areas where this has not taken place, reasons thereof and future plan of action: **N.A.**

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

- Capital: **Rs. 6.34 Lacs**
- Revenue: **Rs. 6.36 Lacs**
- **Total: Rs. 12.70 Lacs**
- Total Expense as a percent of turnover: **0.0285%**

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange used:

Rs. 38.79 Crore

Foreign Exchange earned:

Rs. 0.57 Crore

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman

DIN 00012289

B. HARIHARAN

Group Director (Finance)

DIN 00012432

Date 26 May, 2015

Place New Delhi

ANNEXURE 2

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

Note: The information provided below is on standalone basis for Indian Listed entity. Figures for financial year 2014-15 comprises 9 months and hence not comparable.

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

SL. NO.	NAME OF DIRECTOR	RATIO OF REMUNERATION TO MEDIAN REMUNERATION OF ALL EMPLOYEES
1	Mr. Gautam Thapar	14.66
2	Mr. R. R. Vederah	14.66
3	Mr. B. Hariharan*	1414.16
4	Mr. Sanjay Labroo	9.78
5	Mr. A.S. Dulat	24.44
6	Mr. Ashish Guha	19.55
7	Mr. A. P. Singh	29.33
8	Ms. Nandini Adya ^a	9.78

*Whole-time Director (Group Director - Finance)

^aAppointed as an additional Independent Director on 11 November, 2014

For the aforesaid purposes, median remuneration has been computed by ascertaining the annualised median salary for all employees of the Company, employed at any time during the financial year 2014-2015, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year.

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

a) Non-Executive Directors: No increase.

Non-executive directors' commission is as permitted by the Companies Act and approved by the shareholders. In addition to fixed sitting fee to directors for attending board / committee meetings, commission is distributed amongst the Non-Executive Directors based on the Board's decision and in recognition of their additional contribution as committee members / chairman and involvement in company's initiatives and strategic directions. Remuneration for the financial year 2014-2015 comprises attendance based sitting fee only.

b) Key Managerial Personnel

SL. NO.	NAME	% INCREASE IN REMUNERATION IN THE FINANCIAL YEAR
1	Mr. B Hariharan (WTD)	20.28
2	Mr. Anup Kansal (CEO)*	-
3	Mr. Akhil Mahajan (CS)	8.97

*appointed w.e.f. 1 July, 2014

3. The percentage increase in the median remuneration of employees in the financial year 2014-15: 3.28%

4. The number of permanent employees on the rolls of company as on 31 March, 2015: 1526

5. Relationship between average increase in remuneration and company performance:

The average increase in remuneration of all employees during Financial Year 2015 was 4.20%. As explained in previous sections, net sales fell by 9.8% over the same nine months period of last year.

However, the average increase in remuneration was considering various factors such as inflation, industry practice of increases, external comparisons & competitiveness, and the need for talent retention. The remuneration at lower levels is predominantly fixed in nature and at senior management levels, it comprises fixed and variable component. Considering the company performance, the increases at senior levels were lower than junior management staff. The increases in the non-management staff are fixed increments as per the agreed structure with Union(s).

6. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company; Refer point 5 above.

7. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year.

	AS AT 30 JUNE, 2014	AS AT 31ST MARCH 2015	PERCENTAGE INCREASE / (DECREASE)
Market capitalisation	Rs. 1,265 crores	Rs. 901 crores	(28.86%)
Price earnings ratio	35.74	98.07	174.40%

The closing market price of the shares of the Company as at 31 March, 2015 was Rs. 13.73 (BSE). The Company's Initial Public Offer (IPO) issue price is strictly not comparable with the price of share as IPO which was made way back. Further there have been rights issue of securities, split and buy back of shares, restructurings, acquisitions and disposals since last IPO.

8. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average increase in salary of all employees was 4.10%.

The same is not comparable with the managerial remuneration due to change of managerial persons (from two in 2014 to one in 2015) & non-payment profit linked commission to non-executive directors. Reasons for increase in remuneration is explained in point 5.

9. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company: Refer point 5 above.

10. The key parameters for any variable component of remuneration availed by the directors; As explained above.

11. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:

The remuneration detail is stated in Annexure to the Board's Report under Section 197(12) of the Companies Act 2013.

12. Remuneration is as per the remuneration policy of the Company.

SL. NO.	NAME	DESIGNATION / NATURE OF DUTIES	REMUNERATION (RS.)	QUALIFICATION	EXPERIENCE (YEARS)	DATE OF COMMENCEMENT OF EMPLOYMENT	AGE (YEARS)	LAST EMPLOYMENT AND DESIGNATION HELD BEFORE JOINING THE COMPANY	PERIOD OF LAST EMPLOYMENT
1	Bhargava Anil	Head-Corporate Affairs	22,304,241	B.Tech, PGDIT, TMP Cert	41	9 October, 2000	63	Executive Director- Sales & Marketing, Punj Lloyd Ltd.	4 Years
2	Kansal Anup	Chief Operating Officer- Manufacturing Units	8,718,678	BE (Pulp & Papers); PG in Management	24	1 October, 2009	49	GM (Marketing), Grindwell Norton Ltd.	3 Years
3	Gupta Brij Bhushan	Vice President - Internal Audit	8,116,671	B.Com., ACA, CIA, CISA	27	4 September, 2006	50	Senior Manager, Ernst & Young	2 Years
4	Hariharan B.	Group Director - Finance	5,783,920	B.Sc., AICWA, ACS, ACA	35	19 August, 1985	58	Private Practice, M/s. K. Venkatchalam Aiyer & Co.	2 Years
5	Sablok Vinod Kumar	Vice President - Law	6,725,789	B.Sc., LLB	38	22 February, 2006	62	Head of India Legal Operations, Lex India	4 Years

i) Employment is contractual. Other terms and conditions as per Company's rules.

ii) Remuneration includes salary, allowances, perquisites, medical expenses, leave travel concession, Company's contribution to provident and superannuation funds, gratuity paid (if any), rent paid in providing residential accommodation and performance incentive

iii) None of the employees is related to any director of the company

For and on behalf of the Board of Directors

GAUTAM THAPAR
Chairman

B. HARIHARAN
Group Director (Finance)

Date 26 May, 2015
Place New Delhi

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

As on the financial year ended on 31 March, 2015.

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

TABLE REGISTRATION AND OTHER DETAILS

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

TABLE PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

NAME AND DESCRIPTION OF MAIN PRODUCTS / SERVICES	NIC CODE OF THE PRODUCT / SERVICE	% TO TOTAL TURNOVER OF THE COMPANY
Paper	1701	73.96
Paper Products & Office Supplies	1701	25.51

TABLE PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SL. NO.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Premier Tissues (India) Limited	U85110KA1998PLC023512	Subsidiary (direct)	100	2(87)(ii)
2	BILT Graphic Paper Products Limited	U21000MH2007PLC172382	Subsidiary(Step down) ¹	100	2(87)(ii)
3	BILT Tree Tech Limited	U36999DL1989PLC034942	Subsidiary (direct)	91.67	2(87)(ii)
4	Ballarpur International Holdings B.V., The Netherlands (BIH)	N.A.	Subsidiary (direct)	100	2(87)(ii)
5	Bilt Paper B.V., The Netherlands (BPBV)	N.A.	Subsidiary (Step down) ²	63.92	2(87)(ii)
6	Ballarpur Paper Holdings B.V. The Netherlands (BPH)	N.A.	Subsidiary (Step down) ³	100	2(87)(ii)
7	Ballarpur Speciality Paper Holdings B.V., The Netherlands (BSPH)	N.A.	Subsidiary (direct)	100	2(87)(ii)
8	Sabah Forest Industries Sdn. Bhd., Malaysia (SFI)	N.A.	Subsidiary (Step down) ⁴	98.08	2(87)(ii)

¹Held through BPH | ²Held through BIH | ³Held through BPBV | ⁴Held through BPH



SHARE HOLDING PATTERN

Equity Share Capital Breakup as percentage of Total Equity

i CATEGORY-WISE SHARE HOLDING										
CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1 JULY, 2014)				NO. OF SHARES HELD AT THE END OF THE YEAR (31 MARCH, 2015)				% CHANGE DURING THE YEAR	
	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES		
A PROMOTERS										
1) Indian										
a) Individual / HUF	1,211,198	1,211,198	1,211,198	0.18	1,211,198	1,211,198	1,211,198	0.18	-	
b) Central Govt	-	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	-	
d) Bodies Corp.	322,799,469	322,799,469	322,799,469	49.24	322,799,469	322,799,469	322,799,469	49.24	-	
e) Banks/FI	-	-	-	-	-	-	-	-	-	
f) Any Other	-	-	-	-	-	-	-	-	-	
Sub-total (A) (1)	324,010,667	324,010,667	324,010,667	49.43	324,010,667	324,010,667	324,010,667	49.43		
2) Foreign										
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-	
b) Other-Individuals	-	-	-	-	-	-	-	-	-	
c) Bodies Corp.	-	-	-	-	-	-	-	-	-	
d) Banks / FI	-	-	-	-	-	-	-	-	-	
e) Any Other	-	-	-	-	-	-	-	-	-	
Sub-total (A) (2)	-	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	324,010,667	324,010,667	324,010,667	49.43	324,010,667	324,010,667	324,010,667	49.43		
B PUBLIC SHARHOLDING										
1) Institutions										
a) Mutual Funds	32,729,305	7,566	32,736,871	4.99	27,310,097	7,566	27,317,663	4.17	(0.82)	
b) Banks / FI	514,747	24,009	538,756	0.08	456,288	24,009	480,297	0.07	(0.01)	
c) Central Govt.	4,866	684	5,550	0.00	4,866	684	5,550	0.00	0.00	
d) State Govt.	-	-	-	-	-	-	-	-	-	
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-	
f) Insurance Companies	63,916,669	-	63,916,669	9.75	63,716,669	-	63,716,669	9.72	(0.03)	
g) FIs	109,070,061	48,342	109,118,403	16.65	108,909,570	48,342	108,957,912	16.63	(0.02)	
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-	
i) Others	-	-	-	-	-	-	-	-	-	
j) Qualified Foreign Investor	-	-	-	-	1,560,554	-	1,560,554	0.24	0.24	
k) Foreign Financial Institution	-	-	-	-	3,676,010	-	3,676,010	0.56	0.56	
Sub-total (B) (1)	206,235,648	80,601	206,316,249	31.47	205,634,054	80,601	205,714,655	31.38	(0.08)	
2) Non-Institutions										
a) Bodies Corp.	26,986,711	49,962	27,036,673	4.12	19,873,944	49,962	19,923,906	3.04	(1.08)	
i) Indian										
ii) Overseas										
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	55,532,160	4,096,804	59,628,964	9.10	59,947,424	4,032,193	63,979,617	9.76	0.66	
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	20,648,922	-	20,648,922	3.15	30,840,937	-	30,840,937	4.70	1.55	
c) Others										
i) Cleaning Members	5,167,727	-	5,167,727	0.79	2,143,986	-	2,143,986	0.33	(0.46)	
ii) Non-Residents	6,433,172	5,943,300	12,376,472	1.89	2,633,022	204,249	2,837,271	0.43	(1.46)	
iii) Foreign Company	-	-	-	-	5,734,635	-	5,734,635	0.87	0.87	
iv) Trust	279,722	58,320	338,042	0.05	279,722	58,320	338,042	0.05	-	
Sub-total (B) (2)	115,048,414	10,148,386	125,196,800	19.10	115,719,035	10,079,359	125,798,394	19.19	0.08	
Total shareholding of Promoter (B) = (B)(1)+(B)(2)	321,284,062	10,228,987	331,513,049	50.57	321,353,089	10,159,660	331,513,049	50.57		
C SHARES HELD BY CUSTODIAN FOR GDRs & ADRs	123	-	123	0.00	123	-	123	0.00	0.00	
Grand Total (A+B+C)	645,294,729	10,229,110	655,523,839	100.00	645,363,756	10,160,083	655,523,839	100.00	0.00	

ii SHAREHOLDING OF PROMOTERS								
SL. NO.	SHAREHOLDER'S NAME	SHAREHOLDING AT THE BEGINNING OF THE YEAR			SHAREHOLDING AT THE END OF THE YEAR			
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	% OF SHARES PLEDGED/ ENCUMBERED TO TOTAL SHARES	% CHANGE IN SHARE HOLDING DURING THE YEAR
1	Avantha Realty Ltd	110,000	0.02	-	110,000	0.02	-	0.00
2	Avantha Holdings Ltd	322,689,019	49.23	151,898,734	322,689,019	49.23	206,997,803	0.00
3	Mr. B. M. Thapar	17,911	0.00	-	17,911	0.00	-	0.00
4	Blue Horizon Investments Ltd	450	0.00	-	450	0.00	-	0.00
5	Mr. Gautam Thapar	1,161,216	0.18	-	1,161,216	0.18	-	0.00
6	Ms. Nandini Kapur	4,800	0.00	-	4,800	0.00	-	0.00
7	Late Mrs. Sulochana Thapar	27,271	0.00	-	27,271	0.00	-	0.00
	Total	324,010,667	49.43	151,898,734	324,010,667	49.43	206,997,803	0.00

iii CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

There has been no change in the shareholding of promoters of the company

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

SL. NO.	NAME OF SHAREHOLDERS	SHAREHOLDING AS ON 1 JULY, 2014		CHANGE IN SHAREHOLDING		SHAREHOLDING AS ON 31 MARCH, 2015	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Life Insurance Corporation of India:	44,134,423	6.73	-	-	44,134,423	6.73
2	Samena Special Situations Mauritius:	41,515,609	6.33	-	-	41,515,609	6.33
3	Platinum Investment Management Limited A/C Platinum Asia Fund:	35,282,244	5.38	-	-	35,282,244	5.38
4	HDFC Trustee Company Limited - HDFC Tax Saverfund:	21,527,428	3.28	-	5300000	16,227,428	2.48
5	General Insurance Corporation of India	12,001,050	1.83	-	-	12,001,050	1.83
6	UTI-Dividend Yield Fund	11,189,208	1.71	-	119208	11,070,000	1.69
7	Citigroup Global Markets Mauritius Private Limited	9,901,876	1.51	-	-	9,901,876	1.51
8	The New India Assurance Company Limited	6,275,064	0.96	-	-	6,275,064	0.96
9	CIHL Private Equity Limited	5,710,989	0.87	-	-	5,710,989	0.87
10	HDFC Standard Life Insurance Company Limited	4,496,048	0.69	-	4496048	-	-
11	Dimensional Emerging Markets Value Fund*	4,000,857	0.61	421,917	-	4,422,774	0.67
12	Premier Investment Fund Limited*	3,019,905	0.46	2,905,117	-	5,925,022	0.90

*Not in the list of top 10 shareholder as on 1 July, 2014 but is one of the top 10 shareholder as on 31 March, 2015.

V SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

SL. NO.	FOR EACH OF THE DIRECTORS AND KMP	SHAREHOLDING AT THE BEGINNING OF THE YEAR		CUMULATIVE SHAREHOLDING DURING THE YEAR	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
At the beginning of the year					
1	Mr. Gautam Thapar	1,161,216	0.18	1,161,216	0.18
2	Mr. Sanjay Labroo	495,802	0.08	495,802	0.08
3	Mr. B. Hariharan	8,040	0.00	8,040	0.00
4	Mr. Anup Kansal	-	-	-	-
5	Mr. Akhil Mahajan	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
At the end of the year					
1	Mr. Gautam Thapar	1,161,216	0.18	1,161,216	0.18
2	Mr. Sanjay Labroo	495,802	0.08	495,802	0.08
3	Mr. B. Hariharan	8,040	0.00	8,040	0.00
4	Mr. Anup Kansal	-	-	-	-
5	Mr. Akhil Mahajan	-	-	-	-

TABLE V INDEBTEDNESS

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

	SECURED LOANS EXCLUDING DEPOSITS	UNSECURED LOANS	DEPOSITS	TOTAL INDEBTEDNESS
Indebtedness at the beginning of the financial year				
i	Principal Amount	3,900,000,000	-	5,150,000,000
ii	Interest due but not paid	-	-	-
iii	Interest accrued but not due	36,220,508	-	151,728,727
	Total (i+ii+iii)	3,936,220,508	-	5,301,728,727
Change in Indebtedness during the financial year				
i	Addition	1,000,000,000	-	1,000,000,000
ii	Reduction	(229,208,404)	-	(979,208,404)
	Net Change	770,791,596	-	20,791,596
Indebtedness at the end of the financial year				
i	Principal Amount	4,670,791,596	-	5,170,791,596
ii	Interest due but not paid	-	-	-
iii	Interest accrued but not due	61,085,556	-	95,803,364
	Total (i+ii+iii)	4,731,877,152	-	5,266,594,960

TABLE **M** REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A REMUNERATION OF MANAGING DIRECTOR (MD), WHOLE-TIME DIRECTORS (WTD) AND/OR MANAGER (IN RS.)		MR. B. HARIHARAN WTD
SL. NO.	PARTICULARS OF REMUNERATION	
1	Gross Salary	
i	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4,554,268
ii	Value of perquisites u/s 17(2) Income-tax Act, 1961	-
iii	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
i	as% of profit	-
ii	Others, specify	-
5	Others, please specify (Provident Fund and Superannuation)	1,229,652
	TOTAL	5,783,920

B REMUNERATION TO OTHER DIRECTORS (IN RS.)						
SL. NO.	PARTICULARS OF REMUNERATION	NAME OF DIRECTOR				TOTAL
1	Independent Directors	MR. SANJAY LABROO	MR. ASHISH GUHA	MR. A. S. DULAT	MS. NANDINI ADYA	
	Fee for attending board committee meetings	40,000	80,000	100,000	40,000	260,000
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	40,000	80,000	100,000	40,000	260,000
2	Other Non-Executive Directors	MR. G. THAPAR	MR. A. P. SINGH		MR. R. R. VEDERAH	
	Fee for attending board committee meetings	60,000	120,000		60,000	240,000
	Commission	-	-		-	-
	Others, please specify	-	-		-	-
	Total (2)	60,000	120,000		60,000	240,000
	Total (B) = (1 + 2)					500,000

C REMUNERATION TO KEY MANAGERIAL PERSONNEL (KMP), OTHER THAN MD / MANAGER / WTD (IN RS.)					
SL. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL			TOTAL
		MR. ANUP KANSAL CEO	MR. AKHIL MAHAJAN COMPANY SECRETARY		
1	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,440,803	3,611,624		12,052,427
b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-		-
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-		-
2	Stock Option	-	-		-
3	Sweat Equity	-	-		-
4	Commission	-	-		-
	as % of profit	-	-		-
	Others, specify	-	-		-
5	Others, please specify (Provident Fund)	277,875	108,000		385,875
	TOTAL	8,718,678	3,719,624		12,438,302

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

For and on behalf of the Board of
Directors

GAUTAM THAPAR
Chairman

B. HARIHARAN
Group Director (Finance)

Date 26 May, 2015
Place New Delhi

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FY2014-15

1 A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

CSR at BILT has been operational much before the New Companies Act, 2013 has come into force. CSR initiatives at BILT are carried out across the country through active partnerships with more than 15 Non Governmental Organisations (NGOs). Each of the units has been conducting CSR activities based on the philosophy of sustainable development & inclusive growth.

At BILT Corporate Social Responsibility (CSR) is taken up beyond the basic objective of fulfilling the mandatory requirement (of the New Company Act), but is driven with the strong belief of The Triple Bottom Line Model (TBLM) of people, planet & profit. BILT uses CSR to integrate economic, environmental and social objectives with the company's operations and growth. The details of the CSR initiatives are available at the company's website www.bilt.com. The company has been implementing CSR with a dedicated team and with commitment from its top management and its CSR initiatives are part of the Company's well defined CSR policy.

EXCERPT OF CSR POLICY

BILT is committed to its stakeholders to conduct its business in a responsible manner that creates a sustained positive impact on society. At BILT, CSR is envisaged as a long term engagement with key stakeholders. Focussed programmes are implemented to enable disadvantaged communities to improve the quality of their life and preserve the ecosystem that supports the communities and the company.

For BILT, being a socially responsible company means:

- Using environment friendly, energy efficient and safe processes in production.
- Making a sustained effort in preserving the environment.
- Building active and long term partnerships with the communities in which the company operates to improve

significantly the condition of the most disadvantaged amongst them.

- Contributing to inclusive growth and equitable development in society.
- Promoting organisational integrity and ethical business practices and transparency in disclosure and reporting procedures.
- Re-defining successful performance for company managers to include the environmental and social impact of how the company delivers growth and profitability.

2 The Composition of the CSR Committee.

Mr. Gautam Thapar,
Mr. R. R. Vederah and
Ms. Nandini Adya.

3 Average net profit of the Company for last three financial years:

Rs. 20.02 Crores

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

**2% of Average PBT of 3 Years;
Rs. 40 Lacs (Rs. 30 Lacs for 9 months of financial year 2014-15).**

5 Details of CSR spent during the financial year

a) Total amount to be spent for the financial year;

**Rs. 30 Lacs — Actual Amount Spent on Programmes (July 2014–March 2015)
Rs. 38.51 Lacs and Rs. 2.25 Lacs on Administration aggregating to Rs. 40.76 Lacs.**

b) Amount unspent, if any;

NIL

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

Table 1

Implementing Partner NGOs—

- Society for All Round Development (SARD)
- Vidya Pratisthan's Institute of Information Technology (VIIT)
- Bharatiya Agro Industries Foundation (BAIF)
- Sarvodaya Youth Organisation (SYO)
- Shakti Seva Society (SSS)
- Pratham Education Initiative
- Baif Institute of Rural Development

6 In case the Company has failed to spend the two percent of the average



DETAILS OF THE BOARD

AMOUNT IN RS.

SL. NO.	CSR PROJECT OR ACTIVITY IDENTIFIED	SECTOR IN WHICH THE PROJECT IS COVERED	PROJECTS OR PROGRAMS (1) LOCAL AREA OR OTHER (2) SPECIFY THE STATE AND DISTRICT WHERE PROJECTS OR PROGRAMS WAS UNDERTAKEN	AMOUNT OUTLAY (BUDGET PROJECT OR PROGRAMS WISE	AMOUNT SPENT ON THE PROJECTS OR PROGRAMS SUB-HEADS: (1) DIRECT EXPENDITURE ON PROJECTS OR PROGRAMS (2) OVERHEADS	CUMULATIVE EXPENDITURE UPTO TO THE REPORTING PERIOD	AMOUNT SPENT: DIRECT OR THROUGH IMPLEMENTING AGENCY
1	Community Development Project	Eradicating Hunger, Poverty & Malnutrition	Local Area around the Plants located in the States of Haryana & Telengana	30.88 Lakhs	30.88 Lakhs	30.88 Lakhs	Through Implementing Agencies (Partner NGO's)
2		Promoting Education	Local Area around the Plants located in the States of Haryana & Telengana	7.63 Lakhs	7.63 Lakhs	7.63 Lakhs	Through Implementing Agencies (Partner NGO's)
	Total Programme Cost			38.51 Lakhs	38.51 Lakhs	38.51 Lakhs	
3	Administrative Cost			2.25 Lakhs	2.25 Lakhs	2.25 Lakhs	
	TOTAL			40.76 Lakhs	40.76 Lakhs	40.76 Lakhs	

net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.
Not Applicable

7 A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

GAUTAM THAPAR
Chairman CSR
Committee

ANUP KANSAL
Chief Executive
Officer

SECRETARIAL AUDIT REPORT

For the financial year ended 31 March, 2015

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended 31 March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2015 according to the provisions of:

- i.** The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii.** The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii.** The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent applicable.
- iv.** Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v.** The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable during audit period:

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

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

- i.** Secretarial Standards issued by The Institute of Company Secretaries of India. Not applicable for the year 2014-15.
- ii.** The Listing Agreements entered into by the Company with National Stock Exchanges Limited and BSE Limited.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

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

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

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

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

FOR P. BALODIA & CO.
Company Secretaries

PRASHANT KUMAR BALODIA
Partner
Membership No. 6047
Certificate of Practice No. 6153

Date 26 May, 2015
Place New Delhi

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of M/s Ballarpur Industries Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information in which are incorporated the audited financial statements for the nine months period ended on that date of the Unit of the Company audited by other auditors.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these standalone 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence

about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

BASIS FOR QUALIFIED OPINION

As reported by auditor of Kamalapuram unit, the ability of the unit to continue as a going concern is dependent on the success of obtaining benefits from the State Government of Telangana as referred in

Note No. B-36. However, the financial statements have been prepared on a going concern basis and 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 Unit is unable to continue as a going concern.

QUALIFIED OPINION

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its profit and its cash flows for the nine months period ended on that date.

OTHER MATTER

We did not audit the financial statements of Kamalapuram Unit of the Company included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs. 64,737 lacs as at 31 March, 2015 and total revenues of Rs. 267 lacs for the nine months period ended on that date, as considered in the standalone financial statements. The financial statements of this Unit has been audited by the unit auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this Unit, is based solely on the report of such Unit Auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, we give in the Annexure—A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief

were necessary for the purposes of our audit.

b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books and report on the financial statements audited by Unit's Auditor, have been properly dealt with by us while preparing our report;

c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the audited report from the Unit;

d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

f) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements—Refer Note B-27 to the financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts—Refer Note B-6 and B-10 to the financial statements;

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

ABHAY UPADHYE
Partner
Membership No. 049354

For and on behalf of

K. K. MANKESHWAR & CO.,
Chartered Accountants
FRN-106009W

Date 26 May, 2015

Place New Delhi

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the nine months period ended 31 March, 2015, we report that:

- 1a)** 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 nine months period by the Management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- 2a)** The inventory were physically verified during the nine months period by the Management at reasonable intervals. Materials lying with third parties, have substantially been physically verified or confirmed by the third parties. In our opinion, the frequency of verification is reasonable.
- b)** The procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c)** On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. 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** There are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods, except having regard to the explanation that certain items purchased / services availed are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations. During the course of our audit, no major weakness has been noticed in the internal control system.
- 5** The Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73

to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Law Tribunal or Reserve Bank of India or any court or any other tribunal on the Company.

6 We have broadly reviewed the books of account and records maintained by the Company relating to the products of the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Sub-section (1) of Section 148 of the Companies 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.

7a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities as applicable to it.

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, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to it were outstanding, as at 31 March 2015 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no dues of Income tax, Wealth tax, Sales tax, Value added tax, Service tax, Customs duty, Excise duty and Cess which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Annexure B to this report.

c) According to the information and explanations given to us and the records of the Company, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act and rules there

under has been transferred to such fund within time.

8 The Company does not have any accumulated losses as on 31 March, 2015 and it has not incurred any cash losses in the nine months period ended on that date or in the immediately preceding financial year.

9 The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.

10 In our opinion and according to the information and explanations given to us, the terms and conditions of guarantee given by the Company for loans taken by others from banks or financial institution are not prima facie prejudicial to the interests of the Company.

11 On an overall basis, the term loans taken and / or utilized during the nine months period have been applied for the purpose for which they were obtained, other than temporary deployment of such funds.

12 In accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the nine months period, nor have we been informed of such case by the Management.

ABHAY UPADHYE

Partner

Membership No. 049354

For and on behalf of

K. K. MANKESHWAR & CO.,

Chartered Accountants

FRN-106009W

Date 26 May, 2015

Place New Delhi

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

NAME OF STATUTE	NATURE OF PAYMENT	AMOUNTS (IN LAKHS)	PERIOD TO WHICH THE AMOUNT RELATES	FORUM WHERE THE DISPUTE IS PENDING
Central Excise Tariff Act 1985	Excise	24.33	1996-97; 2010-11; 2013-14	Asst. Commissioner, Yamuna Nagar
Central Excise Tariff Act 1985	Excise	11.32	1996-97	Joint Commissioner, Panchkula
Central Excise Tariff Act 1985	Excise	19.54	2009-10	Commissioner, Panchkula
Central Excise Tariff Act 1985	Excise	262.32	2004-05 to 2009-10	Commissioner (Appeals)
Customs Act, 1962	Custom	40.28	2012-13	The Commissioner Custom (Apeals), Kandla
Customs Act, 1962	Custom	33.08	2012-13	Commissioner Custom (Apeals), Jam Nagar
Central Excise Tariff Act 1985	Excise	694.29	2003-04 to 2010-11	CESTAT, New Delhi
Punjab General Sales Tax Act, 1948	Sales Tax	511.31	1989 to 1995	Punjab VAT Tribunal, Chandigarh
UP Trade Tax, 1948	Sales Tax	0.98	1997-98	Trade Tax Tribunal, Saharanpur
UP Trade Tax, 1948	Sales Tax	0.66	2002-03	Trade Tax Tribunal, Saharanpur
UP Tax on Entry of Goods Act, 2000	Entry Tax	1.92	2001-02	Trade Tax Tribunal, Saharanpur
UP VAT Act, 2008	Sales Tax	1.47	2008-09	Trade Tax Tribunal, Saharanpur
UP VAT Act, 2008	Sales Tax	1.22	2008-09	Joint Commisioner Appeals-Saharanpur
UP Trade Tax, 1948	Sales Tax	11.74	1994-95	Nainital High Court
Central Sales Tax Act, 1956	Sales Tax	0.53	2008-09	Dy. Commissioner (Appeals), Patiala
Central Sales Tax Act, 1956	Sales Tax	0.88	2011-12	Jt. Commissioner (Appeals), Ambala
Central Sales Tax Act, 1956	Sale Tax	14.70	2001-02	Sales Tax Appellate Tribunal, Hyderabad Division
Central Excise Laws	Excise duty and Penalty	723.68	2012-13	Customs, Excise and Services Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income Tax	3,001.11	1981-82 to 1990-91, 1997-98, 1999-2000, 2000-01, 2002-03, 2003-04, 2004-05	Pending before High Court
Income Tax Act, 1961	Income Tax	6,661.26	1994-95, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11	Pending before the Tribunal
Total		12,016.62		

BALANCE SHEET

AS AT MARCH 31, 2015

₹ In Lacs

	NOTE NO.	31.03.2015	30.06.2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	B-1	13,112	13,112
Reserves and surplus	B-2	147,937	148,563
		161,049	161,675
NON - CURRENT LIABILITIES			
Long term borrowings	B-3	42,627	40,707
Deferred tax liabilities (Net)	B-4	5,633	7,631
Other long term liabilities	B-5	491	684
Long term provisions	B-6	3,030	3,068
		51,781	52,090
CURRENT LIABILITIES			
Short term borrowings	B-7	51,344	48,395
Trade payables	B-8	11,909	11,688
Other current liabilities	B-9	16,345	18,627
Short term provisions	B-10	3,357	2,200
		82,955	80,910
TOTAL		295,785	294,675
ASSETS			
NON - CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	B-11	120,196	121,010
Intangible assets	B-11	5,786	3,640
Capital work in progress		16,041	13,288
		142,023	137,938
Non - current investments	B-12	81,378	81,378
Long term loans and advances	B-13	381	4,894
		81,759	86,272
CURRENT ASSETS			
Inventories	B-14	29,363	30,633
Trade receivables	B-15	21,661	20,917
Cash and bank balances	B-16	1,016	1,969
Short-term loans and advances	B-17	19,935	16,927
Other current assets	B-18	28	19
		72,003	70,465
TOTAL		295,785	294,675
Significant Accounting Policies	"A"		
Notes to Financial Statements	"B"		

As per our report attached

ABHAY UPADHYE

Partner

Membership No. 049354

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the
26th May, 2015

For Ballarpur Industries Limited

GAUTAM THAPAR

Chairman

B. HARIHARAN

Group Director (Finance)

AKHIL MAHAJAN

Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

	NOTE NO.	NINE MONTH PERIOD ENDED 31.03.2015	YEAR ENDED 30.06.2014
REVENUE			
Sales		46,964	99,470
Less: Excise duty		2,337	4,989
Net sales		44,627	94,481
Other operating revenue		476	568
Revenue from operations	B-19	45,103	95,049
Other Income	B-20	123	438
TOTAL		45,226	95,487
EXPENSES			
Cost of materials consumed	B-21	10,902	34,759
Purchases of stock in trade		6,876	14,398
Changes in inventories of finished goods, work in progress and stock in trade	B-22	[161]	[1,488]
Employee benefits expenses	B-23	5,730	9,686
Finance cost	B-24	3,599	5,374
Depreciation and amortizations expenses	B-11	4,435	7,174
Other expenses	B-25	14,949	24,570
TOTAL		46,330	94,473
Profit/(Loss) before tax		(1,104)	1,014
Tax Expense:			
Current tax/MAT (Including Wealth Tax)		-	213
Deferred tax		[1,998]	[2,721]
		(1,998)	(2,508)
Profit/(Loss) after tax		894	3,522
Earning per equity share	B-26		
(1) Basic (₹)		0.14	0.54
(2) Diluted (₹)		0.14	0.54
Significant Accounting Policies	"A"		
Notes to Financial Statements	"B"		

As per our report attached

ABHAY UPADHYE

Partner

Membership No. 049354

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the
26th May, 2015

For Ballarpur Industries Limited

GAUTAM THAPAR

Chairman

B. HARIHARAN

Group Director (Finance)

AKHIL MAHAJAN

Company Secretary

CASH FLOW STATEMENT

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

	31.03.2015	30.06.2014
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	(1,104)	1,014
Adjustments for:		
(Profit) / Loss on sale of fixed assets	(1)	6
Unspent Liabilities and Excess Provisions of earlier years written back	-	(52)
Depreciation & amortisation expenses	4,435	7,174
Dividend received	0	0
Assets discarded	-	3
Interest Income	(14)	-
Finance costs (net)	3,599	5,374
	8,019	12,505
Operating Profit before Working Capital Changes	6,915	13,519
Adjustment for Working Capital Changes :		
(Increase)/decrease in trade receivable	(744)	379
(Increase)/decrease in loans, advances and other current assets	(3,000)	(1,490)
(Increase)/decrease in inventory	1,270	(4,482)
Increase/(decrease) in liabilities and provisions	176	(1,746)
	(2,298)	(7,339)
Cash generated from operations	4,617	6,180
Income tax paid (net)	5,689	(766)
Net cash flow inflow from operating activities	10,306	5,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in fixed assets, capital work-in-progress and capital advances	(8,427)	(10,051)
Proceed from Sale of property plant and equipment	14	23
Interest received	946	1,935
(Increase)/decrease in other bank balances	1,163	(2)
Net cash flow from investing activities	(6,304)	(8,096)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in borrowings	2,866	12,822
Payment for buy back (optional/convertible)	(1)	(1)
Interest paid (Net)	(5,082)	(7,638)
Dividend paid (including dividend tax)	(1,575)	(2,312)
Net cash flow from financing activities	(3,792)	2,871
Net increase/(decrease) in cash and cash equivalents	210	189
Cash and cash equivalents at beginning of reporting period/year	747	558
Cash and cash equivalents (closing balance)	957	747
Significant Accounting Policies	"A"	
Notes to Financial Statements	"B"	

As per our report attached

For Ballarpur Industries Limited

ABHAY UPADHYE

GAUTAM THAPAR

Partner

Chairman

Membership No. 049354

For and on behalf of

K. K. MANKESHWAR & CO.

B. HARIHARAN

Chartered Accountants

Group Director (Finance)

FRN: 106009W

New Delhi, dated the
26th May, 2015

AKHIL MAHAJAN
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

COMPANY OVERVIEW

Ballarpur Industries Limited ('BILT' or the company), a public limited company is engaged primarily in the business of manufacturing of writing and printing (W&P) paper, pulp and paper products.

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2. USE OF ESTIMATES

The preparation of Financial Statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the Financial Statements and the reported amount of revenues and expenses during the reporting period/year. The differences 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 equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

3. CASH FLOW STATEMENT

Cash flows are reported using the Indirect Method, where by profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

5. FIXED ASSETS -TANGIBLE

- I) Fixed Assets are stated at cost net of CENVAT/Value Added Tax, rebates, less accumulated depreciation and impairment loss, if any.
- II) All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contract and adjustments arising from exchange rate variations attributable to fixed assets are capitalized.
- III) Preoperative expenditure: Indirect expenditure incurred during construction period is capitalized under the respective asset head as a part of the indirect construction cost, to the extent to which the expenditure is indirectly related to the assets head. Other Indirect expenditure incurred during the construction period, which is not related to the construction activities or which is not incidental thereto is written off in the Statement of Profit and Loss.

6. DEPRECIATION

- I) Depreciation of the assets acquired on or after 1st July 2014 is provided on Written Down Value on certain assets and on Straight Line Method on other assets over useful life of the assets as prescribed in schedule II to the Companies Act, 2013.
- II) On other fixed assets, depreciation is provided on written down value on certain assets over useful life of the assets as prescribed in schedule II to the Companies Act, 2013 and on Straight Line Method over the useful life of the assets based on internal assessment and independent technical evaluation carried out by external valuers expect in case of improvements to leased premises which are amortised over the period of lease. The management believes that the life ascertained by the valuers best represents the period over which management expects to use these assets. Hence the useful lives for these assets are as follows -

S. No.	Fixed Assets	Balance remaining useful life as on 1st July, 2014 (In Years)
1	Building	5-43
2	Equipments	1-10
3	Furniture & Fixtures	1-10
4	Plant & Machinery	1-23
5	Vehicles	1-15
6	Computer Software	1-6
7	Railway Siding	3-15

7. INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

(a) Specialized Software

Expenditure on specialised software are amortised over a period of seven years.

SIGNIFICANT ACCOUNTING POLICIES

(b) Research and development cost:

1. Research Cost:
Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.
2. Development Cost:
Development expenditure on new product is capitalized as intangible assets, if all of the following can be demonstrated.
 - (I) the technical feasibility of completing the intangible asset so that it will be available for the use or sale;
 - (II) the Company has intention to complete the development of intangible asset and use or sell it;
 - (III) the company has ability to use or sell the intangible asset;
 - (IV) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the Intangible asset itself or if it is to be used internally, the usefulness of the Intangible asset;
 - (V) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
 - (VI) the company has ability to measure the expenditure attributable to the intangible asset during the development reliably.Development cost on the Intangible asset, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

8. INVENTORY VALUATION

Raw Materials, Stores, Spare Parts, Chemicals, Packing Materials etc., are valued at cost, computed on weighted average basis. Finished goods and work-in-process 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.

9. INVESTMENTS

- (a) Investments made by the Company in various securities are primarily meant to be held over a long-term period.
- (b)
 - (i) Holding of certain investments is of strategic importance to the Company and therefore, the Company does not consider it necessary to provide for depletion in the Book Value of such Investments, till continuation of the relationship of strategic importance with the Investee Company, namely that of a Subsidiary, Associate, Company under the same management, Foreign Joint Ventures and/or Company associated with Avantha Group.
 - (ii) However, appropriate provisions are made to recognise depletion in the Book Value of Investments in companies of Strategic importance also, as and when the Investee Company is either wound up or goes into liquidation or where the operations cease or are taken over by Receiver by Operation of Law.
- (c) Investments in Government Securities are shown at cost and Investments, other than that of Strategic Importance to the Company are shown in the books at lower of cost or fair market value.
- (d) As a conservative and prudent policy, the Company does not provide for increase in the Book Value of individual investments held by it on the date of Balance Sheet.

10. DIVIDEND

Provision for Dividend, as proposed by the Board of Directors, is made in the books of accounts, pending approval of the Shareholders at the Annual General Meeting.

11. FOREIGN CURRENCY TRANSACTIONS

(i) Initial Recognition

Foreign currency transaction are recorded in Indian rupees being the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the respective dates of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate as at the period/year end. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting the company's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or as expenses in the financial year in which they arise except for adjustment of exchange difference arising on reporting of long term foreign currency monetary items in so far they related to the acquisition of a depreciable capital assets which are adjusted to the cost of the assets.

12. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) SALES

Revenue are recognised when the substantial risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract and are recognised net of trade discounts, rebates and sales taxes.

(ii) INCOME FROM INVESTMENTS

Income from Investments, where appropriate, is taken to revenue in full on declaration or receipt and tax deducted at source thereon is treated as advance tax.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

(iii) ADVANCE LICENSE, IMPORT ENTITLEMENTS, ETC.

Advance license, Import Entitlements, etc. are recognized at the time of export and the benefit in respect of advance License received by the company against export made by it are recognized as and when goods are imported against them.

13. RETIREMENT BENEFITS

Short term employee benefits are charged off in the period/year in which the related services are rendered.

Post employment and other long term employee benefits are charged off in the period/year in which the employee has rendered services. The amount charged off is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

14. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

15. LEASES

Lease payments under an operating lease are recognized as an expense in Statement of Profit and Loss on a straight line basis over the lease term.

16. TAXATION

Provision for Current Tax is made on the basis of estimated taxable income for the relevant accounting period/year in accordance with the Income Tax Act, 1961.

The deferred tax liability on account of timing differences between the book profits and the taxable profits for the period/year is accounted by applying the tax rates as applicable as on the balance sheet date.

Deferred Tax assets arising from timing differences are recognised on the principles of virtual certainty that these would be realised in future.

17. IMPAIRMENT OF ASSETS

The company applies the test of Impairment of certain assets as provided in Accounting Standard (AS) – 28 "Impairment of Assets".

18. PROVISION AND CONTINGENCIES

Provision is made when there is a present obligation as a result of past events that probably require an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made, when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

19. EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period/year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period/year. For the purpose of calculating diluted earnings per share, net profit or loss for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the period/year are adjusted for the effects of all dilutive potential equity shares.

₹ In Lacs

B-1 SHARE CAPITAL:	31.03.2015	30.06.2014
Authorised:		
750,000,000 (Jun 30, 2014: 1,487,500,000) Equity shares of ₹ 2/- each	15,000	29,750
25,000,000 (Jun 30, 2014: 10,250,000) Preference shares of ₹ 100/- each	25,000	10,250
	40,000	40,000
Issued:		
655,773,584 (Jun 30, 2014: 655,773,584) Equity shares of ₹ 2/- each	13,115	13,115
	13,115	13,115
Subscribed and Paid up:		
655,773,584 (Jun 30, 2014: 655,773,584) Equity shares of ₹ 2/- each	13,115	13,115
	13,115	13,115
Less: Forfeited shares - 249,745 (Jun 30, 2014: 249,745) Equity shares of ₹ 2/- each	5	5
655,523,839 (Jun 30, 2014: 655,523,839) Equity shares of ₹ 2/- each	13,110	13,110
Add: Amount originally paid up on forfeited shares	2	2
	13,112	13,112

1.1 Reconciliation of number of shares

₹ in Lacs except share data

EQUITY SHARES:	As on Mar 31, 2015		As on Jun 30, 2014	
	No. of shares	Amount	No. of shares	Amount
Balance as at the beginning of the period/year	655,523,839	13,112	655,523,839	13,112
Balance as at the end of the period/year	655,523,839	13,112	655,523,839	13,112

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

1.2 Rights, preferences and restrictions attached to shares:

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

1.3 Details of shares held by shareholders holding more than 5% of the aggregate shares of the Company:

NAME OF SHAREHOLDER	As on 31.03.2015		As on 30.06.2014	
	No. of shares	Holding (%)	No. of shares	Holding (%)
1. Avantha Holdings Limited	322,689,019	49.23	322,689,019	49.23
2. Life Insurance Corporation of India	44,134,423	6.73	44,134,423	6.73
3. Samena Special Situations Mauritius	41,515,609	6.33	41,515,609	6.33
4. Platinum Investment Management Ltd. A/c Platinum Asia Fund	35,282,244	5.38	35,282,244	5.38

1.4 Terms of securities convertible into equity shares:

123 equity shares of ₹ 2/-each represent 41 underlying Global Depository Receipts

₹ In Lacs

B-2 RESERVE AND SURPLUS:	31.03.2015	30.06.2014
Capital Reserve		
At the beginning of the reporting period/year	1,515	1,515
At the close of the reporting period/year	1,515	1,515
Preference Share Capital Redemption Reserve		
At the beginning of the reporting period/year	7,385	7,385
At the close of the reporting period/year	7,385	7,385
Security Premium reserve		
At the beginning of the reporting period/year	27,607	27,607
At the close of the reporting period/year	27,607	27,607
Debenture Redemption Reserve		
At the beginning of the reporting period/year	6,564	3,751
Less: Transferred to balance in Statement of Profit and Loss	1,564	1,875
Add: Transferred from balance in Statement of Profit and Loss	-	4,688
At the close of the reporting period/year	5,000	6,564
General Reserve		
At the beginning of the reporting period/year	80,809	80,809
At the close of the reporting period/year	80,809	80,809
Balance in Statement of Profit and Loss		
At the beginning of the reporting period/year	24,683	25,547
Add:		
Net Profit after tax transferred from statement of profit and loss	894	3,522
Transfer from Debenture Redemption Reserve	1,564	1,875
Less:		
Transfer to Debenture Redemption Reserve	-	4,688
Adjustment for Depreciation in accordance with schedule II of the companies Act, 2013	(58)	-
Proposed Dividend on 655,523,839 equity shares @ 10% (on 655,523,839 equity shares @ 10%)	1,311	1,311
Tax on distributed profits	267	262
At the close of the reporting period/year	25,621	24,683
Total	147,937	148,563

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

₹ In Lacs

B-3 LONG TERM BORROWINGS :		31.03.2015	30.06.2014
1) Secured Loans			
Non Convertible Debentures		15,000	15,000
Term Loans :			
Banks		14,663	4,850
Financial Institutions		12,964	15,857
		42,627	35,707
2) Unsecured Loans:			
Non-convertible debentures		-	5,000
		-	5,000
TOTAL (1+2)		42,627	40,707

Other Information:

a) Debentures

Non-convertible debentures

MATURITY PROFILE

RATE OF INTEREST	NON-CURRENT				
	2019-20	2020-21	2021-22	2022-23	2023-24
11.75%	3,000	3,000	3,000	3,000	3,000

Debentures are secured by pari-passu first charge created on all movable properties of the Company both present and future.

b) Term Loans

Term loan from South Indian bank is repayable in 20 equal quarterly installments starting from December 26, 2016 to September 26, 2021. The Loan is secured by way of a first pari-passu charge over all movable fixed assets of the company.

MATURITY PROFILE

Year	2017	2018	2019	2020	2021	2022
Amount	1000	2000	2000	2000	2000	1000

The Term Loan from other banks are secured by pari-passu first charge created/to be created on all movable properties of the Company both present and future.

MATURITY PROFILE

CURRENT	NON-CURRENT						
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
225	438	500	688	750	825	1150	312

The Term Loan from financial institutions are secured by pari-passu first charge created/to be created on all movable properties of the Company both present and future.

MATURITY PROFILE

CURRENT	NON-CURRENT			
	2015-16	2016-17	2017-18	2018-19
3857	3857	3857	3107	2143

c) Maturity profile and Rate of interest of Non Convertible debentures are as set out below:

RATE OF INTEREST	CURRENT
9.90%	2015-16 5000

d) 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.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

₹ In Lacs

B-4 DEFERRED TAX LIABILITIES (NET)

In term of Accounting standard 22, the computation has been made to the extent there is a reasonable certainty that these will be realised in future. The deferred tax asset and liability as on 31st March 2015 comprises of timing difference on account of:

	31.03.2015	30.06.2014
Deferred Tax Liability :		
Higher depreciation claimed under tax laws	7,151	8,953
TOTAL	7,151	8,953
Deferred Tax Asset :		
Expenses allowable on payment basis	1,518	1,322
TOTAL	1,518	1,322
Net Deferred Tax Liability (Net)	5,633	7,631

B-5 OTHER LONG TERM LIABILITIES:

	31.03.2015	30.06.2014
Security Deposit	491	684
TOTAL	491	684

B-6 LONG TERM PROVISIONS:

	31.03.2015	30.06.2014
Provisions for employee benefits		
- Provision for gratuity	2,572	2,601
- Provision for leave encashment	458	467
TOTAL	3,030	3,068

B-7 SHORT TERM BORROWINGS:

	31.03.2015	30.06.2014
Unsecured Loans:		
Working Capital Loan	51,344	48,395
TOTAL	51,344	48,395

B-8 TRADE PAYABLES:

	31.03.2015	30.06.2014
To micro, small and medium enterprises (Refer Note 8.1)	87	45
Payable to Related Parties	3	-
Other payables	11,819	11,643
TOTAL	11,909	11,688

Note: 8.1: The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

	31.03.2015	30.06.2014
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid on all delayed payments under the MSMED Act	-	-
Payment made beyond the appointed day during the period/year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

₹ In Lacs

B-9 OTHER CURRENT LIABILITIES:	31.03.2015	30.06.2014
Current maturities of long term debt	9,082	11,085
Interest accrued but not due on borrowings	958	1,517
Unpaid dividends	85	87
Security deposits	680	482
Interest accrued on Security deposits	30	10
Advance received from customers	89	100
Director commission payable	–	12
Liability for compulsory / optional buyback	185	186
Payables for capital goods	39	57
Bank book overdrawn	232	681
Statutory dues	3,044	2,840
Payable to employee	1,693	1,268
Due to related Parties	56	20
Other payables	172	282
TOTAL	16,345	18,627

B-10 SHORT TERM PROVISIONS:	31.03.2015	30.06.2014
Provisions for employee benefits :		
- Provision for gratuity	396	487
- Provision for leave encashment	75	82
Provision for Proposed dividend	1,311	1,311
Provision for dividend Tax	267	262
Provision for taxation including MAT	1,247	–
Others provisions (Net of payment) (Refer Note 10.1)	61	58
TOTAL	3,357	2,200

10.1) 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 accounting standard 29-Provisions, Contingent Liabilities and Contingent Asset issued by Institute of Chartered Accountants of India.

	AS AT 1ST JULY 2014	PROVISION DURING THE YEAR	PROVISION UTILISED/ REVERSED DURING THE YEAR	AS AT 31ST MARCH, 2015
Provision for sales tax*	58	3	–	61

*Represents provision against sales tax cases for which Appeal have been filed before Punjab VAT Tribunal at Chandigarh.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

B-11 FIXED ASSETS:												
PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK			
	AS ON 01.07.14	ADDITIONS FOR THE PERIOD	DELETIONS DURING THE PERIOD	AS ON 31.03.15	AS ON 01.07.14	ADDITIONS FOR THE PERIOD	DELETIONS DURING THE PERIOD	ADJUSTMENT ON ACCOUNT OF SCHEDULE II	AS ON 31.03.15	AS ON 31.03.15	AS ON 30.06.14	
A. Tangible Assets												
Free Hold Land	8,429	-	-	8,429	-	-	-	-	-	8,429	8,429	
Lease Hold Land	9	-	-	9	1	0	-	-	1	8	8	
Buildings	16,008	42	-	16,050	4,751	232	-	-	4,983	11,067	11,257	
Plant & Equipments	143,890	2,536	19	146,407	44,134	2,982	6	(53)	47,057	99,350	99,756	
Furniture & Fixtures	1,560	3	0	1,563	990	50	0	(4)	1,036	527	570	
Vehicles	406	10	1	415	20	125	1	(1)	143	272	386	
Office equipment	681	1	-	682	142	57	-	-	199	483	539	
Computer	12	-	-	12	7	2	-	-	9	3	5	
Railway Sidings, Trolley Lines, Tramway and Tipping Tubs	87	-	-	87	27	3	-	-	30	57	60	
	171,082	2,592	20	173,654	50,072	3,451	7	(58)	53,458	120,196	121,010	
B. Intangible assets												
Computer Software	8,717	-	-	8,717	5,402	931	-	-	6,333	2,384	3,315	
Product Development	341	3,130	-	3,471	16	53	-	-	69	3,402	325	
	9,058	3,130	-	12,188	5,418	984	-	-	6,402	5,786	3,640	
TOTAL	180,140	5,722	20	185,862	55,490	4,435	7	(58)	59,860	125,983	124,650	
Previous Year	170,263	10,314	437	180,140	48,721	7,174	405	-	55,490	124,650		

Notes:-

1. Building includes ₹ 293 Lacs (Previous year ₹ 293 Lacs) towards revalued value of ownership flats in cooperative housing societies.
2. "0" represent amount below ₹ 50,000/-

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

₹ In Lacs

B-12 NON CURRENT INVESTMENTS:			
DETAILS OF INVESTMENTS	NAME OF THE COMPANY	31.03.2015	30.06.2014
Unquoted, Non-trade investment			
Investments in Equity Instruments:			
i) Subsidiaries			
990,000 (Jun 30, 2014: 990,000) fully paid Equity shares of ₹ 10/- each	Bilt Tree Tech Limited	40	40
168,679,093 (Jun 30, 2014: 168,679,093) fully paid Equity shares of Euro 0.65 each	Ballarpur International Holdings B.V	76,048	76,048
50,000 (Jun 30, 2014: 50,000) fully paid Equity shares of ₹ 10/- each	Bilt Graphic Paper Products Limited	5	5
18,000 (Jun 30, 2014: 18,000) fully paid Equity shares of Euro 1/- each	Ballarpur Speciality Paper Holdings	12	12
56,20,427 (Jun 30, 2014: 56,20,427) fully paid Equity shares of ₹ 10/- each	Premier Tissues India Limited	4,522	4,522
ii) Other Companies			
5000 (Jun 30, 2014: 5000) fully paid Equity shares of ₹ 10/- each	Blue Horizon Investments Limited	3	3
86,54,186. (Jun 30, 2014: 86,54,186) fully paid Equity shares of ₹ 10/- each	Avantha Power & Infrastructure Limited	748	748
TOTAL		81,378	81,378
Additional Information:			
Aggregate value of unquoted investments:			
Cost		81,378	81,378

B-13 LONG TERM LOANS AND ADVANCES:			
	31.03.2015	30.06.2014	
Unsecured, Considered Good			
Capital advances	39	105	
Security deposits	335	335	
Advance Tax, Tax Deducted at Source (Net of provision for tax)	-	4,442	
Prepaid expenses	7	12	
TOTAL	381	4,894	

B-14 INVENTORIES:			
	31.03.2015	30.06.2014	
Raw materials	5,245	5,886	
Work in progress	1,890	1,826	
Finished goods/Stock in Trade	8,032	7,935	
Stores and spares (See Note 14.1)	5,570	6,386	
Chemicals (See Note 14.2)	7,177	7,234	
Packing material (See Note 14.3)	1,449	1,366	
TOTAL	29,363	30,633	

Note:-

- 14.1) Includes stores & spares-in-transit of ₹ 5 Lacs (Previous Year ₹ 42 Lacs)
- 14.2) Includes Chemicals-in-transit of ₹ 299 Lacs (Previous Year ₹ 345 Lacs)
- 14.3) Includes packing material-in-transit of ₹ 36 Lacs (Previous Year ₹ 59 Lacs)

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

₹ In Lacs

B-15 TRADE RECEIVABLES:	31.03.2015	30.06.2014
Trade receivables -exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	574	33
Trade receivables-others		
Secured, considered good	503	849
Unsecured, considered good	20,584	20,035
TOTAL	21,661	20,917

B-16 CASH AND BANK BALANCE:	31.03.2015	30.06.2014
Cash & cash equivalents		
Balances with banks		
- In current accounts	679	460
Cash on hand	8	14
Earmarked Balance with Banks		
In unpaid dividend accounts	85	87
Unclaimed compulsory /optional buy back consideration accounts	185	186
	957	747
Other bank balance		
In margin money, security for borrowings, guarantees and other commitments	59	59
In deposit accounts exceeding three months but less than twelve months	-	1,163
	59	1,222
TOTAL	1,016	1,969

B-17 SHORT TERM LOANS AND ADVANCES:	31.03.2015	30.06.2014
Unsecured, considered good		
Loans and advances to Related Parties	10,817	7,972
Balance with government authorities	754	833
Prepaid expenses	61	151
Advances to trade creditors	4,381	4,414
Advances to employees*	339	353
Security deposits	745	747
Other advances recoverable in cash or kind for value to be received	2,838	2,457
TOTAL	19,935	16,927
* Includes amount advanced to Directors ₹ 5 Lacs (Previous year ₹ 16 Lacs)		

B-18 OTHER CURRENT ASSETS:	31.03.2015	30.06.2014
Interest accrued on deposits	16	4
Assets held for sale (at lower of cost and net realizable value)	11	11
Other current assets	1	4
TOTAL	28	19

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

B-19 REVENUE FROM OPERATIONS:	31.03.2015	30.06.2014
Sale of products		
Paper (including coated)	40,360	61,907
Rayon grade pulp	253	30,153
Others	6,351	7,410
	46,964	99,470
Less:		
Excise duty	2,337	4,989
Sub Total	44,627	94,481
Other operating Revenue		
Scraps sale / Export Incentive	476	568
Sub Total	476	568
TOTAL	45,103	95,049

B-20 OTHER INCOME:	31.03.2015	30.06.2014
Interest income	14	-
Dividend Income*	0	0
Rent and license fee	-	4
Provision no longer required written back	-	52
Profit on sale of fixed assets (Net)	1	-
Miscellaneous income	108	382
TOTAL	123	438

* '0' represent amount below ₹ 50,000/-

B-21 COST OF MATERIALS CONSUMED:	31.03.2015	30.06.2014
Bamboo	1,338	1,675
Wood and wood species	4,897	23,942
Wood pulp	388	523
Chemicals	3,750	7,659
Packing materials	529	960
TOTAL	10,902	34,759

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

B-22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE:		
	31.03.2015	30.06.2014
Stocks at the beginning of the period/year		
Finished goods		
Paper	6,872	6,255
Pulp	1,063	771
	7,935	7,026
Work in progress		
Paper	691	918
Pulp	1,135	329
	1,826	1,247
TOTAL (A)	9,761	8,273
Stocks at the end of the period/year		
Finished goods		
Paper	7,331	6,872
Pulp	701	1,063
	8,032	7,935
Work in progress		
Paper	873	691
Pulp	1,017	1,135
	1,890	1,826
TOTAL (B)	9,922	9,761
Net (Increase)/Decrease in Stocks (A-B)	(161)	(1,488)

B-23 EMPLOYEE BENEFITS EXPENSES:		
	31.03.2015	30.06.2014
Salaries and wages	4,867	7,995
Contribution to provident and other funds	451	698
Staff welfare expenses	412	993
TOTAL	5,730	9,686

Defined contribution plan*

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

	31.03.2015	30.06.2014
Employer's contribution to provident fund	167	351
Employer's contribution to superannuation fund	116	38
Employer's contribution to pension scheme	73	183
* Includes charged to other accounts		

DEFINED BENEFIT PLAN

The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

Defined Benefit Plan: PARTICULAR	2014-15		2013-14	
	GRATUITY (UNFUNDED)	LEAVE ENCASHMENT (UNFUNDED)	GRATUITY (UNFUNDED)	LEAVE ENCASHMENT (UNFUNDED)
a. Reconciliation of Opening and closing balance of Defined Benefit Obligation				
Defined benefit obligation at beginning of the period/year	3,088	549	3,399	580
Transferred in as pursuance to scheme	-	-	-	-
Current service cost	121	59	181	84
Interest cost	197	34	281	48
Acquisitions	-	-	(195)	(5)
Actuarial (gain)/loss	17	71	(146)	7
Benefit paid	(455)	(180)	(432)	(165)
Plan amendments	-	-	-	-
Transferred out as pursuance to scheme	-	-	-	-
Defined benefit obligation at period/year end	2,968	533	3,088	549
b. Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at beginning of the period/year	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gain/ (loss)	-	-	-	-
Employer contribution	455	180	432	165
Benefit paid	(455)	(180)	(432)	(165)
Fair value of plan assets at period/year end	-	-	-	-
Actual return on plan assets	-	-	-	-
c. Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at period/year end	-	-	-	-
Present value of obligation as at period/year end	2,968	533	3,088	549
Amount recognized in balance sheet	2,968	533	3,088	549
d. Expenses recognized during the period/year (under the Note "Employee Benefits Expense")				
Current service cost	121	59	181	84
Interest cost	197	34	281	48
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	17	71	(146)	7
Plan amendments	-	-	-	-
Net cost	335	164	316	139
e. Discount rate (per annum)				
Expected rate of return on plan assets (per annum)	7.75%	7.75%	8.78%/8.70%	8.78%/8.70%

Rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

B-24 FINANCE COST:	31.03.2015	30.06.2014
Interest expenses	4,493	5,824
Other borrowing costs	389	942
Net loss / (gain) in foreign currency transaction and translation	(339)	543
	4,543	7,309
Less : Interest earned	944	1,935
TOTAL	3,599	5,374

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

B-25 OTHER EXPENSES:	31.03.2015	30.06.2014
Consumption of stores and spare parts	405	1,103
Power and fuel	8,653	17,497
Excise duty on period/year end inventory of finished goods	7	(24)
Rent	1,157	13
Repairs to buildings	57	156
Repairs to machinery	355	810
Repairs others	68	202
Loss on foreign currency fluctuations	27	-
Insurance	120	199
Rates and taxes	98	233
Other manufacturing expenses	442	884
Office & other expenses	1,064	1,669
Corporate Social responsibility Expense	28	29
Commission	1,742	138
Selling expenses	10	570
Loss on sale of fixed asset (net)	-	6
Assets discarded	-	3
Prior period expenses	-	97
Carriage and freight	612	802
Legal and professional charges (See Note 25.1)	99	192
Directors sitting fees	5	8
Directors commission on profit	-	12
TOTAL	14,949	24,570

Note : 25.1) Legal & Professional Charges include auditors' remuneration as under :

	31.03.2015	30.06.2014
- Auditor's Remuneration	40	40
- Tax audit fees	8	8
- Limited review	8	17
- Other capacity	16	40
- Reimbursement of expenses	2	3
TOTAL	74	108

B-26 EARNINGS PER SHARE:	31.03.2015	30.06.2014
Profit for the period/year (₹ in Lacs)	894	3,522
No. of equity shares outstanding	655,523,839	655,523,839
Face value of equity share (₹/share)	2	2
Earnings per share		
Basic (in ₹)	0.14	0.54
Dilluted (in ₹)	0.14	0.54

B-27 CONTINGENT LIABILITIES AND COMMITMENTS:	31.03.2015	30.06.2014
(to the extent not provided for)		
1) Contingent Liabilities:		
Claims against the Company not acknowledged as debts	18,263	12,080
Guarantees	1,828	2,101
TOTAL (A)	20,091	14,181
2) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	171	89
TOTAL (B)	171	89
TOTAL (A+B)	20,262	14,270

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

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

- i) The Company has granted to the lender an irrevocable and unconditional right to require it to purchase loan wholly or in parts, as may be require by lender through exercise of put option given to lender subject to a maximum limit of USD 70 Million.
- ii) The Company has granted to the lender a corporate guarantee of USD 35.10 Million.
- iii) The company has executed an indemnity and undertaking for stand-by Letter of credit facility of USD 30 Million.

₹ In Lacs

B-28 TOTAL VALUE OF IMPORTED & INDIGENOUS RAW MATERIAL, SPARE PARTS & COMPONENTS CONSUMED:

	AMOUNT		PERCENTAGE	
	PERIOD ENDED 31.03.2015	YEAR ENDED 30.06.2014	PERIOD ENDED 31.03.2015	YEAR ENDED 30.06.2014
Raw Materials				
- Imported	1,338	1,764	12.27	5.07
- Indigeneous	9,564	32,995	87.73	94.93
TOTAL	10,902	34,759	100	100
Spare parts & Components*				
- Imported	68	206	7.62	9.01
- Indigeneous	824	2,075	92.38	90.99
TOTAL	892	2,281	100	100
* Includes charged to other accounts				

B-29 VALUE OF IMPORTS CALCULATED ON CIF BASIS:

	31.03.2015	30.06.2014
Material	2,273	563
Components and spare parts	1,602	1,930
Capital Goods	-	26
TOTAL	3,875	2,519

B-30 EXPENDITURE IN FOREIGN CURRENCY (NET OF WITHHOLDING TAX):

	31.03.2015	30.06.2014
Interest on foreign currency loans	-	67
Foreign travel commission claims, consultancy fees etc	4	11
TOTAL	4	78

B-31 EARNINGS IN FOREIGN CURRENCY (ON CASH BASIS):

	31.03.2015	30.06.2014
Export of goods calculated on FOB basis	57	-
TOTAL	57	-

B-32 DETAILS OF DIVIDEND REMITTED TO NON-RESIDENT SHAREHOLDERS IN FOREIGN CURRENCY:

	31.03.2015	30.06.2014
Number of non-resident share holders	2	2
Number of shares held by such non-resident shareholders	5,722,464	5,722,464
Amount remitted during the period/year in foreign currency on account of dividends (₹ in Lacs)	11.44	17.17
Year to which divided relates to	2013-14	2012-13

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

B-33 Segment Reporting:

The Company has identified business segment as the primary segment after considering all the relevant factors. The company's manufactured products are sold primarily within India and as such there are no reportable geographical segment.

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	PERIOD/ YEAR	PAPER	PAPER PRODUCTS & OFFICE SUPPLIES	PULP	TOTAL
Revenues					
Gross Sale to External Customers	2014-15	34,986	11,725	253	46,964
	2013-14	47,193	22,124	30,153	99,470
Excise duty	2014-15	(1,981)	(341)	(15)	(2,337)
	2013-14	(2,818)	(415)	(1,756)	(4,989)
Total Segment Revenues (Net of Excise)	2014-15	33,005	11,384	238	44,627
	2013-14	44,375	21,709	28,397	94,481
Segment results	2014-15	7,218	181	(4,603)	2,796
	2013-14	9,426	868	(3,494)	6,800
Less: Unallocated Corporate Expenses	2014-15				301
	2013-14				412
Profit Before Interest, Tax and exceptional items	2014-15				2,495
	2013-14				6,388
Interest & Finance Cost (Net)	2014-15				3,599
	2013-14				5,374
Profit Before Tax & Exceptional Items	2014-15				(1,104)
	2013-14				1,014
Provision For Tax					
-Current Tax (Net of MAT Credit Entitlement)	2014-15				-
	2013-14				213
-Deferred Tax	2014-15				(1,998)
	2013-14				(2,721)
Net Profit	2014-15				894
	2013-14				3,522
Other Information					
Segmental Assets	2014-15	130,266	18,391	64,734	213,391
	2013-14	121,732	15,950	69,204	206,886
Unallocated Corporate assets	2014-15				82,394
	2013-14				87,789
Total assets	2014-15				295,785
	2013-14				294,675
Segmental Liabilities	2014-15	10,175	5,607	3,399	19,181
	2013-14	9,755	3,748	4,340	17,843
Unallocated Corporate Liabilities	2014-15				6,881
	2013-14				7,631
Total Liabilities	2014-15				26,062
	2013-14				25,474
Capital Expenditure during the period/year	2014-15				8,427
	2013-14				10,052
Depreciation	2014-15				4,377
	2013-14				7,174
Total Liabilities Exclude					
Long Term Borrowings	2014-15				42,627
	2013-14				40,707
Short Term Borrowings	2014-15				51,344
	2013-14				48,395
Current Maturities of Long Term Debts	2014-15				9,070
	2013-14				10,793
Deferred tax liabilities	2014-15				5,633
	2013-14				7,631

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

B-34 Information on Related Parties as required by Accounting Standard-AS 18 "Related Party Disclosures":

a) List of Related Parties over which control exists

Subsidiary Companies (Including Step Down Subsidiaries)

Ballarpur International Holdings B.V.
Ballarpur Paper B.V. (Previously known as BILT Graphic Paper Holdings B.V.)
Ballarpur Paper Holdings B.V.
Ballarpur Speciality Paper Holdings B.V.
BILT Graphic Paper Products Limited
BILT Tree Tech Limited
Sabah Forest Industries Sdn. Bhd.
Premier Tissues India Limited

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

Name of Related Party	Nature of Relationship
Ballarpur International Holdings B.V.	Subsidiary
BILT Tree Tech Limited	Subsidiary
Premier Tissues India Limited	Subsidiary
Ballarpur Paper Holdings B.V.	Step Down Subsidiary
BILT Graphic Paper Products Limited	Step Down Subsidiary
Sabah Forest Industries Sdn. Bhd.	Step Down Subsidiary
Arizona Printers & Packers Private Limited	Other Related Parties
Avantha Holdings Limited	Other Related Parties
Avantha Power & Infrastructure Limited	Other Related Parties
Avantha Realty Limited	Other Related Parties
BILT Industrial Packaging Company Limited	Other Related Parties
Biltech Building Elements Limited	Other Related Parties
Crompton Greaves Limited	Other Related Parties
Global Green Company Limited	Other Related Parties
Jhabua Power Limited	Other Related Parties
Korba West Power Company Limited	Other Related Parties
Krebs & Cie (India) Limited	Other Related Parties
Leading Line Merchant Traders (P) Limited	Other Related Parties
Mirabelle Trading Pte. Limited	Other Related Parties
Prestige Wines & Spirits Private Limited	Other Related Parties
Saraswati Travels (P) Limited	Other Related Parties
Solaris Chemtech Industries Limited	Other Related Parties
UHL Power Company Limited	Other Related Parties
Avantha Business Solutions Limited (Formerly known as Salient Business Solutions Limited)	Other Related Parties

Key Management Personnel

Mr. Gautam Thapar
Mr. B Hariharan
Mr. Anup Kansal

c) Details of transaction with related parties

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

₹ In Lacs

S.NO.	PARTICULARS	RELATIONSHIP	31.03.2015	30.06.2014
a)	Sale of Goods, rent received and Allocation of common expenses for rendering Corporate Service:			
	BILT Tree Tech Limited	Subsidiary	1	3
	Premier Tissues India Limited	Subsidiary	-	3
	BILT Graphic Paper Products Limited	Step Down Subsidiary	3,424	178
	Avantha Holdings Limited	Other Related Parties	1	13
	Biltech Building Elements Limited	Other Related Parties	-	0
	Crompton Greaves Limited	Other Related Parties	1	9

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

S.NO.	PARTICULARS	RELATIONSHIP	31.03.2015	30.06.2014
	Global Green Company Limited	Other Related Parties	-	1
	Jhabua Power Limited	Other Related Parties	0	4
	Korba West Power Company Limited	Other Related Parties	0	5
	Prestige Wines & Spirits (P) Limited	Other Related Parties	0	0
	Solaris Chemtech Industries Limited	Other Related Parties	-	0
b)	Purchase of Goods & Services, Rent and Commission/ Royalty:			
	BILT Tree Tech Limited	Subsidiary	38	18
	Premier Tissues India Limited	Subsidiary	1	34
	BILT Graphic Paper Products Limited	Step Down Subsidiary	2,153	6,799
	Avantha Holdings Limited	Other Related Parties	371	709
	Biltech Building Elements Limited	Other Related Parties	39	44
	Crompton Greaves Limited	Other Related Parties	1	61
	Mirabelle Trading Pte. Limited	Other Related Parties	111	166
	Solaris Chemtech Industries Limited	Other Related Parties	-	-
c)	Loan Given during the year			
	Ballarpur International Holdings B.V.	Subsidiary	5,853	4,665
d)	Loan Received during the year			
	Ballarpur International Holdings B.V.	Subsidiary	6,135	-
e)	Interest on Loan Given:			
	Ballarpur International Holdings B.V.	Subsidiary	391	399
	Avantha Realty Limited	Other Related Parties	480	
f)	Advances given during the year			
	Sabah Forest Industries Sdn. Bhd.	Step Down Subsidiary	1,535	630
g)	Advances received back during the period/year			
	Sabah Forest Industries Sdn. Bhd.	Step Down Subsidiary	2,146	-
h)	Dividend Received			
	BILT Graphic Paper Products Limited	Step Down Subsidiary	0	0
i)	Remuneration :			
	Mr Gautam Thapar	Key Management Personnel	1	4
	Mr B Hariharan	Key Management Personnel	58*	64*
	Mr Anup Kansal	Key Management Personnel	87*	-
	Mr R R Vederah	Key Management Personnel	-	51*
	* Net of Recovery			
j)	Out Standing Balances as on 31st March 2015			
	BILT Tree Tech Limited	Subsidiary	1,495	1,898
	Premier Tissues India Limited	Subsidiary	7	(3)
	Ballarpur International Holdings B.V.	Subsidiary	7,329	6,886
	Ballarpur Paper Holdings B.V.	Step Down Subsidiary	12	12
	Sabah Forest Industries Sdn Bhd	Step Down Subsidiary	258	888
	BILT Graphic Paper Products Limited	Step Down Subsidiary	(4,637)	(5,999)
	Apr Sacks Limited (now merged with AHL)	Other Related Parties	-	-
	Biltech Building Elements Limited	Other Related Parties	977	958
	Avantha Holdings Limited	Other Related Parties	0	(2,276)
	Crompton Greaves Limited	Other Related Parties	(9)	(9)
	Leading Line Merchant Traders (P) Limited	Other Related Parties	-	-
	Saraswati Travels Private Limited	Other Related Parties	8	24
	BILT Industrial Packaging Company Limited	Other Related Parties	859	-
	Global Green Company Limited	Other Related Parties	376	376
	Arizona Printers & Packers Private Limited	Other Related Parties	1	1
	Krebs & Cie (India) Limited	Other Related Parties	-	23
	UHL Power Company Limited	Other Related Parties	473	473
	Avantha Business Solutions Limited (Formerly known as Salient Business Solutions Limited)	Other Related Parties	-	0

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

S.NO.	PARTICULARS	RELATIONSHIP	31.03.2015	30.06.2014
	Jhabua Power Limited	Other Related Parties	(0)	0
	Korba West Power Company Limited	Other Related Parties	0	(1,570)
	Solaris Chemtech Industries Limited	Other Related Parties	(100)	0
	Avantha Power & Infrastructure Limited	Other Related Parties	(103)	(103)
	Avantha Realty Limited	Other Related Parties	1,301	6,373
	Mirabelle Trading Pte. Ltd.	Other Related Parties	2,511	-
	Mr R R Vederah	Key Management Personnel	-	11
	Mr B Hariharan	Key Management Personnel	5	5
	NOTE: 0 represents amount below 50,000/-			

B-35 The Company has operating leases for various premises and for other assets, which are renewable on a periodic basis and cancellable. Rental expenses for operating leases charged to Statement Profit and Loss for the period/year are ₹ 16 Lacs (30th June, 2014 ₹ 13 Lacs).

	As on 31st March 2015	As on 30 June 2014
Not Later than one year from 31st March, 2015	NIL	NIL
Later than one year and not later than five years	NIL	NIL

B-36 The manufacturing activity at Kamlapuram Unit of the Company has been temporarily suspended in view of continuing adverse market conditions and continuous losses being incurred. During the current period, the unit has incurred loss of ₹ 46,03,74,912/- and The accounts of the Unit for the period ended 31st March, 2015 have been prepared on the "Going Concern" basis. Further,

- The Unit has given representation to the Telangana State Government for certain subsidies on inputs and Power for re-starting the manufacturing activity. The said representation is understood to be under active consideration of the State Government.
- State Government of Andhra Pradesh has also issued notification bearing no. G.O.Ms.No.158 Dt.11-05-2015 shifting VAT on wood from 14.50% to 5% on the basis of representations made by the Unit and Telangana state Government.

The above positive developments will enable the Unit to revive its operations with the improvement in profitability.

B-37 In the opinion of the board of Directors, all assets other than fixed assets and non-current investments are realisable in the ordinary course of business at the value at which they are stated in the Financial Statements.

B-38 Accounts with certain financial institutions, banks and companies are subject to reconciliation, however in the opinion of management, these will not have any significant impact on the profit for the period/year and the net worth of the Company as on Balance Sheet date.

B-39 The financial statements are for a period of 9 months i.e. from 1st July, 2014 to 31st March, 2015, therefore the figures of the current period are not comparable with those of the previous year.

B-40 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

As per our report attached
ABHAY UPADHYE
Partner
Membership No. 049354
For and on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

For Ballarpur Industries Limited
GAUTAM THAPAR
Chairman

B. HARIHARAN
Group Director (Finance)

New Delhi, dated the
26th May, 2015

AKHIL MAHAJAN
Company Secretary

Form AOC-I

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

Statement containing salient features of the financial statement of Subsidiaries

NAME OF THE SUBSIDIARY	Ballarpur International Holdings B.V.	Bilt Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	Ballarpur Paper Holdings B.V.	Premier Tissues India Limited	BILT Tree Tech Limited	BILT Graphic Paper Products Limited	Sabah Forest Industries Sdn. Bhd.	Ballarpur Speciality Paper Holdings B.V.
Financial period/year of the Subsidiary ended on	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015	31.03.2015
Reporting Currency	USD	USD	USD	INR	INR	INR	RM	USD
- Exchange Rate - Balance Sheet items (Closing rate)	62.68	62.68	62.68	1.00	1.00	1.00	16.90	62.68
- Exchange Rate - Profit & Loss items (Average rate)	61.63	61.63	61.63	1.00	1.00	1.00	18.23	61.63
Capital								
- Equity Share Capital	73,204	5,418	70,536	562	108	55,005	179,082	13
Reserves	4,504	307,300	197,201	386	175	89,914	7,984	[215]
Total Assets	156,524	448,018	394,656	3,768	3,359	686,808	307,404	1
Total Liabilities	156,524	448,018	394,656	3,768	3,359	686,808	307,404	1
Investments								
(Except Investments in Subsidiaries)								
- Government or Trust Securities	-	-	-	-	-	-	-	-
- Shares, Debentures or Bonds	-	-	-	-	-	3,305	-	-
Turnover	-	-	-	4,363	6,546	287,966	65,136	-
Profit Before Taxation	1,030	7,108	518	54	[118]	4,157	[14,041]	[19]
Provision for Taxation								
- Current Tax	-	-	-	11	13	872	-	-
- MAT ENTITLEMENT CREDIT	-	-	-	[10]	-	[770]	-	-
- Deferred Tax	-	-	-	16	-	181	137	-
Profit After Taxation	1,030	7,108	518	38	[132]	3,874	[14,178]	[19]
Proposed Dividend	-	-	-	-	-	-	-	-
Share Holding percentage in the Subsidiary	100	63.92 (a)	100 (b)	100	91.67	100 (c)	98.08 (c)	100

Notes

a. Held through Ballarpur International Holdings B.V.

b. Held through Bilt Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)

c. Held through Ballarpur Paper Holdings B.V.

2014 2015

CONSOLIDATED
FINANCIALS

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Members of Ballarpur Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of M/s Ballarpur Industries Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the Balance Sheet as at 31st March, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (particularly Accounting Standard 21 - Consolidated Financial Statements). The respective Board of Directors of the companies included in the Group is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

As reported by auditor of Kamalapuram unit of Holding Company, the ability of the unit to continue as a going concern is dependent on the success of obtaining benefits from the State Government of Telangana as referred in Note No. B-34. However, the financial statements have been prepared on a going concern basis and 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 Unit is unable to continue as a going concern.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31st March, 2015 and the consolidated loss and its consolidated cash flows for the nine months period ended on that date.

Other Matter

We did not audit the financial statements of Kamalapuram unit of the Holding Company included in the standalone financial statements of the Holding Company whose financial statements reflect total assets of ₹ 64,737 lacs as at 31st March, 2015 and total revenues of ₹ 267 lacs for the nine months period ended on that date, as considered in the standalone financial statements. The financial statements of this unit has been audited by the unit auditor whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this branch, is based solely on the report of such unit auditor.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section 11 of Section 143 of the Act, based on the comments in the auditors' reports of the Holding Company and subsidiary companies incorporated/ registered in India, we give in the Annexure – 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by sub section 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of a subsidiary, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f. On the basis of the relevant assertion contained in the audit reports on standalone financial statements of each subsidiary company which are incorporated in India, none of the Directors of any such company is disqualified as on March 31, 2015 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
 - 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other information of a subsidiary, as noted in the 'Other Matter' paragraph:
 - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note B-30 to the consolidated financial statements;
 - ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivatives contracts – Refer Note B-7 and B-11 to the consolidated financial statements;
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

ABHAY UPADHYE

Partner

Membership No. 049354

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

26th May, 2015

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

As stated in Para 1 'Report on Other Legal and Regulatory Requirements' in our Auditors' Report of even date, the following statement is based on the comments in the Auditors' reports on the standalone financial statements of the Holding Company and subsidiary companies incorporated in India.

1. a) The Holding Company and its subsidiary companies incorporated in India have maintained proper records showing full particulars including quantitative details and situation of fixed assets.
b) The fixed assets were physically verified during the nine months period by the Management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Group and nature of its assets. No material discrepancies noticed on such physical verification.
2. a) The inventory was physically verified during the nine months period by the Management at reasonable intervals. Materials lying with the third parties have substantially been physically verified or confirmed by the third parties. In our opinion, the frequency of verification is reasonable.
b) The procedures of physical verification of inventories followed by the Management as referred to above are reasonable and adequate in relation to the size of the Company and the nature of its business.
c) The Holding Company and its subsidiary companies incorporated in India are maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Holding Company and its subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to Companies, firms or other parties covered in the registers maintained by it under Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Group.
4. In our opinion and according to the information and explanation obtained the Holding Company and its subsidiary companies incorporated in India, these companies have an adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventories, fixed assets and with regard to the sale of goods, except having regard to the explanation that certain items purchased/ services availed are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations and there is no continuing failure to correct major weakness in internal control system in any of these companies.
5. The Holding Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under, where applicable with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Law Tribunal or Reserve Bank of India or any court or any other tribunal on the Company. The subsidiary companies incorporated in India, does not accepted any deposits from the public.
6. We have broadly reviewed the books of account and records maintained by the Holding Company and subsidiary companies incorporated in India pursuant to the Rules prescribed by the Central Government for maintenance of cost records under sub-Section 1 of Section 148 of the Companies Act wherever applicable and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records. For one of the subsidiary companies incorporated in India, the Central Government has not prescribed the maintenance of cost records under sub-Section 1 of Section 148 of the Companies Act, 2013, for the products and services of the Company.
7. a) According to the information and explanations given to us and on the basis of the examination of the records of the Holding Company and its subsidiary companies incorporated in India, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues, as applicable, have been generally regularly deposited during the year by each of these companies with the appropriate authorities.
According to the information and explanations given to us of the Holding Company and its subsidiary companies incorporated in India, no undisputed dues in respect of Provident Fund, Employees' State Insurance, Income tax, Sales tax, Wealth tax, Service tax, Custom duty, Excise duty, Value added tax, Cess, Professional tax and other material statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
b) According to the information and explanations given to us of the Holding Company and its subsidiary companies incorporated in India, there are no dues of Sales tax, Value added tax, Excise duty, Income tax, Custom duty, Service tax, Water tax and Cess which have not been deposited with the appropriate authorities on account of any dispute other than mentioned in Annexure B to this report.
c) According to the information and explanations given to us and on the basis of the examination by us of the records of the Holding Company and its subsidiary companies incorporated in India, the amounts required to be transferred by the Holding Company to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act and rules made thereunder has been transferred to such fund within time. Some of the subsidiary companies incorporated in India did not have any dues on account of Investor Education and Protection Fund.
8. The Holding Company and the subsidiary companies incorporated in India do not have any accumulated losses at the end of the nine months period ended on 31st March, 2015 and have not incurred any cash losses, during nine months period ended on that date or in the immediately preceding financial year but one of the subsidiary companies has incurred cash losses during the nine months period ended on 31st March, 2015.
9. In our opinion and according to the information and explanations given to us of the Holding Company and its subsidiary companies

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

incorporated in India, none have defaulted in repayment of their respective dues to any financial institution or bank or debenture holders during the nine months period then ended.

10. In our opinion and according to the information and explanations given to us, the terms and conditions of guarantee given by the Holding Company and one of the subsidiary companies incorporated in India for loan taken by others from banks or financial institutions are not prima facie prejudicial to the interest. Other subsidiary Companies incorporated in India has not given any guarantees for loans taken by others from banks or financial institutions.
11. On an overall basis, the term loans taken and/ or utilized by the Group during the nine months period have been applied for the purpose for which they were obtained, other than temporary deployment of such funds.
12. During the course of our examination of the books and records of the Group, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any material fraud on or by the Group noticed or reported during the nine months period, nor have we been informed of such case by management.

ABHAY UPADHYE

Partner

Membership No. 049354

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the
26th May, 2015

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

Name of Statute	Nature of Payment	Amounts (₹ in Lakhs)	Period to which the amount relates	Forum where pending
Central Excise Tariff Act 1985	Excise	24.33	1996-97; 2010-11; 2013-14	Asst. Commissioner, Yamuna Nagar
Central Excise Tariff Act 1985	Excise	11.32	1996-97	Joint Commissioner, Panchkula
Central Excise Tariff Act 1985	Excise	19.54	2009-10	Commissioner, Panchkula
Central Excise Tariff Act 1985	Excise	262.32	2004-05 to 2009-10	Commissioner (Appeals)
Customs Act, 1962	Custom	40.28	2012-13	The Commissioner Custom (Appeals), Kandla
Customs Act, 1962	Custom	33.08	2012-13	Commissioner Custom (Appeals), Jam Nagar
Central Excise Tariff Act 1985	Excise	694.29	2003-04 to 2010-11	CESTAT, New Delhi
Punjab General Sales Tax Act, 1948	Sales Tax	511.31	1989 to 1995	Punjab VAT Tribunal, Chandigarh
UP Trade Tax, 1948	Sales Tax	0.98	1997-98	Trade Tax Tribunal, Saharanpur
UP Trade Tax, 1948	Sales Tax	0.66	2002-03	Trade Tax Tribunal, Saharanpur
UP Tax on Entry of Goods Act, 2000	Entry Tax	1.92	2001-02	Trade Tax Tribunal, Saharanpur
UP VAT Act, 2008	Sales Tax	1.47	2008-09	Trade Tax Tribunal, Saharanpur
UP VAT Act, 2008	Sales Tax	1.22	2008-09	Joint Commissioner Appeals-Saharanpur
UP Trade Tax, 1948	Sales Tax	11.74	1994-95	Nainital High Court
Central Sales Tax Act, 1956	Sales Tax	0.53	2008-09	Dy. Commissioner (Appeals), Patiala
Central Sales Tax Act, 1956	Sales Tax	0.88	2011-12	Jt. Commissioner (Appeals), Ambala
Central Sales Tax Act, 1956	Sale Tax	14.70	2001-02	Sales Tax Appellate Tribunal, Hyderabad Division
Central Excise Laws	Excise duty and Penalty	723.68	2012-13	Customs, Excise and Services Tax Appellate Tribunal, Bangalore
Income Tax Act, 1961	Income Tax	3,001.11	1981-82 to 1990-91, 1997-98, 1999-2000, 2000-01, 2002-03, 2003-04, 2004-05	Pending before High Court
Income Tax Act, 1961	Income Tax	6,661.26	1994-95, 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11	Pending before the Tribunal
Central Excise Laws	Excise Duty	74.85	2003-04	CESTAT Mumbai
Central Excise Laws	Excise Duty	102.43	2008-09	Commissioner (Appeals), Central Excise, Nagpur
Central Excise Laws	Excise Duty	1.12	2009-10	Commissioner (Appeals), Central Excise, Chandrapur
Central Excise Laws	Service Tax	28.25	2003-04	Mumbai High Court, Bench at Nagpur
Central Excise Laws	Interest on delayed payment of service tax	1.76	2004-05	CESTAT, Mumbai
Sales Tax Law	BST	4.43	2007-08	Joint Commissioner of Sales Tax, Nagpur
Sales Tax Law	CST	95.77	2007-08	Joint Commissioner of Sales Tax, Nagpur
Sales Tax Law	Sales Tax	65.11	2005-06	High Court Mumbai
Customs Laws	Customs	96.31	2006-07	CESTAT
Customs Laws	Customs	429.81	2014-15	CESTAT
Customs Laws	Customs	166.82	2013-14	CESTAT
Customs Laws	Customs	36.22	2013-14	Commissioner of customs (Appeal)
Central Excise Laws	Cenvat on input Service	2.26	2006-07	Commissioner of central excise, Pune
Central Excise Laws	Excise Duty	630.61	1984 to 1986, 1991 to 1994, 1999 to 2001, 2005 to 2009	Assessing Authority

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

Name of Statute	Nature of Payment	Amounts (₹ in Lakhs)	Period to which the amount relates	Forum where pending
Central Excise Laws	Excise Duty	824.95	1984 to 1986, 1995 to 1996, 2000 to 2003, 2005 to 2006, 2005 to 2009, 2006 to 2007, 2006 to 2013.	Appellate Authority
Central Excise Laws	Excise Duty	523.71	1990 to 1991, 1999 to 2000	High Court
Central Excise Laws	Excise Duty	7.28	1988 to 1989	Supreme Court
The Maharashtra Value Added Tax, 2000	Value Added Tax	635.99	2005 to 2006, 2007 to 2008	Assessing Authority
Custom Laws	Custom duty	6.78	1983 to 1984	Hon'ble High Court of Orissa
Central Excise Laws	Excise duty	622.27	1999 to 2015	Joint Commissioner to Central Excise & Gold (Appellate) Tribunal (CEGAT)
Central Excise Laws	Service Tax	62.32	1997 to 1998, 2005 to 2007	Commissioner of Central Excise & Custom.
Sales Tax Law	Sales tax	266.40	1985 to 1987, 1995 to 2007	Assistant Commissioner to Appellate Tribunal.
Income Tax Act, 1961	Tax deducted at source	39.41	2007 to 2014	Income Tax Officer
Orissa Entry Tax Act, 1999	Entry tax	601.61	1999 to 2009	Sale Tax Appellate Tribunal
Orissa Irrigation Act, [Amendment 1993]	Water tax	591.47	1994 to 2014	Hon'ble High Court of Orissa
Water Prevention & Control of Pollution Cess (Amendment Act, 2003)	Water Cess	84.11	2004 to 2014	State Pollution Control Board Orissa
Bombay Sales Tax Act, 1956	Sales Tax	9.39	2003-2004	Assessing Authority
Bombay Sales Tax Act, 1956	Sales Tax	16.78	2005-2006	Assessing Authority
Bombay Sales Tax Act, 1956	Sales Tax	6.85	2002-2003	Assessing Authority
Income Tax Act, 1961	Income Tax	3.44	AY 2006-2007	CIT- Appeals
Income Tax Act, 1961	Income Tax	6.20	AY 2007-2008	Appeal yet to be filed

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2015

₹ In Lacs

	NOTE NO.	31.03.2015	30.06.2014
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	B-1	13,112	13,112
Reserves and Surplus	B-2	181,727	226,033
Subordinated Perpetual Capital Securities	B-3	125,358	120,092
Minority Interest		109,482	57,105
		429,679	416,342
NON - CURRENT LIABILITIES			
Long term borrowings	B-4	335,436	362,372
Deferred tax liabilities (Net)	B-5	9,489	9,203
Other long term liabilities	B-6	5,316	5,620
Long term provisions	B-7	7,215	6,647
		357,456	383,842
CURRENT LIABILITIES			
Short term borrowings	B-8	155,319	160,997
Trade payables	B-9	142,232	127,897
Other current liabilities	B-10	116,458	135,621
Short term provisions	B-11	6,134	5,170
		420,143	429,685
TOTAL		1,207,278	1,229,869
ASSETS			
NON - CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	B-12	787,392	819,994
Intangible assets	B-12	7,953	5,876
Capital work in progress		23,581	18,899
Intangible assets under development		193	-
		819,119	844,769
Non - current investments	B-13	4,056	4,056
Long term loans and advances	B-14	43,254	43,122
Other non current assets	B-15	57,327	58,297
		104,637	105,475
CURRENT ASSETS			
Inventories	B-16	143,245	146,106
Trade receivables	B-17	51,245	47,321
Cash and bank balances	B-18	24,072	25,924
Short term loans and advances	B-19	61,616	57,186
Other current assets	B-20	3,344	3,088
		283,522	279,625
TOTAL		1,207,278	1,229,869
Significant Accounting Policies	"A"		
Notes to Financial Statements	"B"		

As per our report attached
ABHAY UPADHYE
 Partner
 Membership No. 049354
 For and on behalf of
K. K. MANKESHWAR & CO.
 Chartered Accountants
 FRN: 106009W

For Ballarpur Industries Limited
GAUTAM THAPAR
 Chairman

B. HARIHARAN
 Group Director (Finance)

New Delhi, dated the
 26th May, 2015

AKHIL MAHAJAN
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

	NOTE NO.	31.03.2015	30.06.2014
REVENUE			
Sales		381,460	549,922
Less:- Excise Duty		18,868	27,890
Net sales		362,592	522,032
Other operating revenue		4,488	6,426
Revenue from operations	B-21	367,080	528,458
Other Income	B-22	1,598	1,142
TOTAL		368,678	529,600
EXPENSES			
Cost of materials consumed	B-23	175,275	255,107
Purchases of stock in trade		10,917	15,021
Changes in inventories of finished goods, work in progress and stock in trade	B-24	(4,251)	(13,414)
Employee benefits expenses	B-25	30,680	39,654
Finance costs	B-26	31,205	42,286
Depreciation and amortizations expenses	B-27	33,809	49,564
Other expenses	B-28	97,027	138,427
TOTAL		374,662	526,645
Profit/(Loss) before tax and exceptional items		(5,984)	2,955
Exceptional Item		255	-
Profit/(Loss) before tax		(6,239)	2,955
Tax expense:			
Current tax/MAT (Including Wealth Tax)		896	2,905
MAT Credit Entitlement available for set off in subsequent period/years		(780)	(2,366)
Deferred tax		(1,665)	(3,750)
		(1,549)	(3,211)
Profit/(Loss) after tax for the period/year		(4,690)	6,166
Less : Minority Interest		(2,555)	1,189
Profit/(loss) for the year after minority interest		(2,135)	4,977
Earning per equity share:	B-29		
(1) Basic (In ₹)		(0.33)	0.76
(2) Diluted (In ₹)		(0.33)	0.76
Significant Accounting Policies	"A"		
Notes to Financial Statements	"B"		

As per our report attached
ABHAY UPADHYE
Partner
Membership No. 049354
For and on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

For Ballarpur Industries Limited
GAUTAM THAPAR
Chairman

B. HARIHARAN
Group Director (Finance)

New Delhi, dated the
26th May, 2015

AKHIL MAHAJAN
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

	31.03.2015	30.06.2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before exceptional items, tax, minority interest and appropriations	(6,239)	2,955
Adjustments for:		
(Profit) / Loss on sale of Assets (net)	(27)	(18)
Unspent Liabilities and Excess Provisions of earlier years written back	(174)	(60)
Depreciation & amortisation expenses	33,809	49,564
Assets discarded	-	16
Finance costs (net)	31,205	42,286
	64,813	91,788
Operating Profit before Working Capital Changes	58,574	94,743
Adjustment for Working Capital Changes :		
(Increase)/decrease in trade receivable	(3,924)	(1,992)
(Increase)/decrease in loans, advances and other current assets	(6,815)	14,561
(Increase)/decrease in inventory	2,861	(26,725)
Increase/(decrease) in liabilities and provisions	15,334	22,180
	7,456	8,024
Cash generated from operations	66,030	102,767
Income tax paid (net)	2,497	(5,596)
Net cash flow inflow from operating activities	68,527	97,171
CASH FLOW FROM INVESTING ACTIVITIES		
Increase in fixed assets, capital work-in-progress and capital advances	(25,510)	(71,697)
Proceed from Sale of property plant and equipment	46	174
Interest received	19	2,236
(Increase)/decrease in other bank balances	(4,955)	(12,556)
Net cash flow from investing activities	(30,400)	(81,843)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds for charge in minority interest	49,962	-
Increase/(decrease) in borrowings	(44,970)	49,172
Payment for buy back (optional/convertible)	(1)	(1)
Dividend and distribution on unsecured subordinated perpetual capital Securities (including dividend tax)	(14,218)	(15,710)
Interest paid (Net)	(30,517)	(45,068)
Net cash flow from financing activities	(39,744)	(11,607)
Net increase/(decrease) in cash and cash equivalents	(1,617)	3,721
Cash and cash equivalents at beginning of reporting period/year	9,764	4,359
Impact of Foreign Currency Translation Reserve	(5,173)	1,684
Cash and cash equivalents (closing balance)	2,974	9,764
Significant Accounting Policies	"A"	
Notes to Financial Statements	"B"	

As per our report attached
ABHAY UPADHYE
Partner
Membership No. 049354
For and on behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

For Ballarpur Industries Limited
GAUTAM THAPAR
Chairman

B. HARIHARAN
Group Director (Finance)

New Delhi, dated the
26th May, 2015

AKHIL MAHAJAN
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

GROUP OVERVIEW

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

A. SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements ("CFS") have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Consolidated Financial Statements comprise of the financial statements of Ballarpur Industries Limited (the company) for year ended 31st March 2015 and its following Subsidiaries:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest either directly or through subsidiary as on	
		31.03.2015	30.06.2014
Subsidiary			
Bilt Tree Tech Limited	India	91.67%	91.67%
Ballarpur International Holdings B.V.	Netherlands	100%	100%
Ballarpur Speciality Paper Holdings B.V.	Netherlands	100%	100%
Premier Tissues India Limited	India	100%	100%
Step down Subsidiary			
BILT Paper B.V. (formerly known as Ballarpur International Graphic Paper Holdings B.V.) (i)	Netherlands	63.92%	79.21%
Ballarpur Paper Holdings B.V. (ii)	Netherlands	100%	100%
BILT Graphic Paper Products Limited (iii)	India	100%	100%
Sabah Forest Industries Sdn. Bhd. (iii)	Malaysia	98.08%	97.78%

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

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

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

(a) The Financial Statements of all Indian subsidiaries are prepared in compliance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2014 and other provisions of the Companies Act, 2013 and those of the foreign subsidiaries have been prepared in compliance with the local laws and applicable accounting standards.

(b) The Company has disclosed only such Policies and Notes from the individual financial statements, which fairly cover the required disclosures.

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 differences 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 equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities.

3. CASH FLOW STATEMENT

Cash flows are reported using the Indirect Method, where by profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

5. FIXED ASSETS -TANGIBLE

I) Fixed Assets (other than those which have been revalued) are stated at cost net of CENVAT/Value Added Tax, rebates, less accumulated depreciation and impairment loss, if any.

II) All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contract and adjustments arising from exchange rate variations attributable to fixed assets are capitalized.

SIGNIFICANT ACCOUNTING POLICIES

- III) Preoperative expenditure: Indirect expenditure incurred during construction period is capitalized under the respective asset head as a part of the indirect construction cost, to the extent to which the expenditure is indirectly related to the assets head. Other Indirect expenditure incurred during the construction period, which is not related to the construction activities or which is not incidental thereto is written off in the Statement of Profit and Loss.

6. DEPRECIATION

- I) Depreciation of the assets acquired on or after 1st July 2014 is provided on Written Down Value on certain assets and on Straight Line Method on other assets over useful of the assets as prescribed in schedule II to the Companies Act, 2013.
- II) On other fixed assets except in case of Bilt Tree Tech Limited and Premier Tissues India Limited, depreciation is provided on written down value on certain assets over useful life of the assets as prescribed in schedule II to the Companies Act, 2013 and on Straight Line Method over the useful life of the assets based on internal assessment and independent technical evaluation carried by external values except in case of improvements to leased premises which are amortised over the period of lease. The management believes that the life ascertained by the valuers best represents the period over which management expects to use these assets. Hence the useful lives for these are as follows:

S. No.	Fixed Assets	Balance remaining useful life as on 1st July, 2014 (In Years)
1	Building	5-43
2	Equipments	1-10
3	Furniture & Fixtures	1-10
4	Plant & Machinery	1-23
5	Vehicles	1-15
6	Computer Software	1-6
7	Railway Siding	3-15

- III) In case of Bilt Tree Tech Limited and Premier Tissues India Limited, Depreciation is provided on Straight Line Method over useful of the assets as prescribed in schedule II to the Companies Act, 2013

7. INTANGIBLE ASSETS AND AMORTISATION

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Company and the cost of the assets can be measured reliably.

(a) Specialized Software

Expenditure on specialised software are amortised over a period of seven years.

(b) Research and development cost:

1. Research Cost:
Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.
2. Development Cost:
Development expenditure on new product is capitalized as intangible assets, if all of the following can be demonstrated.
 - (I) the technical feasibility of completing the intangible asset so that it will be available for the use or sale;
 - (II) the Company has intention to complete the development of intangible asset and use or sell it;
 - (III) the company has ability to use or sell the intangible asset;
 - (IV) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the Intangible asset itself or if it is to be used internally, the usefulness of the Intangible asset;
 - (V) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
 - (VI) the company has ability to measure the expenditure attributable to the intangible asset during the development reliably.
 Development cost on the Intangible asset, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

8. INVENTORY VALUATION

Raw Materials, Stores, Spare Parts, Chemicals etc., are valued at cost, computed on weighted average basis except Premier Tissues India Limited, where Raw Materials, Stores, Spare Parts, Chemicals etc., are valued at cost, computed on FIFO basis. Finished goods and work in process 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.

9. INVESTMENTS

- (a) Investments made by the Company in various securities are primarily meant to be held over a long-term period.
- (b) (i) Holding of certain investments is of strategic importance to the Company and therefore, the Company does not consider it necessary to provide for depletion in the Book Value of such Investments, till continuation of the relationship of strategic importance with the Investee Company, namely that of a Subsidiary, Associate, Company under the same management, Foreign Joint Ventures and/or Company associated with Avantha Group.
- (ii) However, appropriate provisions are made to recognise depletion in the Book Value of Investments in companies of Strategic importance also, as and when the Investee Company is either wound up or goes into liquidation or where the operations cease or are taken over by Receiver by Operation of Law.

SIGNIFICANT ACCOUNTING POLICIES

- (c) Investments in Government Securities are shown at cost and Investments, other than that of Strategic Importance to the Company are shown in the books at lower of cost or fair market value.
- (d) As a conservative and prudent policy, the Company does not provide for increase in the Book Value of individual investments held by it on the date of Balance Sheet.

10. DIVIDEND

Provision for Dividend, as proposed by the Board of Directors, is made in the books of account, pending approval of the Shareholders at the Annual General Meeting.

11. FOREIGN CURRENCY TRANSACTIONS

(i) Initial Recognition

Foreign currency transaction are recorded in Indian rupees being the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the respective dates of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate as at the year end. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting the company's monetary items at rates different from those at which they were initially recorded during the financial year are recognized as income or as expenses in the financial year in which they arise except for adjustment of exchange difference arising on reporting of long term foreign currency monetary items in so far they related to the acquisition of a depreciable capital assets which are adjusted to the cost of the assets.

(iv) The operation of foreign subsidiaries which are considered as non-integral operations, their financial statements are translated at the following exchange rates:

(a) Revenue and Expenses	:	At the average exchange rate during the year
(b) Current assets and current liabilities	:	Exchange rate prevailing at the end of the year
(c) Fixed Assets	:	Exchange rate prevailing at the end of the year
(d) Share Capital	:	At the Original rate when the capital was infused

The resultant Exchange difference is accounted as Foreign Currency Translation Reserve until the disposal of the net Investment.

12. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(i) SALES

Revenue from sale of goods is recognised when the risks and rewards of ownership have passed to the customers.

(ii) INCOME FROM INVESTMENTS

Income from Investments, where appropriate, is taken to revenue in full on declaration or receipt and tax deducted at source thereon is treated as advance tax.

(iii) ADVANCE LICENSE, IMPORT ENTITLEMENTS, ETC.

Advance license ,Import Entitlements, etc. are recognized at the time of export and the benefit in respect of advance License received by the company against export made by it are recognized as and when goods are imported against them.

13. RETIREMENT BENEFITS

Short term employee benefits are charged off in the period/year in which the related services are rendered.

Post employment and other long term employee benefits are charged off in the period/year in which the employee has rendered services. The amount charged off is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Statement of Profit and Loss.

14. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Statement of Profit and Loss.

15. LEASES

Assets acquired under leases where the group has substantially all the risks and rewards of ownership are classified as finance lease. Such assets are capitalised at the inception of the lease at the lower of the fair value and present value of minimum lease payments and the liability is created for the equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

Lease payments under an operating lease are recognized as an expense in Statement of Profit and Loss on a straight line basis over the lease term.

16. TAXATION

Provision for Current Tax is made on the basis of estimated taxable income for the relevant accounting period/year in accordance with the Income Tax Act, 1961.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

The deferred tax liability on account of timing differences between the book profits and the taxable profits for the period/year is accounted by applying the tax rates as applicable as on the balance sheet date.

Deferred Tax assets arising from timing differences are recognised on the principles of virtual certainty that these would be realised in future.

17. IMPAIRMENT OF ASSETS

The company applies the test of Impairment of certain assets as provided in Accounting Standard (AS) – 28 “Impairment of Assets”.

18. PROVISION AND CONTINGENCIES

Provision is made when there is a present obligation as a result of past events that probably require an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made, when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

19. EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period/year. For the purpose of calculating diluted earnings per share, net profit or loss for the period/year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

20. UNAMORTISED EXPENSED

Cost incurred in raising funds are amortised over the period for which the funds have been obtained, using time proportionate basis.

₹ In Lacs

B-1 SHARE CAPITAL:	31.03.2015	30.06.2014
Authorised:		
750,000,000 (Jun 30, 2014: 1,487,500,000) equity shares of ₹ 2/- each	15,000	29,750
25,000,000 (Jun 30, 2014: 10,250,000) preference shares of ₹ 100/- each	25,000	10,250
	40,000	40,000
Issued:		
655,773,584 (Jun 30, 2014: 655,773,584) equity shares of ₹ 2/- each	13,115	13,115
	13,115	13,115
Subscribed and Paid up:		
655,773,584 (Jun 30, 2014: 655,773,584) equity shares of ₹ 2/- each	13,115	13,115
	13,115	13,115
Less: Forfeited shares - 249,745 (Jun 30, 2014: 249,745) equity shares of ₹ 2/- each	5	5
655,523,839 (Jun 30, 2014: 655,523,839) equity shares of ₹ 2/- each	13,110	13,110
Add: Amount originally paid up on forfeited shares	2	2
	13,112	13,112

1.1 Reconciliation of number of Shares

₹ In Lacs Except Share Data

EQUITY SHARES:	AS ON MARCH 31, 2015		AS ON JUN 30, 2014	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
Balance as at the beginning of the period/year	655,523,839	13,112	655,523,839	13,112
Balance as at the end of the period/year	655,523,839	13,112	655,523,839	13,112

1.2 Rights, preferences and restrictions attached to shares:

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

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

NAME OF SHAREHOLDER	AS ON 31.03.2015		AS ON 30.06.2014	
	NO. OF SHARES	HOLDING (%)	NO. OF SHARES	HOLDING (%)
1. Avantha Holdings Limited	322,689,019	49.23	322,689,019	49.23
2. Life Insurance Corporation of India	44,134,423	6.73	44,134,423	6.73
3. Samena Special Situations Mauritius	41,515,609	6.33	41,515,609	6.33
4. Platinum Investment Management Ltd. A/c Platinum Asia Fund	35,282,244	5.38	35,282,244	5.38

1.4 Terms of securities convertible into equity shares:

123 equity shares of ₹ 2/-each represent 41 underlying Global Depository Receipts

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

₹ In Lacs

B-2 RESERVES AND SURPLUS:	31.03.2015	30.06.2014
Capital Reserve on Consolidation		
At the beginning of the reporting period/year	38,297	38,297
Less: Adjustment for change in minority interest	(2,415)	-
At the close of the reporting period/year	35,882	38,297
Capital Reserve		
At the beginning of the reporting period/year	1,515	1,515
At the close of the reporting period/year	1,515	1,515
Share Premium reserve		-
At the beginning of the reporting period/year	26,798	26,798
At the close of the reporting period/year	26,798	26,798
Preference Share Capital Redemption Reserve		
At the beginning of the reporting period/year	7,385	7,385
At the close of the reporting period/year	7,385	7,385
Debenture Redemption Reserve		
At the beginning of the reporting period/year	21,189	20,501
Less: Transferred to balance in Statement of Profit and Loss	(3,439)	2,312
Add: Transferred from balance in Statement of Profit and Loss	-	3,000
At the close of the reporting period/year	17,750	21,189
General Reserve		
At the beginning of the reporting period/year	80,810	80,810
Add: Transferred from balance in Statement of Profit and Loss	-	-
At the close of the reporting period/year	80,810	80,810
Foreign Currency Translation Reserve		
At the beginning of the reporting period/year	(1,970)	98
Addition during the year (net)	(30,540)	(2,068)
At the close of the reporting period/year	(32,510)	(1,970)
Balance in Statement of Profit and Loss		
At the beginning of the reporting period/year	52,009	60,056
Add:		
Profit/(Loss) for the period/year as per statement of profit and loss	(2,135)	4,977
Transfer from Debenture Redemption Reserve	3,439	2,312
Less:		
Transfer to Debenture Redemption Reserve	-	3,000
Adjustment for Depreciation in accordance with schedule II of the Companies Act, 2013	705	-
Distribution on unsecured Subordinated Perpetual Capital Securities (Net of minority interest)	6163	10,155
Proposed Dividend on 655,523,839 equity shares @ 10% (on 655,523,839 equity shares @ 10%)	1,311	1,311
Tax on distributed profits (including tax paid by step-down subsidiary company)	1,037	870
At the close of the reporting period/year	44,097	52,009
Total	181,727	226,033

B-3 SUBORDINATED PERPETUAL CAPITAL SECURITIES:	31.03.2015	30.06.2014
Subordinated Perpetual Capital Securities	125,358	120,092
TOTAL	125,358	120,092

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

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

₹ In Lacs

B-4 LONG TERM BORROWINGS:	31.03.2015	30.06.2014
1. Secured Loans:		
Debentures (Refer Note 4.1)	52,000	66,000
External commercial borrowings (Refer Note 4.2)	23,385	27,021
Term Loans :		
Financial Institutions (Refer Note 4.3)	53,953	59,017
Banks (Refer Note 4.3)	177,210	180,265
Vehicle Loan (See Note 4.4)	8	53
	306,556	332,356
2. Unsecured Loans:		
Non-convertible debentures (Refer Note 4.5)	-	5,000
Loan from banks (Refer Note 4.6)	14,620	12,009
Zero coupon compulsory convertible bonds (Refer Note 4.7)	9,402	9,007
Deferred payment liabilities (Refer Note 4.8)	4,858	4,000
	28,880	30,016
Total long term borrowings (1+2)	335,436	362,372

SECURED LOAN:-

4.1 NON-CONVERTIBLE DEBENTURES

Non Convertible Debentures (NCD) of ₹ 75,000 Lacs which carrying an interest rate ranging from 8.75% to 9.90% depending upon the date and amount drawn, are secured by first pari-passu charge on fixed assets of Bilt Graphic Paper Products Limited, both present and future except for NCD of ₹ 25,000 Lacs allotted on 29th September 2010 which are secured by pari-passu first charge on movable fixed assets of the Bilt Graphic Paper Products Limited, both present and future. NCD are repayable in installments starting from September 2012 to September 2017. Maturity Profile and Rate of interest of Non Convertible Debentures are as set out below:

MATURITY PROFILE			
RATE OF INTEREST	CURRENT	NON-CURRENT	
	2015-2016	2016-2017	2017-2018
9.50%	5,000	-	-
9.55%	4,000	-	-
9.65%	5,000	12,500	-
9.75%	-	7,500	5,000
9.90%	-	6,000	6,000

Debentures are secured by pari-passu first charge created on all movable properties of the Company both present and future.

MATURITY PROFILE					
RATE OF INTEREST	NON-CURRENT				
	2019-20	2020-21	2021-22	2022-23	2023-24
11.75%	3,000	3,000	3,000	3,000	3,000

4.2 EXTERNAL COMMERCIAL BORROWINGS

- (a) Loan from Consortium led by RABO bank has been refinanced by USD 78.48 Million loan from Consortium led by RABO Bank at LIBOR plus 1.75% repayable by 31 May 2015 secured by way of hypothecation over the secured movable fixed assets of Bilt Graphic Paper Products Limited.

CURRENT MATURITY PROFILE	
	2014-2015
External Commercial Borrowings	15,372

- (b) External Commercial Borrowings (ECB) loan from RABO bank for USD 25 Million at LIBOR plus margin of 3.3% is repayable by nine equal semi annual installments first installment must be repaid 36 months after the utilisation date. The loan is secured by pari-passu first charge on movable fixed assets of Bilt Graphic Paper Products Limited.
- (c) External Commercial Borrowings (ECB) loan from DBS Bank Limited for USD 20 Million at 3 Month Libor plus margin 2.7%. The loan is repayable in eight equal semi-annual installments starting from 07th February, 2016 to 07th August, 2019. The loan is secured by way of first pari-passu charge over all Movable Fixed Assets of Bilt Graphic Paper Products Limited.

4.3 TERM LOANS FROM BANKS & FINANCIAL INSTITUTIONS

- (a) Term Loan from IDFC Limited of ₹ 25,000 Lacs is repayable in 26 equal quarterly installments starting from October 15, 2014 to January 15, 2021. 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 Bilt Graphic Paper Products Limited.
- (b) Term loan from GE Money Financial Services Private Limited of ₹ 15,000 Lacs is repayable in 22 equal quarterly installments starting from March 27, 2014 to June 27, 2019. The Loan is secured by way of a first pari-passu charge over all movable fixed assets of Bilt Graphic Paper Products Limited.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

- (c) The Company has obtained a Term loan from State Bank of India of ₹ 30,000 Lacs. The loan is repayable in installments starting from 30th June, 2014 to 30th June, 2023. The loan is secured by way of first pari passu charge over all movable fixed assets of Bilt Graphic Paper Products Limited.
- (d) The loan of ₹ 12,692.94 Lacs has been transferred to the Bilt Graphic Paper Products Limited from Avantha Power & Infrastructure Limited, the loan is availed from IDFC Limited. The repayment of the 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. The loan is secured by way of first pari-passu charge over all movable fixed assets of Bilt Graphic Paper Products Limited.
- (e) The Loan of ₹ 8,851 Lacs has been transferred to the Bilt Graphic Paper Products Limited from Avantha Power & Infrastructure Limited, the loan is availed from Axis Bank Limited, the repayment of the loan is already started and the loan is divided into three parts, the final repayment of Loan 1 and Loan 2 is 1st July 2020 and Loan 3 is 3rd September 2020. The loan is secured by way of first pari passu charge over all movable fixed assets of Bilt Graphic Paper Products Limited.
- (f) Bilt Graphic Paper Products Limited has obtained a Term loan from GE Money Financial Services Private Limited of ₹ 5,000 Lacs is repayable in 22 equal quarterly installments starting from August 14, 2015 to November 13, 2020. The loan is secured by way of first pari passu charge over all movable fixed assets of Bilt Graphic Paper Products Limited.
- (g) Bilt Graphic Paper Products Limited has obtained a Term loan from Axis Bank Limited of ₹ 20,000 Lacs. The loan is repayable in 20 equal quarterly installments starting from December 31, 2016 to September 30, 2021. The loan is secured by way of first pari passu charge over all movable fixed assets of Bilt Graphic Paper Products Limited.
- (h) Term loan from South Indian Bank is repayable in 20 equal quarterly installments starting from December 26, 2016 to September 26, 2021. The loan is secured by way of a first pari-passu charge over all movable fixed assets of the company.

₹ In Lacs

Year	2017	2018	2019	2020	2021	2022
Amount	1000	2000	2000	2000	2000	1000

- (i) Term loan from other banks are secured by pari-passu first charge created/to be created on all movable properties of the Company both present and future.

MATURITY PROFILE

CURRENT 2015-16	Non-Current						
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
225	438	500	688	750	825	1150	312

- (j) The term loans from financial institutions are secured by pari-passu first charge created/to be created on all movable properties of the Company both present and future.

MATURITY PROFILE

Current 2015-16	Non-Current			
	2016-17	2017-18	2018-19	2019-20
3,857	3,857	3,857	3,107	2,143

- (k) The below mentioned facilities are secured by charges over the current assets, fixed assets, land and receivables of Sabah Forest Industries Sdn. Bhd., offtake agreement assignment etc. and are repayable as under:
- (i) a term loan of USD 50 Million, which is repayable by 8 equal semi-annual installments commencing from March 15, 2013;
- (ii) a term loan of USD 20 Million, which is repayable by 8 equal semi-annual installments commencing from October 20, 2013;
- (iii) a term loan of USD 20 Million, which is repayable by 8 equal semi-annual installments commencing from January 4, 2014;
- (iv) a term loan of USD 25 Million which is repayable by 5 equal semi-annual installments commencing from September 28, 2014;
- (v) a term loan of USD 25 Million, which is repayable by 10 equal semi-annual installments commencing from February 8, 2013;
- (vi) a term loan of USD 50 Million, which is repayable by 19 unequal quarterly installments commencing from December 28, 2013;
- (vii) a term loan of USD 25 Million, which is repayable by 24 unequal quarterly installments commencing from November 1, 2013;
- (l) (i) ₹ 947 Lacs term loan is secured by exclusive charge on the movable fixed assets and immovable fixed assets of Premier Tissues India Limited. Repayable in 20 quarterly installments after a moratorium period 12 months w.e.f. July, 2011 along with interest @ 2.85% plus prime lending rate (present rate is 13.35%)
- (ii) Term loan of USD 35 Million at LIBOR plus a margin of 5.3% from Exim bank is secured against pledge of Bilt Paper B.V.'s (previously known as Ballarpur International Graphic Paper Holdings B.V.) shares and is repayable in four equal installments starting from January 2015.
- (iii) Term loan of USD 58 Million at LIBOR plus a margin of 5.25% from Standard Chartered Bank is secured against pledge of Ballarpur Paper Holdings B.V.'s shares and is repayable at the end of three years from first utilisation date. USD 38 Million has been prepaid in November 2014.
- (iv) Term loan of USD 75 Million at LIBOR plus a margin of 4.80% from Credit Agricole Bank is secured against pledge of Ballarpur Paper Holdings B.V.'s shares and is repayable in three equal installments starts from 48 months of agreement i.e. January 2, 2015.

4.4 VEHICLE LOANS

The hire-purchase payables are secured by charge over the asset under hire-purchase and average term for hire-purchase ranges from 3 to 7 years.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

Unsecured Loan:-

4.5 NON-CONVERTIBLE DEBENTURES

Maturity profile and Rate of interest of Non Convertible debentures are as set out below:

MATURITY PROFILE	
RATE OF INTEREST	CURRENT 2015-16
9.90%	5,000

4.6 LOAN FROM BANKS

- a) A USD 60 Million loan at LIBOR plus a margin of 4.5% from IDBI Bank was drawn down in installments from March 2011 to April 2011 and is repayable in three equal installments starting from April 2014. The loan is prepaid during the period/year
- b) A USD 30 Million loan at EURIBOR plus a margin of 2.5% was drawn on 13th March 2014 from ICICI Bank and is repayable in three equal installments starting from third year of the utilization date. The loan is reinstated to USD 23.33 million at closing rate on 31.03.2015.

4.7 ZERO COUPON COMPULSORY CONVERTIBLE BONDS

Zero Coupon Convertible Bonds of USD 15 Million are due in March, 2017.

4.8 DEFERRED PAYMENT LIABILITIES

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

₹ In Lacs

B-5 DEFERRED TAX LIABILITIES (NET)

In term of Accounting standard 22, the computation has been made to the extent there is a reasonable certainty that these will be realised in future. The deferred tax asset and liability as on 31st March 2015 comprises of timing difference on account of:

	31.03.2015	30.06.2014
Deferred Tax Liability :		
Higher depreciation claimed under tax laws (net off unabsorbed depreciation & c/f losses)	17,858	16,247
TOTAL	17,858	16,247
Deferred Tax Asset :		
Expenses allowable on payment basis	8,369	7,044
Net Deferred Tax Liability*	9,489	9,203

*Includes effect of foreign currency translation.

B-6 OTHER LONG TERM LIABILITIES:

	31.03.2015	30.06.2014
Security Deposit	5,316	5,620
TOTAL	5,316	5,620

B-7 LONG TERM PROVISIONS:

	31.03.2015	30.06.2014
Provisions for employee benefits		
Provision for gratuity	6,391	5,876
Provision for leave encashment	824	771
TOTAL	7,215	6,647

B-8 SHORT TERM BORROWINGS:

	31.03.2015	30.06.2014
1. Secured Loans:		
Working Capital Loan (See Note 8.1 & 8.2)	11,163	11,197
	11,163	11,197
2. Unsecured Loans:		
Working Capital Loan	142,313	149,800
Bank Overdraft	1,843	-
	144,156	149,800
Total short-term borrowings (1+2)	155,319	160,997

Note:-

- 8.1) ₹ 10,580 Lacs (Previous Year ₹ 10,741 Lacs) is secured by charges over the current assets, fixed assets, land and receivables of Sabah Forest Industries Sdn. Bhd., offtake agreement assignment etc.
- 8.2) ₹ 583 Lacs (Previous Year ₹ 456 Lacs) is secured against exclusive charge on the current assets of Premier Tissues India Limited.

B-9 TRADE PAYABLES:

	31.03.2015	30.06.2014
To micro, small and medium enterprises (Refer Note 9.1)	297	261
Payable to Related Parties	3	-
Other payables	141,932	127,636
TOTAL	142,232	127,897

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

Note :-

9.1) The details of amounts outstanding to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

₹ In Lacs

	31.03.2015	30.06.2014
Principal amount due and remaining unpaid	80	33
Interest due on above and the unpaid interest	1	2
Interest paid on all delayed payments under the MSMED Act	-	-
Payment made beyond the appointed day during the period/year	1	-
Interest due and payable for the period of delay	1	1
Interest accrued and remaining unpaid	1	1
Amount of further interest remaining due and payable in succeeding period/years	-	-
	84	37

B-10 OTHER CURRENT LIABILITIES:

	31.03.2015	30.06.2014
Current maturities of long term debt	79,246	90,943
Current maturities of finance lease obligations	30	123
Interest accrued but not due on borrowings	3,349	4,593
Payable towards Subordinated Perpetual Capital Securities	1,698	4,553
Interest accrued but not due on deposits	166	72
Unpaid dividends	86	87
Security deposits	1,716	1,428
Advance received from customers	7,544	9,507
Bank book overdrawn	4,946	4,301
Payables for capital goods	3,532	6,602
Liability for compulsory / optional buyback	185	186
Statutory dues	7,187	6,326
Payable to employee	4,086	4,721
Director commission payable	-	12
Due to related Parties	631	43
Other payables	2,056	2,124
TOTAL	116,458	135,621

B-11 SHORT TERM PROVISIONS:

	31.03.2015	30.06.2014
Provisions for employee benefits :		
- Provision for gratuity	1,168	1,216
- Provision for leave encashment	158	138
Provision for Proposed dividend	1,311	1,311
Provision for dividend Tax	267	262
Provision for taxation including MAT	1,261	593
Others provisions (Net of payment) (Refer Note 11.1)	1,969	1,650
TOTAL	6,134	5,170

11.1) 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 accounting standard 29-Provisions, Contingent Liabilities and Contingent Asset issued by Institute of Chartered Accountants of India.

	AS AT 1ST JULY 2014	PROVISION DURING THE PERIOD/YEAR	PROVISION UTILISED/ REVERSED DURING THE PERIOD/YEAR	AS AT 31ST MARCH, 2015
Anti-dumping duty *	27	-	-	27
Water cess	1,565	416	100	1,881
Provision for Sales tax**	58	3	-	61

*Represents provision against anti dumping duty case for which appeal has been filed before CESTAT.

**Represents provision against sales tax cases for which Appeal have been filed before Punjab VAT Tribunal at Chandigarh.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

B-12 Fixed Assets:

PARTICULARS	GROSS BLOCK (AT COST)					DEPRECIATION					NET BLOCK	
	AS ON 01.07.14	ADDITIONS FOR THE PERIOD/ YEAR	DELETIONS DURING THE PE- RIOD/YEAR	TRANS- LATION RESERVE	AS ON 31.03.15	AS ON 01.07.14	ADDITIONS FOR THE PERIOD/ YEAR	DELETIONS DURING THE PE- RIOD/YEAR	ADJUST- MENT ON ACCOUNT OF SCHED- ULE II	TRANS- LATION RESERVE	AS ON 31.03.15	AS ON 30.06.14
A. Tangible Assets												
Free Hold Land	18,129	2	-	-	18,131	1,016	-	-	-	-	1,016	17,113
Lease Hold Land	3,062	-	-	(670)	2,392	372	94	-	-	(123)	343	2,690
Buildings	149,275	481	-	(4,085)	145,671	54,300	3,135	-	635	(2,621)	55,449	94,975
Plant & Equipments	1,029,021	19,902	22	(41,836)	1,007,065	327,619	25,988	7	(44)	(21,120)	332,436	701,402
Furniture & Fixtures	5,454	101	1	(343)	5,211	3,985	213	-	(2)	(284)	3,912	1,469
Vehicles	3,139	72	7	(166)	3,038	1,935	285	4	-	(154)	2,062	1,204
Office equipment	2,886	49	-	-	2,935	1,957	117	-	112	-	2,186	929
Computer	100	12	-	-	112	87	15	-	2	-	104	13
Railway Sidings, Trolley Lines, Tramway and Tipping Tubs	226	149	-	-	375	27	3	-	-	-	30	345
	1,211,292	20,768	30	(47,100)	1,184,930	391,298	29,850	11	703	(24,302)	397,538	819,994
B. Intangible Assets												
Computer Software	10,629	-	-	-	10,629	5,980	1,132	-	2	-	7,114	4,649
Product Development	1,467	3,430	-	-	4,897	240	219	-	-	-	459	1,227
	12,096	3,430	-	-	15,526	6,220	1,351	-	2	-	7,573	5,876
TOTAL	1,223,388	24,198	30	(47,100)	1,200,456	397,518	31,201	11	705	(24,302)	405,111	825,870
Previous Year	1,053,902	176,177	1,417	(5,274)	1,223,388	355,927	45,568	1,246	-	(2,731)	397,518	825,870

1. During the period/year additions includes capitalisation of Exchange loss amounting to ₹ 131 (Previous Year ₹ 15,953 Lacs)

2. 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.

3. Building includes ₹ 293 Lacs (Previous year ₹ 293 Lacs) towards revalued value of ownership flats in Cooperative Housing Societies

4. Depreciation during the period/year include:

- ₹ 184 Lacs (Previous year ₹ 228 Lacs) charge to inventories.

- ₹ 424 Lacs (Previous year ₹ 580 Lacs) charge to biological assets.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

₹ In Lacs

B-13 NON CURRENT INVESTMENTS:			
	NAME OF THE COMPANY	31.03.2015	30.06.2014
Non-trade, unquoted investment			
a) Investments in Equity Instruments:			
Other Companies			
5000 (Jun 30, 2014: 5000) Fully paid Equity shares of ₹ 10/- each	Blue Horizon Investments Limited	3	3
39,880,940 (Jun 30, 2014: 39,880,940) Fully paid Equity shares of ₹ 10/- each	Avantha Power & Infrastructure Limited	4,053	4,053
b) Investments in Government or trust securities			
₹ 2000 5 Year Kisan Vikas Patra (Lodged as security deposit)		0	0
₹ 3000 6 Year National Saving Certificates		0	0
₹ 3000 7 Year National Saving Certificates		0	0
TOTAL		4,056	4,056
Additional Information:			
1) Aggregate value of quoted Investments:			
Cost		-	-
Market value		-	-
2) Aggregate value of unquoted Investment:			
Cost		-	-
Note : ₹ 0 represent amount below ₹ 50000/-		4,056	4,056

B-14 LONG TERM LOANS AND ADVANCES:			
		31.03.2015	30.06.2014
Secured, considered good			
Capital Advance		-	7
Unsecured, considered good			
Capital advances		395	421
Security deposits		1,565	1,542
Prepaid expenses		2,413	1,778
Balance with Govt Authorities		12,348	10,896
Mat Credit Entitlement		17,707	16,927
Advance Tax, Tax Deducted at Source (Net of provision for tax)		8,826	11,551
TOTAL		43,254	43,122

B-15 OTHER NON CURRENT ASSETS:			
		31.03.2015	30.06.2014
Unamortized Expenses		10,473	9,455
Biological Assets		46,837	48,842
Long term deposits with banks with maturity period more than 12 months		17	-
TOTAL		57,327	58,297

* Biological assets represent plantation development expenditure:-

		31.03.2015	30.06.2014
Cost			
At beginning of period/year		71,496	62,769
Additions		5,986	9,914
Translation reserve		(7,323)	(1,187)
At end of period/year		70,159	71,496
Accumulated Amortisation			
At beginning of period/year		22,654	18,504
Charge for the period/year		3,074	4,790
Translation reserve		(2,406)	(640)
At end of period/year		23,322	22,654
Carrying Amount		46,837	48,842
Note: During the period/year, amortization expense is charged to the following			
Statement of Profit and Loss		3,216	4,804
Inventories		(142)	(14)
TOTAL		3,074	4,790

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

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₹ In Lacs

B-16 Inventories:	31.03.2015	30.06.2014
Raw materials (See Note 16.1)	48,466	53,410
Work in progress	15,166	13,648
Finished goods/Stock in Trade	26,819	24,086
Stores and spares (See Note 16.2)	35,028	38,204
Block Stores	193	196
Chemicals (See Note 16.3)	13,657	13,149
Packing material (See Note 16.4)	3,916	3,413
TOTAL	143,245	146,106

Note:-

- Note 16.1) Includes raw material-in-transit of ₹ 8,860 Lacs (Previous Year ₹ 7,969 Lacs)
 Note 16.2) Includes stores & spares-in-transit of ₹ 1,870 Lacs (Previous Year ₹ 2677 Lacs)
 Note 16.3) Includes Chemicals-in-transit of ₹ 989 Lacs (Previous Year ₹ 1,216 Lacs)
 Note 16.4) Includes packing material-in-transit of ₹ 77 Lacs (Previous Year ₹ 243 Lacs)

B-17 TRADE RECEIVABLES:	31.03.2015	30.06.2014
Trade receivables -exceeding six months from the date they are due for payment		
Secured, considered good	122	277
Unsecured, considered good	2,953	661
Trade receivables -others		
Secured, considered good	2,536	3,521
Unsecured, considered good	45,634	42,862
TOTAL	51,245	47,321

B-18 CASH AND BANK BALANCES:	31.03.2015	30.06.2014
Cash & cash equivalents		
Balances with banks		
– In current accounts	1,992	8,773
Cash on hand	23	39
Cheques, drafts on hand	–	1
Money in transit	688	678
In unpaid dividend accounts	86	87
Unclaimed compulsory /optional buy back consideration	185	186
	2,974	9,764
Other bank balance		
In margin money, security for borrowings, guarantees and other commitments	60	60
In deposit accounts exceeding three months but less than twelve months	20,684	16,100
In other accounts	354	–
	21,098	16,160
TOTAL	24,072	25,924

B-19 SHORT TERM LOANS AND ADVANCES:	31.03.2015	30.06.2014
Unsecured, considered good		
Loans and advances (Related Parties)*	6,986	3,130
Balance with government authorities	31,677	28,520
Prepaid expenses	3,549	1,957
Advances to trade creditors	12,824	16,768
Advances to employees	401	427
Insurance claim receivables	5	–
Security deposits	783	942
Other advances recoverable in cash or kind for value to be received	5,391	5,442
TOTAL	61,616	57,186

* Includes amount advanced to Directors ₹ 16 Lacs (Previous Year ₹ 16 Lacs)

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2015

₹ In Lacs

B-20 OTHER CURRENT ASSETS:		
	31.03.2015	30.06.2014
Interest accrued on deposits	587	41
Interest paid in advance	120	685
Assets held for sale (at lower of cost and net realizable value)	13	13
Current portion of unamortized expenses	2,567	2,302
Other current assets	57	47
TOTAL	3,344	3,088

FOR NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

B-21 REVENUE FROM OPERATIONS:		
	31.03.2015	30.06.2014
Sale of products		
Paper (including coated)	376,210	510,431
Caustic soda, chlorine etc.	-	6
Rayon grade pulp	253	30,153
Others	4,997	9,332
	381,460	549,922
Less:		
Excise duty	18,868	27,890
Sub Total	362,592	522,032
Mega project benefit	2,621	3,629
Export incentive / scrap sale	1,867	2,797
Sub Total	4,488	6,426
TOTAL	367,080	528,458

B-22 OTHER INCOME:		
	31.03.2015	30.06.2014
Profit on sale of fixed assets (Net)	27	18
Gain on foreign currency fluctuations	432	-
Rent and license fee	157	247
Unspent liabilities and excess provisions of earlier years written back	174	60
Other non operating income (net of expenses directly attributable to such income)	808	817
TOTAL	1,598	1,142

B-23 COST OF MATERIALS CONSUMED:		
	31.03.2015	30.06.2014
Bamboo	8,511	10,478
Wood and wood species	59,991	88,682
Chemicals	60,177	83,725
Wood pulp	36,746	58,703
Packing materials	9,834	13,384
Salt	-	117
Others	16	18
TOTAL	175,275	255,107

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

B-24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE:	31.03.2015	30.06.2014
Stocks at the beginning of the period/year		
Finished goods		
Paper	20,904	15,515
Pulp	3,182	1,962
	24,086	17,477
Work in progress		
Paper	9,578	5,550
Pulp	4,070	1,293
	13,648	6,843
TOTAL (A)	37,734	24,320
Stocks at the end of the period/year		
Finished goods		
Paper	26,422	20,904
Pulp	397	3,182
	26,819	24,086
Work in progress		
Paper	13,947	9,578
Pulp	1,219	4,070
	15,166	13,648
TOTAL (B)	41,985	37,734
Net (Increase)/Decrease in Stocks (A-B)	(4,251)	(13,414)

B-25 Employee Benefits Expenses:	31.03.2015	30.06.2014
Salaries and wages	27,396	35,024
Contribution to provident and other funds	1,792	2,384
Staff welfare expenses	1,492	2,246
TOTAL	30,680	39,654

The disclosure required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined contribution plan

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

	31.03.2015	30.06.2014
Employer's contribution to provident fund	496	739
Employer's contribution to superannuation fund	147	90
Employer's contribution to pension scheme	345	384

Defined benefit plan

The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

DEFINED BENEFIT PLAN: PARTICULARS	2014-15			2013-14		
	GRATUITY (FUNDED)	GRATUITY (UNFUNDED)	LEAVE EN- CASHMENT (UNFUNDED)	GRATUITY (FUNDED)	GRATUITY (UNFUNDED)	LEAVE EN- CASHMENT (UNFUNDED)
a. Reconciliation of Opening and closing balance of Defined Benefit Obligation						
Defined benefit obligation at beginning of the period/year	393	6,877	909	355	6,797	926
Current service cost	31	311	93	34	471	118
Past service cost	-	-	-	-	-	8
Interest cost	26	444	56	28	547	75
Acquisitions	-	-	-	-	(28)	1
Actuarial (gain)/loss	155	413	216	(13)	(6)	64
Benefit paid	(18)	(882)	(292)	(11)	(904)	(283)
Plan amendments	-	15	0	-	-	-
Defined benefit obligation at period/year end	587	7,178	982	393	6,877	909
b. Reconciliation of opening and closing balance of fair value of plan assets						
Fair value of plan assets at beginning of the period/year	178	-	(0)	177	-	-
Expected return on plan assets	9	-	-	16	-	-
Actuarial gain/ (loss)	2	-	-	(4)	-	-
Employer contribution	35	882	292	-	904	283
Benefit paid	(18)	(882)	(292)	(11)	(904)	(283)
Fair value of plan assets at period/year end	206	-	(0)	178	-	-
Actual return on plan assets	-	-	-	-	-	-
c. Reconciliation of fair value of assets and obligations						
Fair value of plan assets as period/year end	206	-	-	178	-	-
Present value of obligation as at period/year end	587	7,178	982	393	6,877	909
Amount recognised in balance sheet	381	7,178	982	215	6,877	909
d. Expenses recognised during the period/ year (under the Note "Employee Benefits Expense")						
Current service cost	31	311	92	34	472	118
Interest cost	26	444	56	28	547	75
Expected return on plan assets	(9)	-	-	(16)	-	-
Actuarial (gain)/loss	153	413	216	(9)	(6)	64
Net cost	201	1,168	364	37	1,013	257
e. Discount rate (per annum)	7.75%	7.75%	7.75%	8.70%	8.70%	8.70%
Expected rate of return on plan assets (per annum)	7.75%	7.75%	7.75%	8.70%	8.70%	8.70%

- "0" Represent amount below ₹ 50,000

Rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

B-26 FINANCE COSTS:	31.03.2015	30.06.2014
Interest expenses	30,368	40,096
Other borrowing costs	504	536
Net loss / (gain) in foreign currency transaction and translation	2,416	3,914
	33,288	44,546
Less : Interest earned	2,083	2,260
TOTAL	31,205	42,286

B-27 DEPRECIATION AND AMORTIZATION:	31.03.2015	30.06.2014
Depreciation on tangible assets	29,242	44,419
Amortization of intangible assets	1,351	341
Amortization of biological assets	3,216	4,804
TOTAL	33,809	49,564

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

B-28 OTHER EXPENSES:	31.03.2015	30.06.2014
Consumption of stores and spare parts	7,509	9,626
Power and fuel	56,530	87,178
Excise duty on period/year end inventory of finished goods	188	115
Rent	3,156	3,082
Repairs to buildings	240	401
Repairs to machinery	4,105	4,694
Repairs others	1,065	1,631
Loss on foreign currency fluctuations	-	1,844
Insurance	1,246	1,688
Rates and taxes	265	893
Other manufacturing expenses	865	1,381
Office & other expenses	7,027	8,967
Corporate Social responsibility Expense	247	340
Bank charges	181	14
Commission	2,026	138
Selling expenses	706	900
Prior year expenses	-	468
Assets discarded	-	16
Carriage and freight	10,364	13,383
Legal and professional charges (See Note 28.1)	1,226	1,553
Directors sitting fees	81	103
Directors commission on profit	-	12
TOTAL	97,027	138,427

Note : 28.1) Legal & Professional Charges include auditors' remuneration as under :

	31.03.2015	30.06.2014
- Statutory audit fees (including cost audit fees)	130	130
- Tax audit fees	22	22
- Other capacity	132	116
- Reimbursement of expenses	5	10
TOTAL	289	278

B-29 EARNINGS PER SHARE:	31.03.2015	30.06.2014
Profit for the period/year	(2,135)	4,977
No. of equity shares outstanding	655,523,839	655,523,839
Earning Per Share		
Basic (In ₹)	(0.33)	0.76
Diluted (In ₹)	(0.33)	0.76

B-30 CONTINGENT LIABILITIES AND COMMITMENTS:	31.03.2015	30.06.2014
(to the extent not provided for)		
1) Contingent Liabilities:		
Claims against the Company not acknowledged as debts	47,205	64,734
Guarantees	8,497	8,094
TOTAL (A)	55,702	72,828
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	2,304	3,390
TOTAL (B)	2,304	3,390
TOTAL (A+B)	58,006	76,218
3) In respect of loan availed by its foreign wholly owned subsidiary, Ballarpur International Holding B.V		
i) The Company has granted to the lender an irrevocable and unconditional right to require it to purchase loan wholly or in parts, as may be require by lender through exercise of put option given to lender subject to a maximum limit of USD 70 Million.		
ii) The Company has granted to the lender a corporate guarantee of USD 35.10 Million.		
iii) The Company has executed an "indemnity and undertaking" for stand by letter of credit facility of USD 30 Million.		

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

B-31 SEGMENT REPORTING

- I. The Company has identified business segment as the primary segment after considering all the relevant factors.

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

	PERIOD/ YEAR	PAPER	PAPER PRODUCTS & OFFICE SUPPLIES	PULP	OTHERS	TOTAL
Revenues						
Gross Sale to External Customers	2014-15	327,892	39,727	253	13,588	381,460
Excise Duty	2014-15	(16,603)	(1,929)	(15)	(321)	(18,868)
Gross Sale to External Customers	2013-14	443,435	62,593	30,153	13,741	549,922
Excise Duty	2013-14	(23,061)	(2,693)	(1,756)	(380)	(27,890)
Total Segment Revenues (Net of Excise)	2014-15	311,289	37,798	238	13,267	362,592
	2013-14	420,374	59,900	28,397	13,361	522,032
Segment Results						
	2014-15	29,716	841	(4,604)	(431)	25,522
	2013-14	47,285	2,396	(3,494)	(534)	45,653
Less: Unallocated Corporate Expenses (Net of other income)	2014-15					301
	2013-14					412
Profit Before Interest, Tax & Exceptional Items	2014-15					25,221
	2013-14					45,241
Interest & Finance cost (Net of Income)	2014-15					31,205
	2013-14					42,286
Profit Before Tax & Exceptional Items	2014-15					-5,984
	2013-14					2,955
Exceptional Items	2014-15					255
	2013-14					-
Profit Before Tax after Exceptional Items	2014-15					(6,239)
	2013-14					2,955
Provision For Tax						
- Current Tax (Net of MAT Credit Entitlement)	2014-15					116
	2013-14					539
- Deferred Tax	2014-15					(1,665)
	2013-14					(3,750)
Net Profit	2014-15					-4,690
	2013-14					6,166
Less : Minority interest	2014-15					-2,555
	2013-14					1,189
Net Profit after Minority Interest and Share of Profit in Associates	2014-15					-2,135
	2013-14					4,977
Other Information						
Segmental Assets						
	2014-15	1,033,546	58,660	64,735	-	1,156,941
	2013-14	1,047,027	56,114	69,204	1,348	1,173,693
Unallocated Corporate assets	2014-15					50,337
	2013-14					56,176
Total Assets	2014-15					1,207,278
	2013-14					1,229,869
Segmental Liabilities						
	2014-15	175,169	14,196	3,400	-	192,765
	2013-14	170,119	10,047	4,340	-	184,506

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

₹ In Lacs

	PERIOD/ YEAR	PAPER	PAPER PRODUCTS & OFFICE SUPPLIES	PULP	OTHERS	TOTAL
Unallocated Corporate Liabilities	2014-15					10,750
	2013-14					9,796
Total Liabilities	2014-15					203,515
	2013-14					194,302
Capital Expenditure during the period/year (Including Movements in CWIP & Capital Advances)	2014-15					25,510
	2013-14					71,697
Depreciation	2014-15					29,947
	2013-14					44,419
Amortisation	2014-15					4,567
	2013-14					5,145
Total Liabilities Exclude						
Long Term Borrowings	2014-15					330,578
	2013-14					358,372
Short Term Borrowings	2014-15					155,319
	2013-14					160,997
Current Maturities of Long Term Debts	2014-15					78,984
	2013-14					90,653
Deferred tax liabilities (Net)	2014-15					9,489
	2013-14					9,203
Minority interest	2014-15					109,482
	2013-14					57,105

II. Secondary Segments (Geographical Segments)

(a) Segmental Revenue

₹ In Lacs

	31.03.2015	30.06.2014
Domestic	295,595	457,762
Overseas	85,865	92,160
TOTAL	381,460	549,922

(b) The location of tangible/intangible fixed assets:

₹ in Lacs

	31.03.2015	30.06.2014
Domestic	604,223	596,626
Overseas	214,896	248,143
TOTAL	819,119	844,769

B-32 Information on Related Parties as required by Accounting Standard-AS 18 "Related Party Disclosures":

a) Name of the Related Parties with whom transactions were carried out during the year and nature of relationship

(1) Key management personnel

Mr. Gautam Thapar
Mr. B Hariharan
Mr. Anup Kansal

(2) Other related parties*

*Companies over which persons(s) having direct / indirect control or significant control influence over the company is able to exercise significant influence

Arizona Printers & Packers Private Limited	Other Related Parties
Avantha Holdings Limited	Other Related Parties
Avantha Power & Infrastructure Limited	Other Related Parties
Avantha Realty Limited	Other Related Parties
BILT Industrial Packaging Company Limited	Other Related Parties
Biltech Building Elements Limited	Other Related Parties
Crompton Greaves Limited	Other Related Parties

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

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
Krebs & Cie (India) Limited	Other Related Parties
Leading Line Merchant Traders (P) Limited	Other Related Parties
Mirabelle Trading Pte. Limited	Other Related Parties
Prestige Wines & Spirits Private Limited	Other Related Parties
Avantha Business Solutions Limited (formerly known as Salient Business Solutions 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
MTP New Ocean Mauritius Ltd.	Other Related Parties
UHL Power Co. Limited	Other Related Parties

b) Details of transaction with related parties

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

₹ In Lacs

S. NO.	PARTICULARS	31.03.2015	30.06.2014
a)	Sale of goods, rent received & allocation of common expenses for rendering corporate service:		
	- Other Related Party	2,857	3,229
b)	Purchase of Goods and Services:		
	- Other Related Party	37,414	59,273
c)	Remuneration (net of recovery) :		
	- Key Management Personnel	426	1,877
d)	Advances given during the period/year		
	- Other Related Party	-	1,000
e)	Royalty paid/payable		
	- Other Related Party	1,567	2,174
f)	Outstanding Balances Loan and Advances		
	- Key Management Personnel	16	16
	- Other Related Party	6,336	3,071

B-33 The Group has operating leases for various premises and for other assets, which are renewable on a periodic basis and cancellable at its option. Rental expenses for operating leases charged to Statement Profit and Loss for the year are ₹21 Lacs (30th June, 2014 ₹132 Lacs). As of 31st March, 2015, the future minimum lease payments for non-cancellable operating leases are as below :-

₹ In Lacs

	As on 31st March, 2015	As on 30th June, 2014
Not later than one year from 31st March, 2015	NIL	NIL
Later than one year and not later than five years	NIL	NIL

B-34 The manufacturing activity at Kamlapuram Unit of the company has been temporarily suspended in view of continuing adverse market conditions and continuous losses being incurred. During the current period, the unit has incurred a loss of ₹ 46,03,74,912/- and the accounts of the Unit for the period ended 31st March, 2015 have been prepared on the "Going Concern" basis. Further,

- The Unit has given representation to the Telangana State Government for certain subsidies on inputs and Power for re-starting the manufacturing activity. The said representation is understood to be under active consideration of the State Government.
- State Government of Andhra Pradesh has also issued notification bearing no. G.O.Ms.No.158 Dt.11-05-2015 shifting VAT on wood from 14.50% to 5% on the basis of representations made by the Unit and Telangana state Government.

The above positive developments will enable the Unit to revive its operations with the improvement in profitability.

B-35 In respect of subscription of USD 110 Mn by Lathe Investments Pte Limited (Investor) in the equity shares of its step down subsidiary Bilt Paper B.V (Formerly known as Ballarpur International Graphic Paper Holdings B.V), The Investor has anytime after December'14, a put option exercisable in the event of non fulfillment of certain obligations. No such event has occurred that warrant provision of such obligation in the books of accounts.

B-36 In the opinion of the board, all assets other than fixed assets and non-current investments are realisable in the ordinary course of business at the value at which they are stated in the Financial Statements.

B-37 Finance Leases

It is the Company's policy to acquire certain of its property, plant and equipment under finance lease arrangements. The term for finance lease ranges from 3 to 7 years. The average effective interest rate for 2014 was 5.55% per annum. The interest rates were fixed at the inception of the finance lease arrangements. During the financial period, the company has fully repaid its financial lease obligation.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE NINE MONTHS
PERIOD ENDED MARCH 31, 2015

The finance lease are secured by charge over the asset under finance lease.

	2014-15		2013-14	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
With one year	-	-	119	113
After one year but not more than five years	-	-	52	51
More than five years	-	-	-	-
Present value of minimum lease payments	-	-	171	164

B-38 Construction and Installation in Progress and Advances against Capital Assets includes expenses and interest related to ongoing Projects at various units of the Group.

B-39 Accounts with certain Financial Institutions, Banks and Companies are subject to reconciliation; however these will not have any significant impact on the profit for the period/year and on the net worth of the Company as on the Balance Sheet date.

B-40 These financial statements are for a period of 9 months i.e. from 1st July, 2014 to 31st March, 2015, therefore the figures of the current period are not comparable with those of the previous Year.

B-41 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report attached

ABHAY UPADHYE

Partner

Membership No. 049354

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

26th May, 2015

For Ballarpur Industries Limited

GAUTAM THAPAR

Chairman

B. HARIHARAN

Group Director (Finance)

AKHIL MAHAJAN

Company Secretary

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