

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PREMIER TISSUES INDIA LIMITED

Report on the Financial Statements

We have audited the accompanying Standalone financial statements of PREMIER TISSUES INDIA LIMITED ("THE COMPANY") which comprises the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

Auditor's 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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, 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.
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 purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. 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. On the basis of written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.



- f. As required under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act"), with respect to the adequacy of the Internal Financial Controls over Financial Reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- 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 26(a) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. Out of unpaid dividend of Rs. 48,250/-, unpaid dividend of Rs. 2,500/- was required to be transferred to the Investor Education and Protection Fund by October 31, 2015 but the amount was not transferred till the balance sheet date.



K.S.S.BHATIA

Partner

Membership No. 122942

For and on Behalf of

K K MANKESHWAR & CO.

Chartered Accountants

Firm's Registration No: - 106009W

Gurgaon, dated the,

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of ONE year, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
 - (c) The title deeds of immovable properties are held in the name of the company.
- ii) (a) The management has conducted the physical verification of inventory at reasonable intervals.
 - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- iv) The company has not given any loan or guarantee in regards to any loan and not having any investment. Accordingly, provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security are not applicable to the company and hence not commented upon.
- v) As per directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public. The Company has accepted deposits from the distributors which is mandatory as per company norms for performance of the contract for supply of goods and provide 10% interest on that which paid on half yearly basis deducted after tax deducted at source. The Company has maintained proper records showing full particulars, including proper internal control.
- vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when



they become payable.

- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, outstanding on account of any dispute. However, according to the information & explanations given to us, the following dues of income tax, sales tax have not been deposited by the company on account of disputes

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Bombay sales Tax Act, 1956	Sales Tax	9,38,682	AY 2003-04	Assessing Authority
Bombay sales Tax Act, 1956	Sales Tax	16,78,079	AY 2005-06	Assessing Authority
Bombay sales Tax Act, 1956	Sales Tax	6,85,408	AY 2002-03	Assessing Authority
Karnataka Sales Tax	Sales Tax	2,74,425	AY 2008-09	Assistant Commissioner
Income Tax Act, 1961	Income Tax	6,19,162	AY 2007-08	Assessing Authority
Total		41,95,756		

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.
- ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Based upon the audit procedures performed and the information and explanations given by the management, managerial remuneration has not been accrued hence the provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable and hence not commented upon.
- xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xiii) As per compliance with section 177 and 188 of Companies Act, 2013 In our opinion, all transactions with the related parties are in ordinary course of business and in arm length price and proper accounting system and details maintained in this regard hence this provision is not applicable to the company hence not commented upon



- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.



K.S.S.BHATIA

Partner

Membership No. 122942

For and on Behalf of

K K MANKESHWAR & CO.

Chartered Accountants

Firm's Registration No: - 106009W

Gurgaon, dated the,

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of PREMIER TISSUES INDIA LIMITED ("The Company") as of March 31, 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Statements

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



K.S.S.BHATIA

Partner

Membership No. 122942

For and on Behalf of

K K MANKESHWAR & CO.

Chartered Accountants

Firm's Registration No: - 106009W

Gurgaon, Dated the,

PREMIER TISSUES INDIA LIMITED
BALANCE SHEET AS AT March 31, 2016

(Amount in Rs.)

	Note No.	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	5,62,04,270	5,62,04,270
Reserves & surplus	4	3,49,13,535	3,85,90,367
Non-current liabilities			
Long term borrowings	5	3,83,16,106	5,69,06,597
Deferred tax liabilities (Net)	6	3,00,94,983	3,03,45,485
Other long term liabilities	7	94,69,280	92,29,280
Long term provisions	8	45,33,013	42,70,745
Current liabilities			
Short term borrowings	9	4,85,11,378	5,82,44,656
Trade payables	10	8,39,41,537	7,33,37,686
Other current liabilities	11	4,71,37,304	4,92,75,136
Short term provisions	12	6,65,570	4,02,260
TOTAL		35,37,86,976	37,68,06,482
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	13A	22,73,06,874	23,98,97,386
Intangible assets	13B	7,48,323	1,13,417
Capital work in progress		-	4,45,500
Long term loans and advances	14	1,45,59,981	1,32,65,624
Current assets			
Inventories	15	7,35,38,521	8,68,53,328
Trade receivables	16	3,06,50,082	2,92,48,587
Cash and cash equivalents	17	19,39,076	27,57,127
Short-term loans and advances	18	50,44,119	42,25,513
TOTAL		35,37,86,976	37,68,06,482

The notes are an integral part of these Financial Statements
As per our report attached



K.S.S.Bhatia
Partner
Membership No.: 122942
For & on behalf of
K.K.Mankeshwar & Co.,
Chartered Accountants
F.R.N.: 106009W
Gurgaon, dated the, May 25, 2016

[Handwritten Signature]
Director

[Handwritten Signature]
Director

For Premier Tissues India Limited

PREMIER TISSUES INDIA LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)

	Note No.	Year ended March 31, 2016	Period ended March 31, 2015
REVENUE:			
Revenue from operations(Gross)	19	54,29,95,504	43,63,20,264
Less . Excise duty		(3,84,89,753)	(3,21,03,332)
Revenue from operations(Net)		50,45,05,751	40,42,16,932
Other income	20	24,19,423	18,33,478
Total Revenue		50,69,25,174	40,60,50,410
EXPENSES:			
Cost of material consumed	21	23,11,39,131	18,73,44,315
Purchase of traded goods		3,67,94,019	3,53,00,229
(Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods	22	1,19,33,722	(89,58,337)
Employee benefits expense	23	6,96,71,206	5,67,29,335
Finance costs	24	1,88,29,893	1,59,55,539
Depreciation and amortization expense		1,36,76,026	1,08,16,813
Other expenses	25	12,83,72,136	10,34,58,547
Total Expenses		51,04,16,133	40,06,46,441
Profit / (Loss) before exceptional, extraordinary items and tax		(34,90,959)	54,03,969
Exceptional Items		-	-
Profit / (Loss) before tax		(34,90,959)	54,03,969
Tax expense:			
Current tax (MAT)		-	10,69,111
Less: MAT credit entitlement		-	(10,37,792)
Less: Income Tax pertaining to earlier years		6,19,070	-
Less: MAT credit entitlement of earlier years		(1,82,694)	-
Net current tax		4,36,376	31,319
Deferred tax (income)/expense		(2,50,502)	15,68,169
Profit / (Loss) after tax		(36,76,833)	38,04,481
Earnings per equity share [Nominal value per share Rs.10 (P.Y. Rs. 10)]			
Basic		(0.65)	0.68
Diluted		(0.65)	0.68

The notes are an integral part of these Financial Statements

As per our report attached



K.S.S.Bhatia

Partner

Membership No.: 122942

For & on behalf of

K.K.Mankeshwar & Co.,

Chartered Accountants

F.R.N.: 106009W

Gurgaon, dated the, May 25, 2016

(Handwritten signatures of two directors)

Director

Director

For Premier Tissues India Limited

PREMIER TISSUES INDIA LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)

	For the year ended	For the period ended
	March 31, 2016	March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net (loss)/profit before tax	(34,90,959)	54,03,969
Adjustments for :		
Depreciation	1,36,76,026	1,08,16,813
(Profit)/ Loss on disposal of assets	-	53,315
Bad - Debts, Deposits & Advances written off	-	86,413
Liabilities no longer required written back	-	10,44,107
Interest income	(4,80,391)	(3,62,781)
Finance costs	1,88,29,893	1,59,55,539
Operating profit before working capital changes	2,85,34,569	3,29,97,375
Adjustments for movement in working capital:		
(Increase)/decrease in inventories	1,33,14,807	(1,32,97,785)
(Increase)/decrease in trade receivables	(14,01,495)	(24,82,568)
(Increase)/decrease in loans, advances and other current assets	(21,14,007)	(26,27,374)
Increase/(decrease) in liabilities and provisions	94,48,768	2,42,56,000
Cash generated from Operations	4,77,82,642	3,88,45,648
Direct taxes paid (net of refunds)	(4,35,331)	(13,56,252)
Net cash generated from operations before exceptional and extraordinary items	4,73,47,311	3,74,89,396
Exceptional Items	-	-
Extraordinary items	-	-
Net cash generated from operating activities	4,73,47,311	3,74,89,396
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of fixed assets	(12,74,920)	(87,90,268)
Sale of Fixed Assets (Net)	-	2,19,958
Interest income	4,80,391	3,62,781
Net cash used in investing activities	(7,94,529)	(82,07,529)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Increase / (Decrease) in Secured Loans	(2,85,40,940)	(1,25,42,802)
Interest and other finance costs	(1,88,29,893)	(1,60,67,309)
Net cash used in financing activities	(4,73,70,833)	(2,86,10,111)
Net increase/(decrease) in cash and cash equivalents	(8,18,051)	6,71,756
Cash and cash equivalents at the beginning of the year	27,57,127	20,85,371
Cash and cash equivalents at the end of the year	19,39,076	27,57,127

Notes :

- The Cash Flow statement has been compiled from and is based on the Balance Sheet as at March 31, 2016 and the related Statement of Profit and Loss for the year ended on that date.
- The above cash flow statement has been prepared under the indirect method as set out in the Accounting Standard - 3 (AS - 3) on Cash Flow Standards notified under Section 133 of the Companies Act, 2013, of India and reallocations required for this purpose are as made by the Company.
- Previous year's figures have been reclassified / regrouped wherever necessary in order to conform this year's presentation.

As per our report attached.

K.S.S.BHATIA
Partner
Membership No. 122942
For and on behalf of
K.K.Mankeshwar & Co.
Chartered Accountants
F.R.N.: 106009W
Gurgaon, dated the, May 25, 2016



(Signature)
Director

(Signature)
Director

For Premier Tissues India Limited

PREMIER TISSUES INDIA LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 1: General Information

Premier Tissues India Limited (the Company) is engaged in the business of manufacturing and selling of tissue papers. The Company has manufacturing facility near Mysore (Karnataka). The Company is a wholly owned subsidiary of Ballarpur Industries Limited.

Note 2: Significant Accounting Policies

Note 2.1: Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rule, 2014 and the relevant provision of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Note 2.2: Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles in India, requires the management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Note 2.3. Cash Flow Statement

The Cash flow Statement has been prepared under 'Indirect Method' in accordance with the requirement of Accounting Standard-3 "Cash Flow Statement" issued by Institute of Chartered Accountants of India.

Note 2.4: Tangible and Intangible Fixed Assets

a) Tangible and Intangible Fixed Assets are stated at their original cost of acquisition or construction (net of CENVAT/VAT) less depreciation. All cost related to acquisition and installation of fixed assets including taxes, duties, freight and other incidental expenditure are capitalised up to the date, the asset is ready to put to use.

b) Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Note 2.5 Depreciation

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Software - 3 years

Assets costing less than Rs. 5,000 each are fully depreciated in the year of capitalisation.

Note 2.6: Inventories

a) Raw Materials, Bought-out components, Stores and Spares and Chemicals etc. are valued at cost computed on FIFO basis

b) Finished goods and work-in-progress are valued at lower of cost or net realisable value. Finished goods and work-in-progress include all the applicable allocable overheads and excise duty wherever applicable and other costs incurred in bringing the inventories to their present location and condition



PREMIER TISSUES INDIA LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 2.7: Foreign Currency Transactions

a) Initial Recognition

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

b) Conversion

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

c) Exchange Difference

Exchange difference 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 recognised as income or 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 are related to the acquisition of the depreciable capital assets which are adjusted to the cost of assets.

Note 2.8: Revenue Recognition

a) Sale of goods: Sales 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.

b) Interest on deposits: Interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable interest rates

c) Advance license and Import Entitlements

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.

Note 2.9: Retirement Benefits

a) Defined Contribution Plans - Contribution to Employees' Provident Fund is as per statute and is recognised as expenses during the period in which the employees perform the services.

b) Defined Benefit Scheme - Liability towards gratuity is determined on actuarial valuation using the Projected Unit Credit Method as at the Balance Sheet date. Actuarial Gains and Losses are recognised immediately in the Statement of Profit and Loss.

c) Other Long Term Employee Benefits - Liability towards leave encashment and compensated absences are recognized at the present value based on actuarial valuation at each Balance Sheet Date.

d) Short Term Employee Benefits - Liability of earned leave, compensated absences, performance incentives etc. are recognised during the period when the employee renders the services.

Note 2.10: Impairment of Assets

a) At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount.



PREMIER TISSUES INDIA LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 2.11: Taxes on Income

- a) Current tax is determined on the basis of the Income Tax Act, 1961.
- b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable or virtual certainty, as may be applicable, that sufficient future taxable income will be available against which such deferred tax asset can be realised.
- c) Minimum Alternative Tax credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income tax during the specified period.

Note 2.12 Earnings 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 year. For the purpose of calculating diluted earnings per share, net profit or loss for the 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, if any.

Note 2.13 Provisions and Contingent Liabilities

- a) The Company shall create a provision when there is a present obligation as result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.
- b) 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.
- c) Contingent assets are neither recognised nor disclosed in the financial statements.

Note 2.14: Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

Note 2.15: 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.



PREMIER TISSUES INDIA LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 3: Share Capital

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
Authorised:				
Equity shares of Rs.10/- each	65,00,000	6,50,00,000	65,00,000	6,50,00,000
Issued, subscribed & fully paid up:				
Equity shares of Rs.10/- each	56,20,427	5,62,04,270	56,20,427	5,62,04,270
Total	56,20,427	5,62,04,270	56,20,427	5,62,04,270

a) Reconciliation of the number of shares:

Particulars	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
At the beginning of the period	56,20,427	5,62,04,270	56,20,427	5,62,04,270
Add : Shares issued during the period	-	-	-	-
Add : Shares issued - Bonus Issue	-	-	-	-
Add : Shares issued - ESOP	-	-	-	-
At the end of reporting period	56,20,427	5,62,04,270	56,20,427	5,62,04,270

b) Rights, preferences and restrictions attached to shares:

Equity Shares: The Company has one class of equity shares having a par value of Rs. 10. Each shareholder is eligible for one vote per share held.

c) Shares held by holding company and subsidiary of holding company:

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Amount Rs.	No. of shares	Amount Rs.
Ballarpur Industries Limited, The holding company	56,20,367	5,62,03,670	56,20,367	5,62,03,670

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

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	Percentage	No. of shares	Percentage
Ballarpur Industries Limited *	56,20,367	100%	56,20,367	100%

*Only 60 shares are held by other nominees of the Holding Company.

e) Shares reserved for issue under option:

NIL

f) Shares allotted as fully paid up by way of bonus shares (during 5 years immediately preceding March 31, 2016)

NIL

g) Shares allotted as fully paid up pursuant to contract(s) without payment being received in cash (during 5 years immediately preceding March 31, 2016)

NIL

h) Terms of securities convertible into equity shares

NIL, as there are no securities which are convertible into equity shares.



PREMIER TISSUES INDIA LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 4: Reserves and surplus

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Securities Premium Reserve Account		
Balance at the beginning of the year		
Add: Additions during the year	5,78,91,921	5,78,91,921
Balance at the end of the year	5,78,91,921	5,78,91,921
Surplus / (deficit) in statement of profit and loss		
Balance at the beginning of the year		
Add: Transfer from surplus in statement of profit and loss during the year	(1,93,01,553)	(2,14,50,294)
	(36,76,833)	38,04,481
Less: Amount transferred from fixed asset whose life has been exhausted as per Companies Act 2013		(23,29,227)
Add: Deferred tax impact on amount transferred from fixed assets whose life has been exhausted as per Companies Act 2013		6,73,486
Balance at the end of the year	(2,29,78,386)	(1,93,01,554)
Total	3,49,13,535	3,85,90,367

Note 5: Long term borrowings

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Secured:		
Term loans:		
Indian rupee loan from banks	7,60,45,352	9,48,53,014
Less: Current maturities of long term debt	(3,77,29,246)	(3,79,46,417)
Total	3,83,16,106	5,69,06,597

a) Details of nature of security and terms of repayment for secured borrowings:

Nature of security:	Terms of repayment:
1. Rs. 5,59,36,269 (P.Y.9,46,55,939) term loan is secured by exclusive charge on the movable fixed assets of the Company and immovable fixed assets located at Mysore	1. 20 quarterly installments after a moratorium period of 12 months w.e.f. July, 2011 along with interest @ 2.85% plus prime lending rate (present rate is 13.1%).
2. Rs. 1,09,083 (P.Y.1,97,075) secured against hypothecation of motor vehicle	1. Repayable in 48 equated monthly installments commencing from May, 2013 along with interest @ 13 %.
3. Rs. 2,00,00,000 (P.Y. Nil) term loan is secured by exclusive charge on the movable fixed assets of the Company and immovable fixed assets located at Mysore	1. 16 quarterly installments after a moratorium period of 12 months w.e.f. July, 2016 along with interest @ 13.5%.

Note 6: Deferred tax liabilities (net):

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Deferred tax liabilities:		
Difference in depreciation and other differences between the tax books and financial books	3,30,03,437	3,28,92,307
Deferred tax assets:		
Items of timing differences allowed for tax purposes on payment basis	29,08,454	25,46,822
Total	3,00,94,983	3,03,45,485

Note 7: Other long term liabilities:

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Security Deposit	94,69,280	92,29,280
Total	94,69,280	92,29,280



PREMIER TISSUES INDIA LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 8: Long term provisions

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Provision for employee benefits: (Refer Note No: 32)		
- Provision for gratuity	36,55,045	33,41,953
- Provision for leave encashment	8,77,968	9,28,792
Total	45,33,013	42,70,745

Note 9: Short term borrowings:

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Secured:		
Working capital loans repayable on demand from banks	4,85,11,378	5,82,44,656
Total	4,85,11,378	5,82,44,656

a) Details of nature of security and terms of repayment for secured borrowings:

Security	Repayment
1. Rs. 4,32,83,163 (P.Y. 4,52,53,441) on cash credit account is secured against exclusive charge on the current assets of the Company	1. Repayable on demand along with interest @ 3% plus prime lending rate
2. Rs. 52,28,215/- (P.Y. 1,29,91,215/-) on buyers credit account is secured against exclusive charge on the current assets of the Company	1. Repayable on demand along with interest LIBOR+ 55bps+ USD 50.

Note 10: Trade payables

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Due to Micro and Small Enterprises (Refer Note No: 30)	36,702	90,201
Due to Others*	8,39,04,835	7,32,47,485
Total	8,39,41,537	7,33,37,686

* Trade payables - due to others includes amount payables to related parties of Rs. 16,74,495/- (P.Y. Rs. 33,23,957/-)

Note 11: Other current liabilities:

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Current maturities of long term debt	3,77,29,246	3,79,46,417
Interest accrued on security deposits payable	4,08,089	3,71,626
Interest accrued but not due on borrowings	8,61,246	10,58,072
Advance from customers	12,24,738	17,66,661
Accrued employee liabilities	68,55,697	62,19,468
Unclaimed dividend	48,250	48,250
Statutory liabilities	10,038	18,64,642
Total	4,71,37,304	4,92,75,136

Note 12: Short term provisions:

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Provision for employee benefits (Refer Note No: 32)		
- Provision for gratuity	4,41,999	2,57,315
- Provision for leave encashment	2,23,571	1,44,945
Provision for Tax:		
Income tax	-	-
Total	6,65,570	4,02,260



PREMIER TISSUES INDIA LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 13: Tangible and Intangible Fixed Assets

	Gross Block			Accumulated Depreciation			(Amount in Rs.)				
	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at April 1, 2015	Depreciation for the year	Transfer to reserves	On Disposals	As at March 31, 2016	Net block as at March 31, 2015	Net block as at March 31, 2016
	Land	13,52,396	-	-	13,52,396	-	-	-	-	-	-
Buildings	8,28,89,923	-	-	8,28,89,923	2,06,72,405	25,96,551	-	-	2,32,68,956	6,22,17,518	5,96,20,967
Plant & equipment	27,62,05,773	8,09,000	-	27,70,14,773	10,67,48,579	92,30,539	-	-	11,59,79,118	16,10,35,655	16,94,57,194
Furniture & Fixtures	69,65,794	5,900	-	69,71,694	32,80,714	7,32,228	-	-	40,12,942	29,58,752	36,85,080
Vehicles	61,11,164	-	-	61,11,164	35,15,361	8,67,113	-	-	43,82,474	17,28,690	25,95,803
Office equipment	35,47,529	39,485	-	35,87,014	31,73,584	65,392	-	-	32,38,976	3,48,038	3,73,945
Computers	44,54,183	56,035	-	45,10,218	42,38,733	9,109	-	-	42,47,842	2,62,376	2,15,450
Total	38,15,26,762	9,10,420	-	38,24,37,182	14,16,29,376	1,35,00,932	-	-	15,51,30,308	22,73,06,874	23,98,97,386
Previous year	37,25,28,003	95,47,847	5,49,088	38,15,26,762	12,91,61,263	1,05,77,989	21,65,939	2,75,815	14,16,29,376	23,98,97,386	

B. Intangible Fixed Assets

	Gross Block			Depreciation			(Amount in Rs.)				
	As at April 1, 2015	Additions	Disposals	As at March 31, 2016	As at April 1, 2015	Depreciation for the year	Transfer to reserves	On Disposals	As at March 31, 2016	Net block as at March 31, 2015	Net block as at March 31, 2016
	Softwares	14,90,787	8,10,000	-	23,00,787	13,77,370	1,75,094	-	-	15,52,464	7,48,323
Total	14,90,787	8,10,000	-	23,00,787	13,77,370	1,75,094	-	-	15,52,464	7,48,323	1,13,417
Previous year	14,90,787	-	-	14,90,787	9,75,258	2,38,824	1,63,288	-	13,77,370	7,48,323	1,13,417

Note 13.1: During the previous period the Company has revised the useful life of the fixed assets. The useful life of the fixed assets had been revised to the rates as provided in Schedule II of the Companies Act, 2013. The life of intangible assets had been revised to 3 years based on technical evaluation.

Note 13.2: During the previous period, had the Company continued with the previously assessed useful lives, charge for depreciation for the period ended on March 31, 2015 would have been higher by Rs. 24,07,904/- for the fixed assets held at July 1, 2014.



PREMIER TISSUES INDIA LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 14: Long term loans and advances

(Amount in Rs.)

	As at	
	March 31, 2016	March 31, 2015
Security deposits	79,50,811	67,07,034
Advance income tax	23,55,549	25,39,287
MAT credit entitlement	32,77,628	30,94,934
Balance with statutory authorities	9,75,993	9,24,369
Total	1,45,59,981	1,32,65,624

Note 15: Inventories

(Amount in Rs.)

	As at	
	March 31, 2016	March 31, 2015
Raw materials	1,54,50,341	1,38,56,647
Packing material	54,26,327	75,14,250
Work-in-progress	1,78,78,528	2,89,46,179
Finished goods	2,16,60,969	1,87,15,674
Traded goods	68,66,238	1,06,77,604
Stores and spares	55,34,302	54,67,094
Chemicals	7,21,816	16,75,880
Total	7,35,38,521	8,68,53,328

Note 16: Trade Receivables

(Amount in Rs.)

	As at	
	March 31, 2016	March 31, 2015
A. Trade receivables -exceeding six months from the date they are due for payment		
Unsecured considered good*	60,21,384	17,28,550
Unsecured considered doubtful	10,44,107	10,44,107
Provision for doubtful debts	(10,44,107)	(10,44,107)
B. Trade receivables-Others		
Secured considered good	99,45,012	17,01,943
Unsecured considered good	1,46,83,686	2,58,18,094
Total	3,06,50,082	2,92,48,587

*This amount includes amount receivable from related parties of Rs. 3,10,424/- (P.Y. Rs.3,326/-)

Note 17: Cash and cash equivalents

(Amount in Rs.)

	As at	
	March 31, 2016	March 31, 2015
Cash on hand	1,38,223	62,664
Bank balances:		
- on current accounts	17,52,603	26,46,213
- on unpaid dividend account*	48,250	48,250
- Cheque in transit	-	-
Total	19,39,076	27,57,127

* The company can utilize these balances only toward settlement of the respective unpaid dividend



PREMIER TISSUES INDIA LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 18: Short term loans and advances

	(Amount in Rs.)	
	As at	
	March 31, 2016	March 31, 2015
Unsecured considered good advances*	30,03,909	8,77,204
Others loans and advances:		
Balance with statutory authorities	6,08,832	19,18,060
Prepaid expenses	14,31,378	14,30,249
Total	50,44,119	42,25,513

* It includes advance given to related parties of Rs. 1,12,184/- (P.Y. Rs. 1,13,604/-)

Note 19: Revenue from operations

	(Amount in Rs.)	
	For the year ended	For the period ended
	March 31, 2016	March 31, 2015
Sale of products:		
Finished goods	53,64,74,471	43,62,85,647
Traded goods	5,24,17,389	4,06,84,042
Revenue from operations (Gross)	58,88,91,860	47,69,69,689
Less: Rebate and discounts	4,58,96,356	4,06,49,425
Total	54,29,95,504	43,63,20,264

Note 20: Other Income

	(Amount in Rs.)	
	For the year ended	For the period ended
	March 31, 2016	March 31, 2015
Interest income earned on deposits	4,80,391	3,62,781
Duty drawback	1,59,657	1,31,755
Scrap sales	9,12,490	7,10,287
Miscellaneous income	8,66,885	6,28,655
Total	24,19,423	18,33,478

Note 21: Cost of material consumed

	(Amount in Rs.)	
	For the year ended	For the period ended
	March 31, 2016	March 31, 2015
Opening stock of all inventory	2,30,46,778	1,88,73,107
Add : Purchases	22,96,90,837	19,15,17,986
Sub-Total	25,27,37,615	21,03,91,093
Less : Closing stock of all inventory	2,15,98,484	2,30,46,778
Total	23,11,39,131	18,73,44,315



PREMIER TISSUES INDIA LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

a) Breakup of raw material consumed :

(Amount in Rs.)

	For the year ended	For the period ended
	March 31, 2016	March 31, 2015
Waste paper	7,97,14,530	5,62,28,126
Pulp	3,23,85,982	1,97,99,375
Cup stock	15,25,510	1,66,84,588
Packing material	4,85,36,187	3,78,97,395
Chemicals	59,76,785	53,86,047
Others	6,30,00,137	5,13,48,784
Total	23,11,39,131	18,73,44,315

b) Breakup of closing stock of inventory :

(Amount in Rs.)

	For the year ended	For the period ended
	March 31, 2016	March 31, 2015
Waste paper	8,16,166	14,21,536
Pulp	1,09,39,500	83,71,273
Cup stock	10,84,182	31,64,410
Packing material	54,26,327	75,14,250
Chemicals	7,21,816	16,75,880
Others	26,10,493	8,99,429
Total	2,15,98,484	2,30,46,778

Note 22: (Increase)/ decrease in inventories of finished goods, work-in-progress and traded goods

(Amount in Rs.)

	For the year ended	For the period ended
	March 31, 2016	March 31, 2015
Inventories at the end of the year:		
Finished goods	2,16,60,969	1,87,15,674
Traded goods	68,66,238	1,06,77,604
Work in process	1,78,78,528	2,89,46,179
	4,64,05,735	5,83,39,457
Inventories at the beginning of the year:		
Finished goods	1,87,15,674	2,01,49,297
Traded goods	1,06,77,604	88,15,580
Work in process	2,89,46,179	2,04,16,243
	5,83,39,457	4,93,81,120
(Increase)/ decrease	1,19,33,722	(89,58,337)

Note 23: Employee benefit expense

(Amount in Rs.)

	For the year ended	For the period ended
	March 31, 2016	March 31, 2015
Salaries, wages and bonus	6,10,69,605	5,10,98,830
Contribution to provident fund and ESIC	21,36,391	16,69,791
Gratuity expense (Refer Note 32)	9,28,509	4,68,112
Leave encashment expense (Refer Note 32)	9,01,448	1,37,083
Staff welfare expenses	46,35,253	33,55,519
Total	6,96,71,206	5,67,29,335

Note 24: Finance cost

(Amount in Rs.)

	For the year ended	For the period ended
	March 31, 2016	March 31, 2015
Interest expense	1,81,44,543	1,57,03,321
Other borrowing costs	6,85,350	2,52,218
Total	1,88,29,893	1,59,55,539



PREMIER TISSUES INDIA LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 25: Other expenses

	(Amount in Rs.)	
	For the year ended March 31, 2016	For the period ended March 31, 2015
Consumption of stores and spare parts	79,67,778	76,23,292
Change in excise duty on inventory	4,60,115	(2,30,548)
Power and fuel	4,00,21,641	3,19,40,475
Rent	13,99,801	4,98,660
Repairs to machinery	22,52,160	15,73,848
Repairs and maintenance others	12,66,182	11,87,666
Others -		
Bank Charges	2,89,929	2,20,918
Insurance	26,77,226	12,78,268
Rates and taxes, excluding taxes on income	43,36,139	35,20,364
Payment to auditors (Refer note below)	3,35,000	4,30,000
Legal and professional fees	40,80,527	35,49,538
Loss on sale of fixed assets	-	53,315
Bad debts/advances written off	-	86,413
Exchange difference (net)	1,91,388	2,22,538
Travelling and conveyance expenses	75,56,117	60,06,023
Communication expenses	10,95,139	8,35,371
Printing and stationery	4,75,739	5,00,166
Provision for doubtful debts	-	10,44,107
Office Expenses	1,70,089	90,753
Security Charges	15,28,283	10,44,825
Marketing and sales expenses	1,19,30,215	95,18,923
Selling and distribution expenses	4,00,96,183	3,22,58,152
Miscellaneous expenses	2,42,485	2,05,480
Total	12,83,72,136	10,34,58,547

Note: The above expenses include research and development expenses of Rs. NIL (P.Y. Rs.NIL)

a) Breakup of payment made to auditors :

	(Amount in Rs.)	
	For the year ended March 31, 2016	For the period ended March 31, 2015
(a) As Auditor		
- Statutory Audit	2,25,000	2,70,000
- Tax Audit	75,000	1,50,000
(b) for company law matters	-	-
(c) for other services	35,000	10,000
(d) for reimbursement of expenses	-	-
Total	3,35,000	4,30,000



PREMIER TISSUES INDIA LIMITED
 NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016
 Note 26: Contingent Liabilities

- a) Claims against the company not acknowledged as debts Rs 41,95,756/- (P.Y. Rs.53,73,674/-).
- b) Estimated amounts of contracts remaining to be executed on capital account and not provided for is Rs.NIL (net of advances) (P.Y. 3,64,500).

Note 27: CIF value of imports

	(Amount in Rs.)	
	For the year ended March 31 2016	For the period ended March 31 2015
Raw Materials	5,25,67,305	4,54,68,048
Spare Parts	61,576	28,156
Traded Goods	17,33,927	31,39,802
Chemicals	-	10,28,822
Fixed Assets	-	58,56,981
Total	5,43,62,808	5,55,21,809

Note 28: Earnings in Foreign Currency

	(Amount in Rs.)	
	For the year ended March 31 2016	For the period ended March 31 2015
F.O.B Value of Exports	78,27,302	55,15,041

Note 29: Value of imported raw material consumed and the value of indigenous raw material similarly consumed and the percentage of each to the total consumption.

	Amount in Rs.		Percentage	
	For the year ended March 31, 2016	For the period ended March 31, 2015	For the year ended March 31, 2016	For the period ended March 31, 2015
Raw Material				
- Imported	5,28,16,395	4,15,01,792	22.85%	22.15%
- Indigenous	17,83,22,736	14,58,42,523	77.15%	77.85%
Total	23,11,39,131	18,73,44,315	100%	100%
Spare parts				
- Imported	15,13,560	1,83,929	19.00%	2.41%
- Indigenous	64,54,218	74,39,363	81.00%	97.59%
Total	79,67,778	76,23,292	100%	100%



PREMIER TISSUES INDIA LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 30: Due to Micro and Small enterprises

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

Sr No	Particulars	2015-16			2014-15		
		Principal	Interest	Total	Principal	Interest	Total
1	Total outstanding dues to micro & small enterprise	22,626	14,076	36,702	78,990	11,211	90,201
	Principal amount and interest due thereon remaining unpaid as at end of the year	22,626	2,865	25,491	78,990	5,270	84,260
3	Amount of interest paid in terms of section 16 of MSMED Act along with the amount of the payment made to supplier beyond appointed day	NIL	NIL	NIL	NIL	NIL	NIL
4	Outstanding compounded interest (where principal amount has been paid off to the supplier but interest amount is outstanding as on closing date)	NIL	11,211	11,211	NIL	5,941	5,941
5	Total interest out standing as on period/year end date (Interest in '2' + interest in '4' above)	NIL	14,076	14,076	NIL	11,211	11,211

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PREMIER ISSUES INDIA LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 31: Segmental Information

The Company operates predominantly in only one business segment (manufacturing of Face tissues, Toilet Rolls, Hand towels, Serviettes) and accordingly, primary reporting disclosures for business segment, as envisaged in AS 17 - Segment Reporting, is not applicable.

Note 32: Employee Benefits

The disclosures as required in the Accounting Standard 15 (revised) on employee benefits are given below:

I. Defined contribution plans - Contribution to defined contribution plan is charged off for the year as under:

	(Amount in Rs.)	
	For the year ended March 31, 2016	For the period ended March 31, 2015
Employees Provident Fund and ESIC	21,36,391	16,69,791

II. Defined Benefit Plans –

The present value of obligation is determined based on the 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.

	(Amount in Rs.)			
	March 31, 2016	March 31, 2016	March 31, 2015	March 31, 2015
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave Encashment Unfunded
A. Change in benefit obligations:				
Obligations at period beginning – Current	2,57,315	1,44,945	2,41,573	1,56,499
Obligations at period beginning - Non-current	33,41,953	9,28,792	30,50,324	10,47,255
Service Cost	7,49,484	3,93,404	3,01,256	74,325
Interest on Defined benefit obligation	2,59,884	48,915	1,88,115	62,687
Benefits settled	(4,30,733)	(8,73,646)	(1,60,741)	(2,67,100)
Actuarial (gain)/loss	(80,859)	4,59,129	(21,259)	71
Obligations at period end	40,97,044	11,01,539	35,99,268	10,73,737
Current Liability (within 12 months)	4,41,999	2,23,571	2,57,315	1,44,945
Non Current Liability	36,55,045	8,77,968	33,41,953	9,28,792
B. Change in plan assets				
Plans assets at period beginning, at fair value	-	-	-	-
Expected return on plan assets	-	-	-	-
Actuarial gain/(loss)	-	-	-	-
Contributions	4,30,733	8,73,646	1,60,741	2,67,100
Benefits settled	(4,30,733)	(8,73,646)	(1,60,741)	(2,67,100)
Plans assets at period end, at fair value	-	-	-	-
C. Funded Status				
Closing PBO	40,97,044	11,01,539	35,99,268	10,73,737
Closing Fair value of plan assets	-	-	-	-
Closing Funded status	(40,97,044)	(11,01,539)	(35,99,268)	(10,73,737)
Net asset/(Liability) recognized in the balance sheet	(40,97,044)	(11,01,539)	(35,99,268)	(10,73,737)
D. Expenses recognized in the P & L account				
Service cost	7,49,484	3,93,404	3,01,256	74,325
Interest cost	2,59,884	48,915	1,88,115	62,687
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss:				
- Experience Adjustment on Plan Liabilities	(80,859)	4,59,129	(21,259)	71
- Experience Adjustment on Plan Assets	-	-	-	-
Net gratuity/leave cost	9,28,509	9,01,448	4,68,112	1,37,083
E. Assumptions				
Interest rate	7.68%	7.68%	7.81%	7.81%
Discount factor	7.68%	7.68%	7.81%	7.81%
Salary increase	8.00%	8.00%	8.00%	8.00%
Attrition rate	10.00%	10.00%	10.00%	10.00%
Retirement age	60	60	60	60



PREMIER TISSUES INDIA LIMITED

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 33: Related Party Disclosure

a) Names of related parties and description of relationship as at March 31, 2016

Nature of Relationship	Name of the Related Party
A. Holding Company	Ballarpur Industries Limited
B. Subsidiary/Step Down Subsidiary of Holding Company	Ballarpur International Holdings B V BILT paper B.V (Formerly Ballarpur International Graphic Ballarpur Paper Holdings B V BILT Graphic Paper Products Limited Ballarpur Specialty Paper Holdings B V BILT Tree Tech Limited Sabah Forest Industries Sdn Bhd
C. Key Managerial Person	No
D. Enterprises over which any person described in (C) is able to exercise significant influence	Ballarpur Industries Limited

b) Summary of the transactions with related parties is as follows:

S.No.	Particulars	(Amount in Rs.)	
		For the year ended March 31, 2016	For the period ended March 31, 2015
1	Sales of goods and services - Ballarpur Industries Limited - BILT Graphic Paper Products Limited	6,790 6,72,484	8,13,155 19,439
2	Purchases of goods and services: - Ballarpur Industries Limited - BILT Graphic Paper Products Limited	12,54,515 5,922	9,11,402 26,63,025

c) Outstanding Balance of related parties is as follows:

Sr. No.	Particulars	(Amount in Rs.)	
		As at	
		March 31, 2016	March 31, 2015
1	Ballarpur Industries Limited (Net balance)	(15,62,311)	(5,68,555)
2	BILT Graphic Paper Products Limited (Net balance)	3,10,424	(26,38,472)



PREMIER TISSUES INDIA LIMITED
NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2016

Note 34: Basic and Diluted Earnings Per Equity Share

(Amount in Rs.)

Sr. No.		For the year ended March 31, 2016	For the period ended March 31, 2015
1	Net profit / (Loss) after taxation and available for Equity Shares	(36,76,833)	38,04,481
2	Basic/ Weighted average number of Equity Shares of Rs.10 each	56,20,427	56,20,427
3	Basic and Diluted Earnings/ (Loss) per Share (Rs.)	(0.65)	0.68

Note 35: Leases - future minimum lease payments

The company has operating lease for its corporate office in Bengaluru, which is renewable on periodic basis and cancellable at its option. Rental expenses for the operating leases charged to Statement of Profit and Loss for the year are Rs. 13,99,801/- (P.Y. 4,98,660/-).

As of March 31, 2016, the future minimum lease payments for non-cancellable operating leases are as below:-

Sr. No.		For the year ended March 31, 2016	For the period ended March 31, 2015
1	Not later than one year from March 31, 2016	-	-
2	Later than one year and not later than five years	-	-

Note 36: Closing balances of debtors, creditors, deposits taken, loans & advances and deposits

Balances of Certain debtors, creditors, deposits taken, loans & advances and deposits given are subject to confirmation.

Note 37: Previous years figures

The current year figures are from April 1, 2015 to March 2016 and previous year figures are for the period of 9 months (from July 1, 2014 to March 31, 2015) and hence not comparable. The previous year figures have been regrouped wherever necessary to correspond to the current year classification.

As per our report attached

K.S.S. BHATIA
 Partner
 Membership No. 122942
 For and on behalf of
K.K.Mankeshwar & Co.
 Chartered Accountants
 F.R.N.: 106009W
 Gurgaon, dated the, May 25, 2016



Director

Director

For and on behalf of Premier Tissues India Limited