



18th October, 2016

The Secretary The National Stock Exchange of India Ltd. Exchange Plaza, 5 th Floor Plot No. C/1, G Block Bandra - Kurla Complex, Bandra (E) MUMBAI - 400 051	Department of Corporate Services BSE Limited 1 st Floor, New Trading Ring, Rotunda Building P J Towers, Dalal Street, Fort, MUMBAI – 400 001
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Dear Sir(s),

Sub: Submission of 71st Annual Report (2015-16) pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the 71st Annual Report approved and adopted at the Seventy First Annual General Meeting (AGM) of the Company held on Thursday, the 29th September, 2016 at 12:00 noon at P.O. Ballarpur Paper Mills – 442 901, Distt. Chandrapur, Maharashtra, as per the provisions of the Companies Act, 2013.

You are requested to take the above information on record and bring the same to the notice of all concerned.

Thanking you,

Yours faithfully,

For **BALLARPUR INDUSTRIES LIMITED**

**AKHIL MAHAJAN
CHIEF GENERAL MANAGER & COMPANY SECRETARY**

Encl.: a.a.





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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

OPERATING OFFICE

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

HEAD OFFICE

Thapar House, 124 Janpath,
New Delhi – 110001

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



AWARDS

UNIT BALLARPUR

National Energy Conservation Award 2014-15

Second Prize from Bureau of Energy Efficiency (BEE), Ministry of Power, Government of India.

Platinum Award in Energy Management 2015-16

From SEEM (Society of Energy Engineers and Managers) in Manufacturing Segments.

UNIT BHIGWAN

Golden Peacock Occupational Health & Safety Award 2015

From Institute of Directors, India.

RISI-PPI Bio Strategy of the Year Award in September 2015

State Level Award

First Prize for excellence in Energy Conservation & Management, for the year 2014-15 from Maharashtra State Energy Development Agency (MEDA), Pune.

UNIT SEWA

Kalinga Safety Award 2014 - Silver Category

From Odisha Safety Conclave.



1. PAPER SALES

IN MT

FY 2011–12	838,542
FY 2012–13	830,342
FY 2013–14	830,337
FY 2014–15	598,983
FY 2015–16	700,654

2. NET SALES

IN RS. CRORE

FY 2011–12	4,732.3
FY 2012–13	4,854.8
FY 2013–14	5,220.3
FY 2014–15	3,625.9
FY 2015–16	4,221.4

3. PBDIT

IN RS. CRORE

FY 2011–12	800.9
FY 2012–13	875.6
FY 2013–14	948.0
FY 2014–15	590.3
FY 2015–16	732.3

Notes :

1. FY2014-15 comprised 9 months, as against 12 months in other financial years.
2. FY2015-16 excludes financial implications of SFI business, which is accounted for as discontinued activity.

CHAIRMAN'S LETTER



Dear Shareholder

The paper and paperboard industry in India is facing several challenges.

Notwithstanding a fairly rapid increase in demand for paper across most major emerging markets, there exists substantial global excess capacity in pulp as well as printing and writing paper. There are several reasons for this. At 158 kg in the European Union, 218 kg in Japan and 224 kg in North America, the annual per capita consumption of paper in the developed countries has more or less topped out. Moreover, the rapid growth and ubiquitous use of digitisation across businesses and consumers alike — a trend that will only increase over time — augurs poorly for paper demand across such economies.

To be sure, there is still a healthy growth potential in the use of paper across emerging markets. China, for instance, annually consumes only 75 kg of paper per capita. And India is barely at 10 kg per person. Such economies will rapidly increase their demand for paper in the coming years as will those in Sub-Saharan Africa and in parts of Latin America. Even so, there is, and will be, significant excess capacity across the world.

The consequence of this is extreme competition. In their effort to earn revenues to cover at least some of the production costs, global paper manufacturers are selling their output across all faster growing markets, often at prices that barely meet variable costs. India has been hit twice over. First, with the USA imposing steep countervailing duties on Chinese and Indonesian paper imports, producers in China and Indonesia have sought out India to export their surplus. Second, with the free trade agreement (FTA) between India and the ASEAN, customs duties on most paper and paperboard manufactures have been progressively reduced from a base rate of 10% to zero. And, as per the FTA entered into with South Korea, there has been a steady reduction in basic customs duty, which will be zero in the year 2017.

Not surprisingly, therefore, in the past five years, imports of paper and paperboards have risen at a compounded annual growth rate of 15% in value terms.

This flood of imports has significantly disrupted the dynamics and working conditions of India's paper industry. All manufacturers are facing conditions of excess supply; and most have had to post

unsatisfactory financial results. Though your Company is better placed than many — both in terms of scale, value added products and diversity of types of paper — it too has suffered. The results bear this out, and I need to explain these in some detail. The numbers, explained below, are representative of our on-going businesses and do not account for losses due to discontinuation of Sabah Forest Industries (SFI).

- For the 12-month period ending on 31 March 2016 (FY2016), net sales was a healthy Rs. 4,221 crore.
- On that, your Company's EBITDA was Rs. 732 crore, or a healthy 17.3% on net sales. The EBIT was Rs. 468 crore, or 11.1% of net sales. Even in a highly competitive milieu, these were good numbers.
- However, the interest cost on funds that were earlier borrowed to modernise plants and equipment to produce greater throughput of higher grades of value added products has turned out to be too much to bear vis-à-vis your Company's operating profits. In FY2016, the interest burden alone was Rs. 463 crore.
- Consequently, PBT was Rs. 4.55 crore; and after adding other non-operating income and tax write-backs, PAT was Rs. 36.6 crore.

In addition, your Company has suffered, in recent years, from its acquisition of the SFI in Malaysia. Despite considerable efforts and significant investments, SFI has not been able to generate sufficient returns. The reason is not to do with lack of

operational efficiencies. Instead, it has to do with the unrealistically strong exchange rate of the ringgit, which has remained such for many years, and makes SFI's wood pulp internationally uncompetitive vis-à-vis other Asian and South East Asian players. This, plus the fact that paper producers all over the world have access to enough freely available supply of hard wood pulp, necessitated a careful re-look of the rationale for SFI.

Having done so, your Company decided to consider SFI as a non-core asset and search for buyers. A share-sale agreement was signed with Pandawa Sakti (Sabah) of Malaysia for sale of its entire equity stake of 98.08% in SFI, subject to certain conditions. Unfortunately, this deal has fallen through. We are looking for other prospective buyers.

In the meanwhile, we have received a non-binding offer from JK Paper for the purchase of two of your Company's plants — Units Ashti and Ballarpur. This is in an early stage and matters are under consideration.

Proceeds from such sales, when these occur, will be used to substantially de-leverage your Company and streamline its finances.

The other difficult operation was the rayon grade pulp mill at Kamalapuram in Telangana. High costs and poor rayon grade pulp prices have led to the plant not producing any output in the last two years. To make the unit viable, your Company represented to the State Government for certain subsidies to restart manufacturing. Our proposals were considered favourably by Government of Telangana which has issued an order to release Rs. 9 crore per

annum as power subsidy for seven years and Rs. 21 crore per annum as subsidy on wood for five years. A Memorandum of Understanding is being finalised between your Company and the Government of Telangana.

Your Company's other manufacturing operations continue to perform well. Across many categories of paper, it continues to hold the pole position of the significant market leader. Its products are well accepted everywhere. Its operating efficiencies are among the best in the industry. And it has a farm forestry programme that is second to none. Simply put, it is one of the best organisations — if not the best — in the paper business in India.

The only overhang is the debts that have been incurred for large scale modernising and upgrading of plants and equipment. Once this is brought down to manageable levels, your Company will again earn decent net profits and reward its shareholders. We are making serious efforts at reducing the debt, to become a more asset- and debt-light enterprise in FY2017 and thereafter.

When it happens, I am sure you will see better results. BILT is a great name in the world of paper. It will remain so, with profits for its shareholders.

Thanks for your support.
Yours truly,



GAUTAM THAPAR
Chairman

MANAGEMENT DISCUSSION & ANALYSIS



NOTE: BILT is in the process of adopting to the requirements of the new Companies Act, 2013 and transitioning from its traditional financial year (FY) stretching over a 12 month period from 1 July of a year to 30 June of the following year to a 12 month financial year ending in March. In this transition phase, from a reporting perspective, FY2015 was a nine-month period, while FY2016 was a 12 month period. Hence, the financial numbers for the two financial years are strictly not comparable. This has been accounted for in the Management Discussion and Analysis and so certain comparisons have not been made. However, in certain sections, the Company has given indicative annualised figures to give a sense of comparison for readers. Going forward, the Company will operate according to a 12 month financial year ending in March.

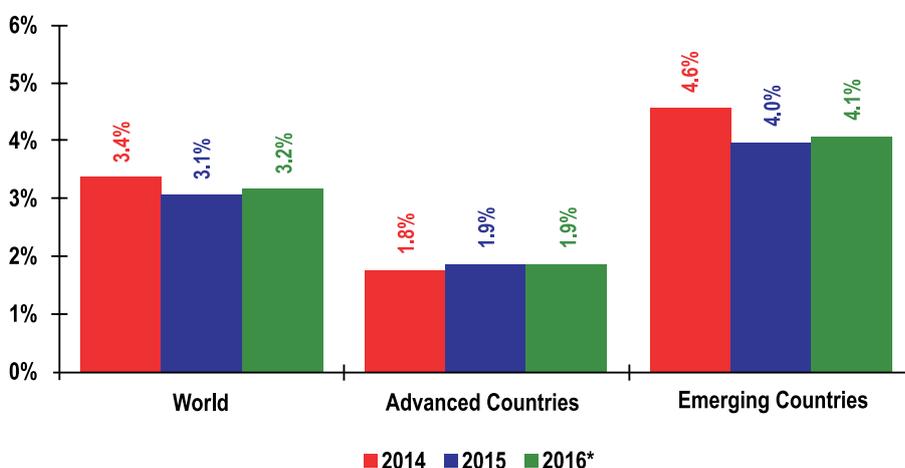
BUSINESS ENVIRONMENT

Over the last decade, the pulp and paper industry has almost mirrored the global macro-economic trends. Primarily, the transition has been about a gradual shift of growth in activity from advanced western countries to emerging economies in Asia and Latin America.

Unfortunately, the disconcerting trends witnessed in the global economy during FY2015 got more engrained in FY2016. Today, the ongoing global economic recovery has become a slow and long drawn process amidst increasing financial turbulence. In fact, economic activity softened towards the end of Calendar Year (CY) 2015 in advanced economies; and stresses in several large emerging economies showed no signs of abating. In addition to these headwinds, there are growing concerns about the global impact of the unwinding of earlier investment and financial excesses in China as it transitions to a more balanced, consumption-led growth path. There are also signs of distress in other large emerging markets, particularly ones who have been adversely affected by falling commodity prices.

Data from the International Monetary Fund (IMF), reported in the *World Economic Outlook (WEO), April 2016*, suggest that world economic output reduced from 3.4% in CY2014 to 3.1% in CY2015. While advanced economies remained steady at their lower levels of growth – 1.9% in CY2015 compared to 1.8% in CY2014, emerging markets and developing economies saw growth reduce from 4.6% in CY2014 to 4% in CY2015. Chart A gives the details.

Chart A GDP Growth, CY2015 and CY2014



Source: IMF estimates, Note: *2016 is a forecast

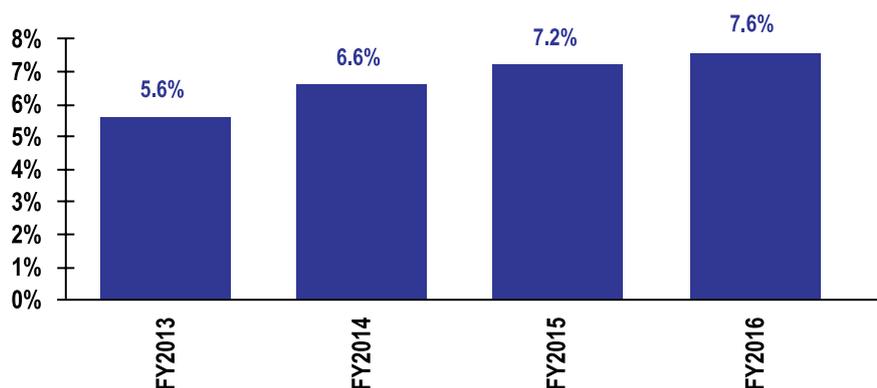
Amidst this uncertainty, a positive for consumers was the continuing reduction in commodity prices, driven primarily by crude oil. As Chart B shows, oil prices, which were at levels of over US\$100/barrel at the beginning of FY2015, had reduced to levels of US\$50/barrel by the beginning of FY2016. The secular downward trend continued through FY2016 and touched around US\$30/barrel in December 2015. With this reduction, there was some respite in terms of cost of operations. Importantly, logistics costs diminished.

Chart B Oil Futures Price - CLM 6 (US\$/Barrel)



Despite global economic slowdown, growth trends in the Indian economy have been encouraging. As Chart C shows, real GDP growth has been improving steadily from a low of 5.6% in FY2013 to 7.6% in FY2016. Today, India is the fastest growing large economy in the world.

Chart C Real GDP Growth, India



Source: Central Statistical Organisation (CSO), Government of India

Additionally, India's other macroeconomic parameters like inflation, fiscal deficit and current account balance have exhibited distinct improvement. Wholesale price inflation has been in negative territory for more than a year and the all-important consumer prices inflation has declined to nearly half of what it was a few years ago. With inflation under control, the Reserve Bank of India (RBI) has somewhat eased monetary policy and reduced the benchmark repo rate. Consequently, lending rates have reduced marginally. The base rate for scheduled commercial banks which was 10.25% in FY2014 has reduced to 9.7% by the end of Q3, FY2016. Having said so, the interest rate levels still need to come down further to really kick-start investments.

Globally, the demand conditions for printing and writing paper remained subdued. For one, the mature markets in North American and Europe have been steadily witnessing erosion in demand. These countries already have high per capita usage of paper and hence lower scope of increasing penetration. Also, these economies are getting rapidly digitised, which is further reducing the use of paper. However, paper for packaging usage continues to generate healthy demand. For another, most emerging market countries are witnessing a period of growth correction. This has put a hold on the accelerated growth in paper demand.

The good news was that in line with positive signals in the economy, paper demand in

India was fairly robust. However, global players particularly from Asian countries, have also increased their focus on the Indian market. With lower logistics costs and significantly lower customs tariffs, imports into Indian market have increased substantially adding to the existing cut-throat competition across several segments within the paper industry.

PERFORMANCE HIGHLIGHTS

Establishing and maintaining leadership in the different market segments within the paper industry is a cornerstone of BILT's business strategy. To maintain and further develop such market leadership, it is always essential to make timely investments, whether it be in product development, technology, capacity creation or operating efficiency. While some of these investments are a continuous process and incremental in nature, at times these are quantum jumps.

In the last seven years, BILT had undertaken a series of investments to benefit from integrated operations and economies of scale. Some of these were also warranted to keep up with the competition. Given the capital intensive nature of the industry, the quantum of such investments was high and most of it was debt financed. The Company is conscious of the fact that it has to go through a period of consolidation to reach the higher scale of operations that will sustain the increased capital employed.

While the mid-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, it had also become important to re-evaluate capital deployed and take strategic decisions on assets that were not generating sufficient returns.

There are two such investments where the Company took certain clear strategic decisions: Sabah Forest Industries (SFI) in Malaysia and the Rayon Grade Pulp Mill in Kamalapuram.

Even after considerable efforts and investments, SFI was not being able to generate sufficient returns. While from a pulp sourcing perspective, SFI was part of BILT's overall integration plan, from a product market perspective it did not fit into BILT's core business. In this light, with market dynamics in terms of hard wood pulp undergoing changes and prices reducing, the need for complete integration was re-analysed. Given the fact that even

without SFI, BILT has internal sources of pulp supply covering over 75% of its requirements, the Company strategically decided to demarcate SFI as a non-core asset. Having done so, the Company signed a share-sale agreement (SSA) with Pandawa Sakti (Sabah) of Malaysia for sale of its entire equity stake of 98.08% in SFI, subject to certain conditions. The proceeds from these sales should substantially de-leverage the Company and streamline its finances.

Unfortunately, after several iterations, the buyer has not been successful in performing its commitments by 30 June 2016, which was the long stop date. Consequently, the deal has fallen through and BILT has invoked the performance guarantee of US\$50 million furnished by the buyer.

(This material information has been added post adoption of the chapter on Management Discussion and Analysis by the Board of Directors)

During the process of this sale transaction, BILT continued to operate SFI as one of its businesses and the unit remains an integral part of the Company's operations. Consequently, SFI's performance is covered in this Management Discussion and Analysis. However, for better representation of ongoing businesses, the results from discontinuation of SFI business has been reported separately as an item post PAT from ordinary activities and is only a part of net consolidated PAT post minority interest and results of discontinued activities.

Due to a structural shift in market dynamics, rayon grade pulp demand and prices have fallen sharply in India. With its rigidity in cost structures, the Kamalapuram facility for rayon grade pulp had become unviable. Since the unit is located in a remote area where there is low scope of employment generation, government intervention was warranted to support the Company to revive the unit. Given the financial situation, BILT stopped production at Kamalapuram in FY2015 and has continuously engaged the governments of Andhra Pradesh and Telangana to work towards a solution.

The Government of Telangana has agreed to extend a subsidy of Rs. 9 crore per annum on supply of power and Rs. 21 crore per annum on supply of pulp wood to the unit. The Government of Andhra Pradesh is expected to announce similar incentives.

In a related development in July 2016, BILT Graphic Paper Products Limited (BGPPL) has received a non-binding offer from JK Paper Ltd for purchase of its units at Ballarpur and Ashti. The proposal is an indication of interest and is subject to due diligence, negotiation and execution of definitive agreements. The Board of Directors of BGPPL has reviewed the offer and directed a Committee of Directors to proceed on this.

(This material information has been added post adoption of the chapter on Management Discussion and Analysis by the Board of Directors)

Today, BILT operates through 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, and
- Tissue paper business operated through its subsidiary, Premier Tissues (India) 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:

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

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

- Writing and Printing Paper – India and Malaysia
 - o Office Supplies and Stationery
 - o Retail under the brand P3
- Specialty Paper
- Tissue Paper
- Rayon Grade Pulp

The performance of this complete structure is reflected in the consolidated performance of the Company given in Table 1.

TABLE 1 Abridged Consolidated Profit and Loss Account

In Rs. Crore	FY2016	FY2015
Net Sales	4,221.36	3,625.92
Other Operating Income	77.05	60.86
Income from Operations	4,298.41	3,686.78
EBIDTA	732.27	590.30
Depreciation	264.56	338.09
EBIT	467.71	252.21
Interest	463.16	312.05
PBT	4.55	-59.84
Other Income	23.08	0
Exceptional Items (VRS)	0	2.55
Tax (net of MAT entitlement credit)	-8.93	-15.49
PAT from ordinary activities	36.56	-46.90
Net Profit from discontinued activities	-265.97	0
Minority Interest	-69.28	-25.55
Net Consolidated PAT (After minority Interest and results of discontinued activities)	-160.13	-21.35

Given the fact that the different length of the periods under review makes comparative analysis of these numbers erroneous, there are some broad trends that are positive.

- EBITDA margins (EBITDA/Total Operating Income) increased from 16% in FY2015 to 17% in FY2016. This is on account of better price realisation, more value added products and lower costs of material inputs.
- Employee Costs as a ratio to Total Operating Income reduced from 8.3% in FY2015 to 7.2% in FY2016 – a direct result of streamlining the organisation and making it more lean.

It should be noted that for better depiction of the business, the financial implication of discontinued activity (FY2016) related to SFI has been separately reflected as 'net loss from discontinued activities' and affects PAT (after minority interest) and not the line items prior to it. This treatment is different in the numbers reported in the "Board's Report".

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

WRITING AND PRINTING PAPER BUSINESS

BILT is India's leading writing and printing paper manufacturer with some export foot print. Through its Malaysian subsidiary – Sabah Forest Industries – the Company also has a significant presence in the Malaysian market. Today, the Company is India's largest producer of writing and printing paper and Malaysia's largest producer of uncoated wood-free paper products.

In its dominant market, India, BILT has approximately 35% market share in the coated wood-free segment, within which it has 38% market share in the higher value added blade coated segment. It also has a commanding 28% share in the high-end uncoated wood-free market. Identifying value added opportunities, establishing market dominance and maintaining leadership status form the core of BILT's business strategy.

Over the years, the Company has developed this strong market position by leveraging its wide range of products and depth in distribution. BILT has continued to innovate and introduce new products across applications. Not only has this contributed

to the wide range of diversified offerings, but also kept a healthy mix of variants in its portfolio, which are at different stages of the product lifecycle. Across the product spectrum, the Company has set very high standards in terms of quality, which has emerged as a key differentiator in the market as well.

The distribution mechanism that supports the business is unique in character. In its core market, India, the Company has a multi-tiered distribution network with over 440 distributors, with most of the volume being sold by exclusive distributors. In Malaysia, sales are handled through well-spread network of around 40 distributors. In addition to these major markets, the Company enjoys a good market presence in the Middle East and Africa.

INDIA

MARKETS

While India has a long history of paper production with the first recorded paper mill being set up in 1867, the spread and intensity of paper consumption has not been in line with the country's population. The dichotomy is glaring: India has 17% of the world's population yet accounts for only about 3% of the world's production of paper and paperboard. This reflects a much slower growth in demand than is warranted, more so given that there is adequate domestic production to make the country almost self-sufficient in the need for most types of paper and paper board.

The gap between potential and actual demand is best seen in the per capita numbers. India's per capita consumption of paper is estimated to be barely 10 kg compared with 75 kg in China, 158 kg each in the European Union, Korea, Taiwan, Hong Kong, Singapore and Malaysia, 218 kg in Japan, and 224 kg in North America. The global average itself is a healthy 56 kg. Having said so, it needs stating that the last decade has witnessed a growth in paper demand driven by rising levels of literacy, improving well-being of the people and surging aspiration levels.

Despite the very low base, India is the fastest growing market for paper. Demand growth for paper has been hovering around 8% for some time. As per industry estimates, overall paper consumption has now touched 13.1 million metric tonnes.

So far, the growth in paper industry has mirrored that of GDP. Naturally, the

slowdown in the Indian economy in the last three years of the UPA-II regime subdued demand growth to some extent. However, with GDP growth being back on track in FY2016, and the underlying trend of increased education and literacy, paper consumption is poised for further growth. Estimates suggest that paper demand in India will touch 13.95 million metric tonnes by FY2018. Within this, the writing and printing paper segment, BILT's core business, is expected to reach 5.2 million metric tonnes with robust growth expected in the copier variety, which is likely to climb from the present 0.77 million metric tonnes to 1.25 million metric tonnes.

Similarly, paperboard production is estimated to increase from 5.9 million metric tonnes to 7.6 million metric tonnes by FY2018 with improved FMCG sales, wider reach of organised retail, penetration of healthcare into the rural economy and sustained demand for packaged products in line with rising aspiration levels and changing lifestyles.

Even after a spate of large investments of around US\$ 4 billion (approximately Rs.25,000 crore) and commensurate capacity additions in the last few years, given the domestic demand growth, one does not forecast much of demand-supply mismatch in the medium term, though some short term corrections are expected.

Today, the operating capacity of the industry stands at 12.75 million metric tonnes. Of this, paperboard production is about 5.9 million metric tonnes, writing and printing constitutes 4.1 million metric tonnes and newsprint makes for 2.5 million metric tonnes. However, the market conditions have been disrupted by rapidly rising imports, especially from China, Korea and ASEAN countries.

In the past five years, imports of paper and paperboards have risen at a compounded annual growth rate (CAGR) of 15% in value terms. A large quantity of paper and paperboard is being imported at significantly lower costs under the aegis of Free Trade Agreements (FTAs). Under the India-ASEAN FTA, import duties on most of the paper and paperboard have been progressively reduced from a base rate of 10% customs duty to 0%. As per the FTA entered into with South Korea, there has been a steady reduction in basic customs duty and it will be zero in the 2017. At that time, imports are likely to rise further.

It is instructive to note that the United States imposed countervailing duties ranging from 5.82% to 131.12% in June 2015 on import of paper from China and Indonesia. This is similar to anti-dumping duties. The imposition of such duties in the US with no corresponding safeguards in India could further divert exports of these countries from USA to a growing market like India.

Under these conditions, while maintaining its dominant position in the Indian market, BILT also strategically exported some of its output to leverage global opportunities, develop a market position in some countries, and balance-out the supply in India. However, given global market conditions, the stress on exports was lower in FY2016.

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 are business stationery products distribution and retail operations.

COATED WOOD-FREE

Demand for this category of paper continues to outstrip supply and the gap continues to be met by imports. In numeric terms, coated wood-free consumption in India increased by around 8% to 766,000 MT per annum (MTPA) in FY2016.

In terms of value addition, the segment has three categories: blade coated, air knife and cast coated products, in decreasing order of technology. Growth has been higher in the premium end of the market with the blade coated products growing by 8%, which is BILT's primary focus area.

The coated market can also be segregated in two ways. First, in terms of one-side coated (C1S) and both-sides coated (C2S). Second, in terms of paper and board products. Within the blade coated products segment, the C2S paper market grew by over 8.5% to 376,000 MTPA and the C2S board market grew by over 9% to 178,000 MTPA in FY2016. BILT continued to maintain and develop its leadership position across the segment.

Being a value-added product, coated wood-free paper traditionally enjoyed a price and quality premium. However, with rapid market expansion and rise in import volumes, especially from ASEAN, China and Korea, the segment is rapidly getting transformed into a competitive, commodity-

like product space 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 through larger scale of operations and better efficiencies in production.

UNCOATED WOOD-FREE

During FY2016, the Indian uncoated market — comprising Low Bright and Hi Bright segments — grew by 2% to 12,64,000 MTPA, and competition continued to be intense. The market remains largely restricted to domestic players and is highly fragmented with a multitude of products and manufacturers. However, in the last couple of years, imports from ASEAN countries especially players from Indonesia have started making an impact in this market, although the quantum is still modest.

BILT maintains its leadership position as 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. With this objective, BILT has been focusing on the higher value Hi Bright paper, which accounts for around 72% of the entire uncoated maplitho segment. Hi Bright grew by 5.4% in FY2016, and BILT maintained its dominant 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 the 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

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

Over the last few years, with rapid computer penetration in India, Copier has been a rapidly growing segment: the mill

packed copier market in India grew by 12% during FY2016 to 838,000 MTPA. In this segment, too, there is increased supply due to imports from ASEAN countries. This has led to more intense competition among the major players in the Indian paper industry. Today, 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 continues 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 operating in a highly price sensitive market. This market is stagnant and is estimated at 1.5 million MTPA in FY2016. 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 was 247,649 MT in FY2016 against 181,036 MT (241,381 MT annualised) in FY2015 (nine months). In FY2016, the new paper machine PM-7, installed in 2009, recorded its highest ever production of 135,023 MT since inception.

During FY2016, the new pulp mill produced 207,231 ADMT bleached pulp. This mill was installed in 2013 with the latest process technology for pulping and bleaching. With the ramping up of pulp production from the new pulp mill, both the units at Ballarpur and Ashti are now fully integrated in terms of back-end supply of hard wood pulp.

The Unit has successfully surpassed PAT-I cycle targets for energy reduction in FY2016.

Supporting the Company's focus on new products and servicing evolving customer needs, Ballarpur has successfully developed the following:

- **BILT Medi Print-40 GSM:** This product is used for pharmaceutical insert or outserts. Importantly, with technology innovation, this product has been developed on a machine which was designed to produce a minimum 50 GSM grade of paper. Two commercial production runs in Natural Shade as well as White Shade have been successfully completed and the initial customer response is encouraging.
- **Pigmented Paper for publishing segment-70 GSM:** Three successful production runs of this product have been completed. The product was well accepted for publishing applications as well as tea bag pouches in the domestic as well as export markets.
- **Base for coated product in textile transfer printing:** This coating base paper has been developed through optimisation of fibre furnish and process conditions. The product is well accepted in the market for high end applications.
- **Wisdom Print- High Bulk:** For niche publishing and stationery segment, a high bulk variant in Wisdom Print was developed with improvement in bulk of paper Wisdom Print at alternate machine: In view of the increased customer demand for Wisdom Print, a similar product has been developed on an alternate machine in 60, 70 and 80 GSM to meet market demand in peak season.

Environment Management and Resource Conservation

During FY2016, the unit implemented several initiatives for reduction in water consumption. Also, latest process technologies such as ECF Bleaching have been adapted as part of mill modernisation. As a result, effluent generation has reduced to less than 55% of national norms set for the product.

Implementation of various energy conservation initiatives across the pulp and paper manufacturing process resulted in reduction in steam and power consumption. Steam consumption per MT of paper reduced by 5.8% in FY2016, while power consumption per MT of paper reduced by 4.2%. Accordingly, the mill has been able to surpass the energy consumption target under the PAT scheme .

On the environment front, the Effluent Treatment Plant (ETP) is equipped with most modern treatment systems like MBBR (Moving Bed Bio-film Reactor) and DAF (Dissolved Air Flootation) effluent treatment process technologies. These technologies, particularly DAF, have significantly improved the quality of final treated effluent. Online effluent quality monitoring system has been provided, which is connected to MPCB / CPCB server for transmission of real time data. BILT is the first company in India to install a NCG Burner in the Recovery Boiler for odour control.

Lime sludge, which is purged out from the system, is 100% utilised by nearby cement plants, resulting in zero disposal of sludge on land.

Awards and Achievements

- Second Prize in Energy Conservation Award 2014-15 from MEDA (Maharashtra Energy Development Agency, Pune).
- Second Prize in National Energy Conservation Award 2014-15 from Bureau of Energy Efficiency (BEE) & Ministry of Power (GOI).
- Platinum Award in Energy Management Award 2015-16 by SEEM (Society of Energy Engineers and Managers) in Manufacturing Segments.

UNIT: BHIGWAN

Total production was 275,628 MT in FY2016 (12 months) as compared to 205,965 MT (274,620 MT annualised) in FY2015 (nine-months). All time highest production of 145,845 MT was achieved in PM-1 during FY2016 against the previous highest production of 144,533 recorded in FY2014. This was achieved through achieving better efficiency and lowering down time.

On the product front, the mill successfully developed the following new products:

- C1S 45gsm for flexible packaging and pharmaceutical packaging,
- High bulk/stiffness boards 210 and 250 gsm to counter imports,
- Blue shade high bright C1SG 50 gsm to meet customer's extended requirements

These new products continue to significantly enhance BILT's product basket.

Environment Management and Resource Conservation

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 through incorporation of new process technologies.

Energy conservation activities carried out in the plant include installation of LED lights at different locations, reduction in energy through optimization of machine parameters and through logic modifications. ARC (Automatic Recirculation) valve installation at BFP (Boiler Feed Pump) in the power plant also contributed to significant energy reduction.

For conserving fresh water, the unit has invested in an RO (Reverse Osmosis) plant of capacity 1,320 m³/ day for recycling ETP treated water. Online effluent monitoring stations have been installed for monitoring of treated effluent water and the data are directly fed to CPCB (Central Pollution Control Board) and MPCB (Maharashtra State Pollution Control Board) servers.

Awards and Achievements

- Received Golden Peacock Occupational Health & Safety Award 2015 by Institute of Directors, India.
- Received 2nd Prize for Energy Conservation from BEE, Ministry of Power on 14 December 2015 at New Delhi
- Received RISI-PPI Bio Strategy of the Year Award in September 2015.
- Finalist of RISI-PPI International Award 2015 in the categories of:
 - i. Environmental Strategy of the Year Award
 - ii. Managing Risk Award
 - iii. Innovation in Specialty Papers Award
 - iv. Innovation in Sustainable Packaging Award
 - v. Water Efficiency Award
- State Level Award for Excellence in Energy Conservation & Management, for the year 2011-12 (1st prize), 2012-13 (1st prize) & 2014-15 (1st prize), by

Maharashtra State Energy Development Agency (MEDA), Pune, in February 2016.

UNIT: SEWA

Sewa produced 53,807 MT of paper in FY 2016 against 45,786 MT (61,049 MT annualised) in FY 2015 (nine-months).

The mill undertook several initiatives for quality improvement and new product development. New grades of paper developed include:

- Copy One 80 gsm Premium Copy Paper for Export Market, and
- SEWA Wisdom Print and SEWA Fine Print to cater to the specific needs of the market.

Environment Management and Resource Conservation

As per MoEF guidelines, the unit achieved 100% utilisation of fly ash, by supplying fly ash to local brick manufacturing units on FOC basis.

Award

- Received the prestigious “Kalinga Safety Award – 2014” in silver category from Odisha Safety Conclave held on September 2015 at Bhubaneswar.

UNIT: ASHTI

Ashti produced 43,478 MT of paper in FY2016 against 34,650 MT (46,200 MT annualised) produced in FY2015 (nine-months).

On the product development front, Unit Ashti successfully developed the following products:

- Ultra-smooth copy paper in collaboration with Kodak for digital printing 100gsm,
- Copier paper with brand name P3 Copier Green (Domestic varieties both in 70 & 75 gsm variants, and
- American (Letter & Legal), Copy Power Export 75 gsm paper

During FY2016, the unit implemented new process technologies to reduce fibre consumption, chemical consumption, energy cost and to improve paper quality.

Environment Management and Resource Conservation: Ashti

With the implementation of power

purchase from open access, the unit is using 9% of renewable sources of energy against conventional energy sources. The unit consumed supplement fuel wood dust amounting to 3,942 MT, thus replacing coal of 2,748 MT.

Fibre consumption was also optimised by adopting latest process technology. Fibre losses from the plant have been further controlled by optimizing disc filter operations to reduce sludge generation and ETP load.

Achievement

- Finalist of RISI-PPI International Award 2015 in the category of “Mill Manager of the Year”.

OFFICE SUPPLY AND STATIONERY BUSINESS

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

In terms of revenue, during FY2016, OSSB witnessed moderate growth. While all its product categories like copier paper, value added paper and office stationery products maintained their growth trajectory, the school stationery product portfolio de-grew in FY2016 compared to FY2015. The pressure on revenues from school stationery products was primarily due to intense competition from local players and stringent credit norms applied by the Company.

The business continued to focus on innovation and new product development. The executive and student note book portfolio were enriched with refreshing designs, finishes and binding styles.

On the distribution front, the business expanded its reach and availability of the products through multi-pronged distribution strategy and approach of channel proliferation, market penetration, outlet coverage expansion and visibility drives at retail level. It continued to focus on its sales infrastructure to support the expanded distribution network. Its products are presently marketed across India through

a well-established network of more than 300 distributors, catering to over 40,000 retail outlets.

OSSB also strengthened its export activities by supplying to developed and developing markets.

During FY2016, a slew of cost reduction measures were taken to enhance profitability and efficiency. This has yielded impressive growth in business profitability.

The 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 Value Added Papers and Stationery, collaborative linkages with small and medium enterprises, sales and distribution competencies and product development capabilities.

RETAIL: P3

P3 is a unique offering that combines product, experience and efficiency to create value for the customers. It offers world class stationery merchandise, which can be bought efficiently and conveniently in well-designed retail outlets or through the internet where there is complete price integrity. The business is also enhanced through a direct office sales channel. 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.

Efforts in expanding the 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.

Today, P3 has emerged as one of the leading players in the office products 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.

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 primarily in the B2B space.

MALAYSIA

SABAH FOREST INDUSTRIES SDN.BHD. (SFI)

During FY2016, SFI's production reduced to 75,911 MT of paper against 83,198 MT in FY2015 (nine-months). Out of this, 16,154 MT of paper was exported. Total bleached pulp production was 93,128 ADMT in FY2016 against 118,260 ADMT in FY2015 (nine-months).

In line with the strategy of vertical integration across BILT's different entities, SFI exported 30,079 ADMT of sheeted pulp to BILT's paper manufacturing unit in India during FY2016.

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 and 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 FY2016, SFI planted trees across 3,691 hectares. Plant production from the plantation nursery continues with 20% material now sourced from own short-cut highly productive selected hybrid clones. SFI Plantation was awarded a compliance certificate by the Sabah Forestry Department and achieved Legal Source Certification which covers the whole concession.

Achievement and Awards

- A Notable Achievement in Environmental Performance is the Prime Minister's Hibiscus Award, and
- Role Model Company 2015 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 categories like bond paper, super cartridge, executive brief card, Matrix multipurpose paper, BCB etc. The assets of this business are directly under

BILT and comprise the plant at Shree Gopal (Haryana), India.

UNIT: SHREE GOPAL

Paper production at Shree Gopal was 73,492 MT in FY2016 compared to 59,190 MT (78,920 MT annualised) in FY2015 (nine-months). Lower production was primarily due to increasing demand for lighter GSM papers.

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

- Development of Envelope Paper (High Bright) 75 to 119 GSM.
- Development of MMPP (Matrix Multi-purpose Paper) 80 GSM in deep shades for export market.

The unit conducted AKD trials at one of the machines to produce alkaline sized paper with PCC as filler to improve product quality. In this line, a new design dandy was installed to improve paper formation. Nano-technology based retention aid system was also installed to improve drainage and overall retention.

Environment Management and Resource Conservation

Shree Gopal has continuously ensured the 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. It installed and commissioned online real time monitoring of stacks emission and treated effluent water.

In terms of natural resource conservation, the unit reduced the specific water consumption by 13% for production of paper, and improved bleached pulp yield by another 0.61% reducing wood consumption. As a result of continued efforts to reduce the energy consumption in the plant, it surpassed target reduction in energy consumption by 6.45% under PAT-1 as given by BEE, India.

Certifications

- Recertification of ISO 14001:2004 (Environment Management System)
- Recertification of ISO 50001:2011 (Energy Management System)

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

UNIT: MYSORE

The retail tissue market in India grew by 10% in volume terms and 12% in value terms in the FY2016, owing to the entry of strong international brands and increased consumer awareness of consumer hygiene. Growth has also been triggered by better communication and visibility of product and their attributes at the point of sale at modern trade. With new entrants willing to spend more for growing their market share in the category, the retail channel has benefitted by way of attractive margins compared to other hygiene products in the FMCG industry.

Premier Tissues continues to be a dominant player in the segment. However, it has had a challenging time retaining the consumers' mind share. During FY2016, PTIL took up initiatives to increase consumer pull for the brand through innovative campaigns in the form of on pack promotions and movie promotions. The overall market scenario has also prompted PTIL to relook at its brand positioning to become future ready in a market which will remain highly competitive in the days to come.

During FY2016, initiatives have been taken to meet the increased demand by piloting an outsourced model of sourcing tissue products so as to ensure uninterrupted supply in case of exigencies due to power shortage. On the sales and marketing side, PTIL has cemented strong tie-ups with modern trade chains and increased retail width to ensure better visibility and availability of the product.

RAYON GRADE PULP BUSINESS

UNIT: KAMALAPURAM

The India-based pulp business operates out of facilities at Kamalapuram, in the district of Warangal in Telangana. It mainly produces rayon grade pulp for manufacture of VSF (Viscose Staple Fibre) and VSY (Viscose Staple Yarn). In India, this is the only rayon grade market pulp plant. The market has been under pressure for nearly three years now. During FY2016, increased supply relative to demand further depressed international market prices. This happened due to: (i) continued supply build-up of capacity, mainly in China; (ii) imposition of safeguard duty on North and South American suppliers by China that resulted in these players

flooding other markets; and (iii) the plant has not produced in the last two financial years. To make the unit viable, BILT has represented to the State Government for certain subsidies on inputs and power for restarting manufacturing activities. This has been considered favourably by Government of Telengana which has issued an order to release Rs. 9 crore per year as power subsidy for a period of seven years and Rs. 21 crore per year as subsidy on wood for a period five years. The Government of Telengana is in the process of finalising the MOU to be signed with BILT for an early plant start-up.

HUMAN RESOURCE

At BILT, the Human Resource (HR) function performs multiple roles as administrative expert, employee champion, change agent and strategic partner to support the business in achieving its strategic objectives.

HR activities in FY2016 were oriented largely towards alignment of HR with business and market needs. The strategic focus of the function was to improve efficiencies, productivity and bring in better engagement of talent through rationalisation, performance focus and optimum utilisation of human resources. Our continuous effort is to smart size the organisation by manpower reduction at both management and non-management levels. Cost reduction was accomplished in management of services, compensation and reward decisions, wage settlements with labour, and other allied areas to add value and stay fit in difficult business conditions.

In terms of talent acquisition, the focus was on hiring only the critical talent. Employee development was orchestrated by different initiatives such as training and development, career and succession management, and leadership assessment and development. Our in-house training calendar addresses both functional and developmental needs of the employees. In addition, we have focused more on self-development through the e-learning platform. The self-study materials on both operational and behavioural/soft skills are uploaded on the in-house portal 'Eklavya', which also has a rich collection of e-books in different areas to promote reading habits in employees. Furthermore, the physical library has a good collection of books to further personal and professional development.

The leadership pool of the company was exposed to an in-house Development Centre, spread over the entire year with inputs on action learning, exploring leadership blind spots, strategic management, and relationship and interfacing skills to evolve them as better business managers. This initiative is a continuing effort to cover the entire leadership talent.

The Performance Management System of the Company is oriented towards achieving performance focus, effective dialogue and feedback for performance improvement, career planning and development, and development needs of the employees. Our effort is to have a powerful link with the reward management system for employee empowerment. We have a continuing dialogue of management employees with the MD & CEO through coffee sessions for upward feedback and self-development.

Industrial relations were peaceful in all plant locations. The Company entered into a long term wage settlement with the workers in Ballarpur and Ashti Units.

INFORMATION TECHNOLOGY (IT)

In FY2016, to match IT with business expectations, all mills other than Bhigwan went live on an Oracle platform which reduced dependence on old technology and provided direct response and business continuity. The Bhigwan mill will be moved to the same platform in FY2017. Hardware changes are under process to provide faster application speed to the users while deploying Oracle Development Appliances.

Given pressures on working capital, the Company initiated deployment of Oracle Hyperion to support better fund management and establish more efficient financial controls. Automation measures like implementing travel management were undertaken.

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, Telangana, 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 FY2016, BTTL raised pulpwood plantations in 11,300 hectares (28,250 acres) of farmland — thus benefiting 15,000 to 18,000 small and marginal farmers in the catchment area of BILT's paper mill units.

INTERNAL CONTROLS AND THEIR ADEQUACY

BGPPL/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.

Annual audit plans are prepared at the beginning of the year, specifying areas to be covered and timing of the execution of the plan. This is reviewed and approved by the Board's Audit Committee. Quarterly audit reports on observations and progress on the annual audit plan are submitted to the Senior Management and the Board.

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. For all critical processes, there exist documented policies, procedures and guidelines.

BGPPL/BILT has adopted preventive as well as Risk and Controls Matrix based audits to assess processes, validate effectiveness of controls and implement requisite corrective actions, which are reported and reviewed by senior management and the Audit Committee of the Board of Directors.

BGPPL/BILT has adopted a Group Risk Management policy. Accordingly, all operational processes are covered to assess the risk level. Enterprise risks are tracked and reviewed by the operational management team and steps are taken to reduce impact.

RISKS

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

- **Digitisation:** With increased digitisation, paper is getting substituted. However, such a trend is not yet expected to be significant in BILT's primary markets of India and South East Asia in the near future.
- **Raw material:** Paper production at BILT/BGPPL still is wood based. With forest social restrictions, there is always the risk of scarcity of raw materials as well as volatility in their prices. BILT/BGPPL has continuously hedged against this risk with its initiatives in farm forestry and development of alternate sources.
- **Competition and pricing:** There is an increasing risk of having to face market pressures in an industry already characterised by over-supply and nil basic customs duty from some of the ASEAN countries. BILT/BGPPL has been proactively pre-empting this risk and its business strategy is geared to overcome this challenge.

- **Capital intensity:** Due to the capital intensive nature of business investment, the Company is focused on driving down costs and associated risks.

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

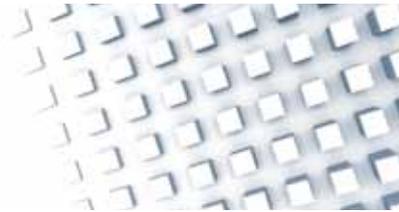
Chairman
DIN 00012289

B. HARIHARAN

Group Director (Finance)
DIN 00012432

Date 30 May, 2016
Place New Delhi

CORPORATE SOCIAL RESPONSIBILITY



COMMUNITY INITIATIVES

At the Avantha Group and BILT, CSR is linked to the way we conduct our business. We strongly 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. At BILT, CSR is planned as a long term strategy and the interventions are planned taking into account people's aspirations and expectations. All of our projects are centred around Sustainable Development and are implemented through thematic areas such as Livelihood Creation & Enhancement, Education, Health, Management of Natural Resources & the Preservation of the Environment.

LIVELIHOOD CREATION & ENHANCEMENT

Livelihood interventions are implemented at both the farm level & off-farm 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 practices that substantially augment incomes of the farmers and take them from subsistence levels to surplus.

WOMEN EMPOWERMENT

The BILT CSR programmes have enabled 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 is helping a large number of women to gain financial independence through micro enterprise ventures at the community level.

EDUCATION FOR THE UNDERPRIVILEGED

Education is a critical component of our development programmes for the age-appropriate children who are encouraged to be in studies. 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 Community Libraries that encourage children to read and retain their interest level in education. In addition, at BILT, we also run some innovative programmes such as the 'Mobile Computer Literacy Programme' that imparts computer education to students of government school through computer fitted busses in the remote and 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 volunteers at the doorstep gives timely help to communities on their minor health issues and better awareness regarding various diseases and their prevention measures. The matic health camps are held regularly for communities with follow up actions so that their critical health needs are met.

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 & preservation of forests. At Bilt, we have undertaken participatory water management initiative that involves rehabilitation & restoration of the traditional water harvesting structures and also enabling the communities to use water efficiently for the various agricultural practices.

PATH FORWARD

At Bilt, we continue our commitment to work with a range of stakeholders to create values for the participating communities and stakeholders. We intend to take up some more projects / activities in the areas of Livelihood Creation & Enhancement / Natural Resources Management in collaboration with the government that can be replicated at a larger scale in similar geographies / communities.

CORPORATE GOVERNANCE



CORPORATE GOVERNANCE PHILOSOPHY

Sustainable business practices is the cornerstone of Ballarpur Industries Limited ('the Company' or 'BILT') business philosophy to deliver long term value to all stakeholders including shareholders, customers, partners, employees and society at large. The Company's Corporate Governance systems provide fundamental framework for the Company to execute its business in line with such a business ethos.

The Corporate Governance philosophy is enforced on the principles of adhering to strong value systems, integrity and fairness in all dealings and a strong commitment to objectivity in decision making. This is firmly established through high degree of transparency in disclosures and engagement across the organization and with all stakeholders.

At BILT, the Corporate Governance systems are anchored by a strong and independent Board of Directors providing the Company oversight and strategic counsel. The Company's established systems and procedures ensure that the Board remains well-informed and well-equipped to fulfill its governance responsibilities and provide management with the strategic direction for sustainable value creation.

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 FY2016, as BILT focused on executing its well crafted business plans, the Company remained focused on regular monitoring of strategic issues and risk management, which included both evaluation and mitigation.

In India, Corporate Governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (SEBI LODR) w.e.f. 1 December, 2015 (earlier Clause 49 of the Listing Agreement

with Stock Exchanges). BILT remains committed to maintaining strict compliance with the letter and spirit of Chapter IV aforesaid.

This chapter, along with the chapters on Management Discussion & Analysis and Additional Shareholders' Information, reports BILT's compliance with Schedule V of SEBI LODR.

BOARD OF DIRECTORS

COMPOSITION

As on 31 March, 2016, the Company had nine 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; five Independent Directors including Mr. Sanjay Labroo, Mr. A. S. Dulat, Mr. Ashish Guha, Mr. A. P. Singh 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. Bhaskaran Nayar Venugopal {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 Regulation 17 of SEBI LODR . 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 Independence as prescribed in Regulation 16(1)(b) of the SEBI (LODR) 2015 and Section 149(6) of the Companies Act, 2013.

BOARD MEETINGS

There were five Board Meetings held in 2015-2016 (1 April, 2015-31 March, 2016): 26 May, 2015, 10 July, 2015, 12 August, 2015, 6 November, 2015 and 5 February, 2016. 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 the 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 visits, presentation on different operations 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 as well as to familiarize the directors about the Company.

The Board regularly discusses and reviews the Company's strategy, risks and opportunities, management reports,

operational and financial performance, annual budget, compliance, internal control systems, regulatory updates including those related to Companies Act, SEBI (LODR) 2015 and Insider Trading besides other agenda items. A meeting of the Independent Directors was held on 30 May, 2016 to discuss and assess information flow from Management to the Board.

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 retirement related 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 profit related 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 authorized 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 2015-2016 is given in Table 2.

NON EXECUTIVE DIRECTORS' SHAREHOLDING

As on 31 March, 2016, Mr. Gautam Thapar held 1,179,127 Equity 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.

None of the Directors had any relationship inter-se.

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	5	5	No	8	1	1
Mr. R. R. Vederah	Vice Chairman	Non-Executive	5	4	Yes	5	4	-
Mr. B. Hariharan	Group Director (Finance)	Executive	5	5	Yes	9	4	2
Mr. Sanjay Labroo	Director	Independent	5	3	No	9	4	-
Mr. A. S. Dulat	Director	Independent	5	5	Yes	2	-	1
Mr. A. P. Singh @	Director	Independent	5	5	No	-	-	-
Mr. Ashish Guha	Director	Independent	5	4	No	1	1	-
Mr. B. Venugopal §	Director (LIC nominee)	Non-Executive	4	2	Yes	-	-	-
Ms. Nandini Adya	Director	Independent	5	3	Yes	1	1	-

* Committees included are Audit and Stakeholders Relationship Committee.

70th Annual General Meeting held on 30 September, 2015.

@ Ceased to be a nominee director of LIC w.e.f. 25 June, 2015; and appointed as an additional Independent Director by the Board on 10 July, 2015 & appointed by Shareholders as an Independent Director at the AGM held on 30 September, 2015.

§ confirmed as a nominee director of LIC w.e.f 10 July, 2015.

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	-	-	-	180,000	180,000
Mr. R. R. Vederah	-	-	-	100,000	100,000
Mr. B. Hariharan	15,020,516	4,055,538	-	-	19,076,054
Mr. Sanjay Labroo	-	-	-	60,000	60,000
Mr. A. S. Dulat	-	-	-	280,000	280,000
Mr. Ashish Guha	-	-	-	200,000	200,000
Mr. B. Venugopal@	-	-	-	40,000	40,000
Mr. A. P. Singh*	-	-	-	220,000	220,000
Ms. Nandini Adya	-	-	-	80,000	80,000

@Appointed as a Nominee Director of LIC on 10 July, 2015.

*Ceased to be a Nominee Director of LIC w.e.f. 25 June, 2015 and appointed as an additional Independent Director by the Board on 10 July, 2015 & confirmed by Shareholders as an Independent Director at AGM held on 30 September, 2015.

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	-	Chairman	Member
Mr. Ashish Guha	Independent	Member	-	-	Member	Member
Mr. A. P. Singh	Independent	Member \$	-	-	-	-
Mr. B. Venugopal	Non-Executive	-	-	-	-	-
Ms. Nandini Adya	Independent	-	-	Member	-	-

\$ Ceased to be a member on 25 June, 2015 and was appointed as a member on 10 July, 2015.

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 2015-2016.

A declaration signed by Mr. Neehar Aggarwal, 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, 2016 is given in Table 3.

Apart from the details provided in Table 3, 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 six times: 26 May, 2015, 6 August, 2015, 12 August, 2015, 5 November, 2015, 4 February, 2016 and 5 February, 2016. 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

TABLE 4 ATTENDANCE RECORD OF THE AUDIT COMMITTEE

NAME OF MEMBERS	DESIGNATION	NO. OF MEETINGS ATTENDED
Mr. A. S. Dulat	Chairman	6
Mr. A. P. Singh§	Member	6
Mr. Ashish Guha	Member	6

§ Ceased to be member w.e.f. 25 June, 2015 upon resignation as LIC nominee director and appointed as member w.e.f. 10 July, 2015.

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 Group Director (Finance), 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.

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

NOMINATION AND REMUNERATION COMMITTEE

During the year, the Committee met two times: 10 July, 2015 and 6 November, 2015. All members had attended all meetings, as held during their tenure. The Board has constituted the Committee, with the composition as provided in Table 3 with the mandate in compliance of the requirements of the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) 2015. The Committee has formulated criteria and policy for the identification / appointment / removal of directors, key managerial personnel and 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 / minimizing 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 a 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 12 May, 2016 and was attended by all its members.

During the financial year ended 31 March, 2016, 8 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. The mandate of the Committee is in compliance with the requirements of the provisions of Section 135 of the Companies Act, 2013. The Committee has formulated and recommended to the Board of Directors, a Corporate Social Responsibility Policy, a guidance on the activities to be undertaken by the Company, amount to be spent on CSR and shall monitor from time to time. The Corporate Social Responsibility Committee meeting has been held on 6 November, 2015 and attended by all the members.

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 SEBI (LODR) 2015 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 disclosed in the Notes to the Financial Statements.

ACCOUNTING POLICIES

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

INSIDER TRADING

In compliance with the SEBI regulations on prevention of insider trading, the Company has a Code 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

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 30 September, 2015. Further the Board has evaluated the performance of all Independent Directors & continued the term of appointment of Independent Directors.

As per the provisions of the Companies Act, 2013, Mr. B. Hariharan retires by rotation at the forthcoming Annual General Meeting. Mr. B. Hariharan does not have

TABLE 5 DETAILS OF OTHER DIRECTORSHIPS AND MEMBERSHIPS OF COMMITTEES OF BOARDS

DIRECTORSHIPS IN OTHER PUBLIC LIMITED COMPANIES	COMMITTEE MEMBERSHIP / CHAIRMANSHIP	
	AUDIT	STAKEHOLDERS RELATIONSHIP COMMITTEE
Avantha Ergo Life Insurance Company Limited	Member	-
Avantha Holdings Limited	Member	-
Avantha Power & Infrastructure Limited	Member	-
Bilt Graphic Paper Products Limited (Debt listed)	Member	-
CG Power Solutions Limited	-	-
Crompton Greaves Limited (Equity listed)	-	-
Global Green Company Limited	Chairman	-
Newquest Insurance Broking Services Limited	-	-
Solaris Chemtech Industries Limited	Chairman	-

any relationship with any director inter-se. The details of his other directorships and memberships of committees of boards are given in Table 5.

A brief profile of Mr. B. Hariharan is given hereunder.

Mr. B Hariharan has been associated with the BILT Group since 1985. In June 2001, he was inducted as a member of the Board of Directors of BILT and designated as Group Director (Finance). He has over 31 years' experience in various positions of increasing responsibilities including finance, treasury, mergers and acquisitions. His expertise lies in the field of finance and corporate planning. Mr. Hariharan has contributed significantly in the successful foray of BILT in the international capital markets, notably the Global Depository Receipt, Foreign Currency Convertible Bonds and Subordinated Perpetual Capital Securities.

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

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

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) and 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. The website for matters detailed in this report is available on <http://bilt.com/investor-relations/>.

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.

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.

TABLE 6 DETAILS OF GENERAL MEETINGS HELD DURING THE LAST THREE YEARS

YEAR	CATEGORY	DESIGNATION	DATE
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
2015	AGM	P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra	30 September, 2015

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

TABLE 7 UNCLAIMED DIVIDENDS

DATE OF DECLARATION OF DIVIDEND	DIVIDEND FOR THE FINANCIAL YEAR	TENTATIVE SCHEDULE FOR TRANSFER TO IEPF
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
30 September, 2015	2014-15	October 2022

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.

2015: Nil

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 SEBI LODR (earlier 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 Regulation 39(4) SEBI LODR Regulations 2015 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.

CEO/CFO CERTIFICATION

The Group Director (Finance) and Chief Executive Officer have certified to the Board with respect to accuracy of the financial statements, adequacy of internal controls and other matters, as required by Regulation 17(8) of SEBI LODR for the financial year ended 31 March, 2016.

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 FY2015–16.

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 FY2015-16, as prescribed by Schedule V of SEBI LODR, which is attached herewith.

GENERAL SHAREHOLDERS' INFORMATION

ANNUAL GENERAL MEETING

Date 29 September, 2016
Time 12.00 Noon
Venue P.O. Ballarpur Paper Mills – 442901, Distt. Chandrapur, Maharashtra

FINANCIAL CALENDAR 2016-17

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 23 September, 2016 to 29 September, 2016, both days inclusive.

UNCLAIMED DIVIDENDS

Dividends pertaining to the financial years 2008–09 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.

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

TABLE 9 MONTHLY PRICE AND VOLUMES OF BILT'S SHARES FOR 2015-16 AT BSE AND NSE, INCLUDING INDICES

MONTH	BSE LIMITED				NATIONAL STOCK EXCHANGE OF INDIA LIMITED			
	HIGH (RS.)	LOW (RS.)	VOLUME	SENSEX (CLOSE)	HIGH (RS.)	LOW (RS.)	VOLUME	NIFTY (CLOSE)
Apr-15	16.15	13.65	3,670,934	27,011.00	16.15	13.50	5,709,109	8,181.50
May-15	15.05	13.05	2,199,902	27,828.44	15.10	13.00	5,277,469	8,433.65
Jun-15	14.79	12.00	4,001,193	27,780.83	14.80	11.90	14,377,701	8,368.50
Jul-15	15.92	12.70	13,693,367	28,114.56	15.95	12.65	42,674,818	8,532.85
Aug-15	17.25	13.80	10,515,462	26,283.09	17.25	13.80	21,534,903	7,971.30
Sep-15	16.75	13.50	6,370,952	26,154.83	16.70	13.40	16,481,823	7,948.90
Oct-15	19.58	14.70	11,055,116	26,656.83	19.60	14.65	32,757,729	8,065.80
Nov-15	19.10	16.55	6,634,390	26,145.67	19.10	16.50	17,465,170	7,935.25
Dec-15	21.30	16.20	14,231,399	26,117.54	21.40	16.10	42,478,094	7,946.35
Jan-16	21.80	14.95	9,607,778	24,870.69	21.80	14.80	27,801,641	7,563.55
Feb-16	16.90	11.80	6,301,920	23,002.00	16.85	11.75	14,122,173	6,987.05
Mar-16	14.40	11.90	8,501,648	25,341.86	14.40	11.90	33,550,536	7,738.40

Chart A BILT SHARE WITH RESPECT TO THE BSE SENSEX

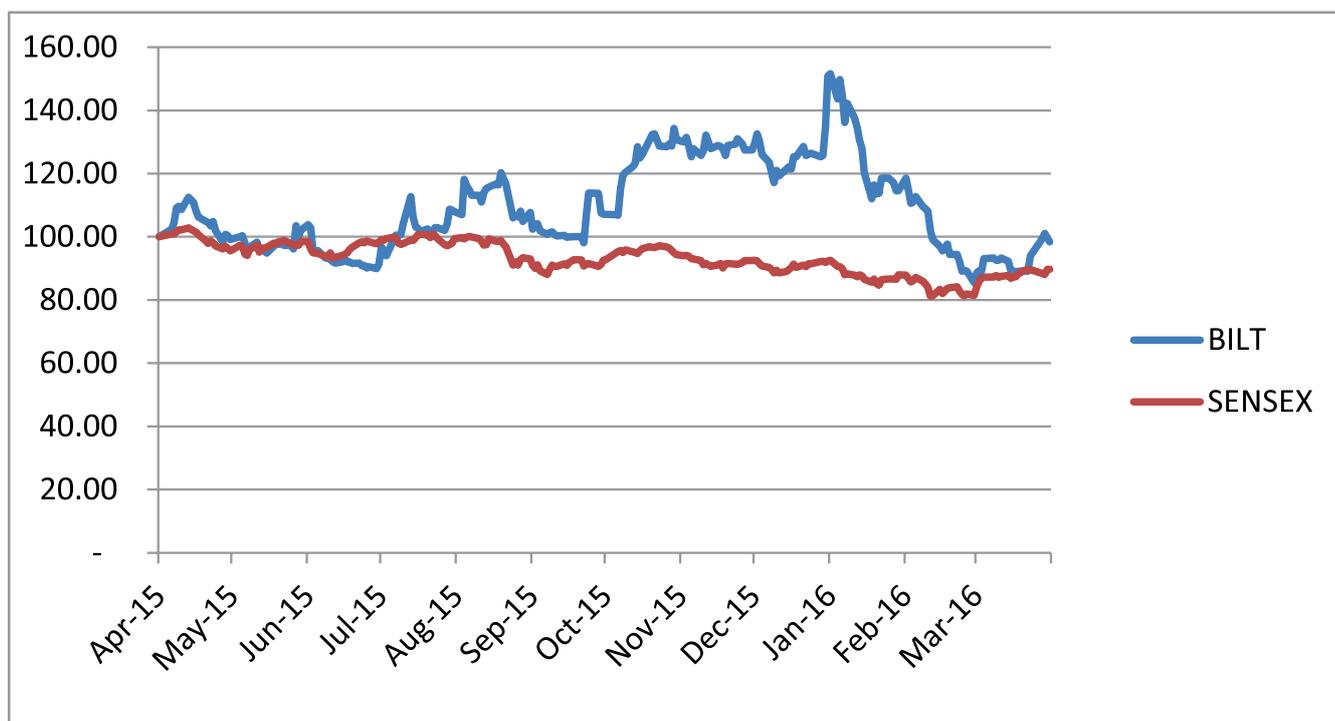
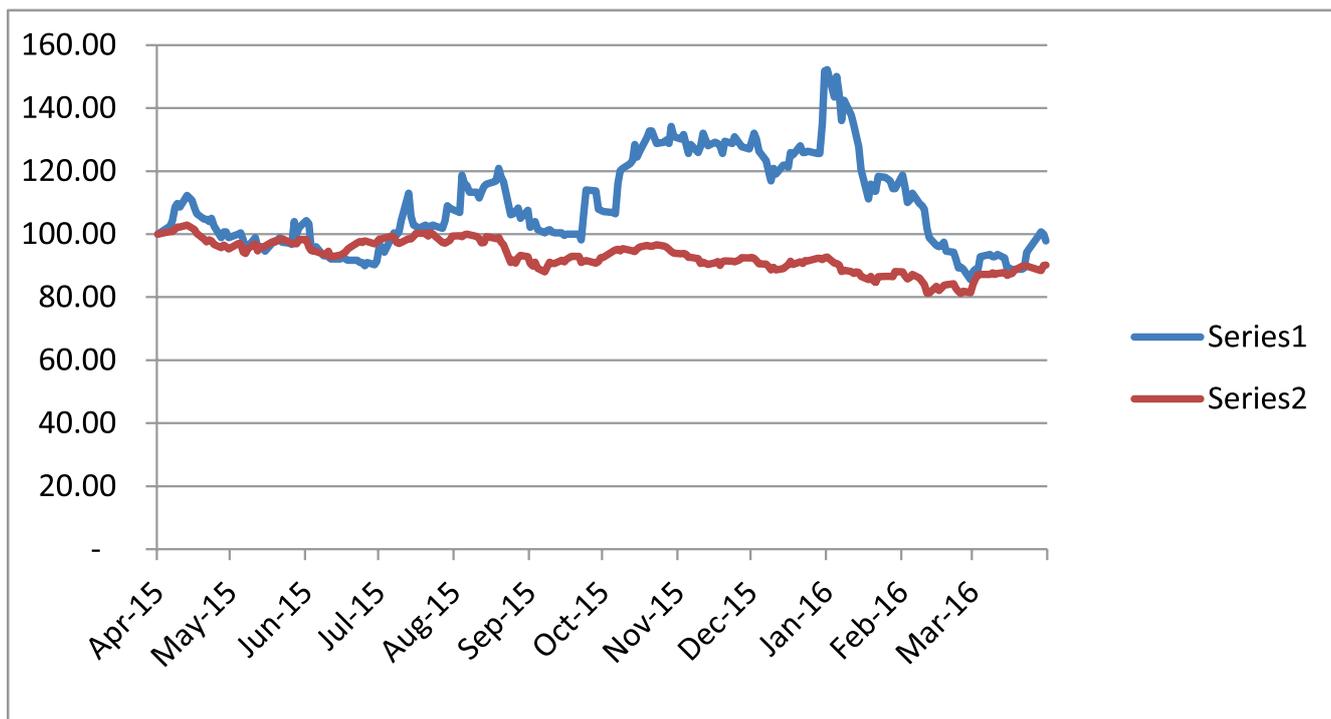


Chart B BILT SHARE WITH RESPECT TO THE NSE NIFTY



NOTE: BOTH BILT SHARE PRICES AND THE MARKET INDICES ARE INDEXED TO 100 AS ON 1 APRIL, 2015

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 2015-16 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 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 IND A+ 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
Phone 011 26387320 / 21
Fax 011 26387322
Email investor.services@rcmcdelhi.com

SHARE TRANSFER SYSTEM

The Committee of Directors for Shares approves the transfer of shares and other related issues regularly on a weekly basis. 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, 2016, 98.48 percent of the total Equity Shares of the Company were held in dematerialised form, as compared to 98.45 percent last year.

OUTSTANDING GLOBAL DEPOSITORY SHARES (GDS)

As on 31 March, 2016, 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, 2016.

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, FIIs, Institutions, Mutual Funds, Banks and Fixed Deposits is:

TABLE 10 SHAREHOLDING PATTERN BY SIZE AS ON 31 MARCH, 2016.

NUMBER OF EQUITY SHARES HELD	NUMBER OF SHARE HOLDERS#	PERCENT OF SHARE HOLDERS	NUMBER OF SHARES#	PERCENT OF SHAREHOLDING
1-1000	67,353	85.51	17,630,846	2.69
1001-5000	8,659	10.99	20,502,821	3.13
5001-10,000	1,335	1.69	10,095,219	1.54
10,001 and above	1,414	1.80	607,294,953	92.64
Total	78,761	100.00	655,523,839	100.00

#59443 shareholders hold 645,521,559 equity shares in demat form.

TABLE 11 SHAREHOLDING PATTERN BY OWNERSHIP AS ON 31 MARCH, 2016

CATEGORY	NO. OF SHARES HOLDERS	PERCENT OF SHARE HOLDERS	NO. OF SHARES HELD	PERCENT OF SHAREHOLDING
Promoters and Promoter Group	6	0.01	324,010,667	49.43
FII and FFI	42	0.05	99,869,980	15.24
Mutual Funds	21	0.03	4,698,735	0.72
Foreign Portfolio Investor	2	0.00	3,214,932	0.49
Financial Institutions / Banks	40	0.05	675,610	0.10
Insurance Companies	5	0.01	62,885,911	9.59
NRIs	1268	1.61	5,849,974	0.89
Corporates	923	1.17	35,955,468	5.48
Individuals and Others	76454	97.07	118,362,562	18.06
Total	78761	100.00	655,523,839	100.00

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 30 May, 2016
Place New Delhi

DECLARATION OF COMPLIANCE WITH CODE OF CONDUCT

As required by Schedule V SEBI LODR, 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

NEEHAR AGGARWAL

Chief Executive Officer

Date 30 May, 2016
Place New Delhi

CERTIFICATE

THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

We have examined the compliance of conditions of Corporate Governance by M/S Ballarpur Industries Limited, (the "Company"), for the year ended 31 March, 2016 as stipulated in clause 49 of the Listing Agreement ('Listing Agreement') of the Company with stock exchanges for the period 1 April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1 December, 2015 to 31 March, 2016.

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 clauses. 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.

ASHWIN MANKESHWAR

Partner
Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.,

Chartered Accountants
FRN: 106009W

Date 30 May, 2016
Place Gurgaon

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 Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI LODR). The Policy provides for appointment / removal / remuneration of Directors, Key Managerial Personnel & Senior Management and Board diversity.

I. APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT

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

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

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

II. REMUNERATION OF DIRECTORS, KMP AND OTHER EMPLOYEES

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

The remuneration / sitting fee / commission payable to directors shall be in accordance with the statutory provisions of the Companies Act, 2013, and the Rules made thereunder for the time being in force. Review of remuneration of executive directors shall be made by NRC and shall be recommended to

the Board for approval, if required. Further, the Board shall apportion the commission amongst the Non Executive Directors out of available profits in compliance with statutory provisions, on the basis of their involvement and role played for the Company's initiatives and strategic direction. An Independent Director shall not be entitled to any stock option of the Company.

B. CEO and Executive Director

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

C. Key Managerial Personnel, Senior Management and other executives

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

D. Workmen

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

III. LOANS AND ADVANCES TO EMPLOYEES

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

IV. DEVIATIONS FROM THIS POLICY

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

V. EXTERNAL ASSISTANCE

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

BOARD'S REPORT

Your Directors have pleasure in presenting the Seventy First Annual Report together with the Audited Financial Statements for the financial year ended 31 March 2016.

FINANCIAL HIGHLIGHTS

The Company is in the process of transitioning from a 12 month financial year ending in June to a 12 month financial year ending in March to comply with the requirement of uniform accounting year (April–March), as prescribed in the Companies Act, 2013 (“the Act”). Consequently, the previous financial year (2014-15) was for a 9 month period between 1 July, 2014 and 31 March, 2015, whereas the current financial year (2015-16) is for 12 months between 1 April, 2015 and ending 31 March, 2016. Accordingly, the figures are not comparable for the periods under discussion. The subsequent financial years of the Company shall comprise 12 months from April–March, and data will be comparable.

OPERATIONS

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

DIVIDEND

Given the tight liquidity situation faced by the Company, your Directors have not recommended any dividend on the equity share capital of the Company for the financial year ended 31 March, 2016.

FIXED DEPOSITS

No amount of principal or interest on erstwhile fixed deposits was outstanding as on 31 March, 2016. Further, the Company has not invited any fresh deposits.

DIRECTORATE

Mr. A.P. Singh, Nominee Director of Life Insurance Corporation of India (LIC) had resigned from the Board of Directors on 25 June, 2015 as he had completed 2 terms of 3 years each as a Nominee Director of LIC. Mr. Bhaskaran Nayar Venugopal was appointed as Nominee Director of LIC on the Board with effect from 10 July, 2015, pursuant to the provisions of the Act and the Articles of Association of the Company .

To strengthen the leadership at the Board level with independent professionals, in accordance with the provisions of the Act, read with the Articles of Association of the Company and Regulation 16 (1)(b) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 {SEBI LODR}, Mr. A. P. Singh was appointed as an Additional Director (Independent) by the Directors on 10 July, 2015 and subsequently appointed as an Independent Director of the Company by Members at the Annual General Meeting (AGM) held on 30 September 2015, to hold office for a term of 5 consecutive years upto 9 July, 2020.

As per the provisions of the Act, Mr. B. Hariharan retires by rotation at the forthcoming AGM and being eligible, offers himself for re-appointment. His profile is provided in the Corporate Governance Report.

The 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 BY INDEPENDENT DIRECTORS

All the Independent Directors have given a declaration confirming that they meet the criteria of independence, as provided in Section 149(6) of the Act and Regulation 16(1) (b) of SEBI LODR.

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

Particulars	STANDALONE		CONSOLIDATED	
	2015-16	2014-15	2015-16	2014-15
Net Sales	580.53	446.27	4221.36	3,193.75
Profit before Interest, Depreciation, Amortisation and Taxes	130.39	69.30	732.27	559.73
Less: Finance Cost	56.27	35.99	463.16	276.17
Profit before Depreciation, Amortisation and Taxes	74.12	33.31	269.11	283.56
Less: Depreciation and Amortisation	58.10	44.35	264.56	203.00
Profit / (Loss) for the year before Tax	16.02	-11.04	4.55	80.56
Other Income	-	-	23.08	-
Exceptional item	-	-	-	-2.55
Less: Tax Expense	-1.75	-19.98	-8.93	-16.86
Profit / (Loss) after Tax	17.77	8.94	36.56	94.87
Profit/ (Loss) from discontinued activities	-	-	-265.97	-141.77
Less: Minority Interest	-	-	-69.28	-25.55
Add: Balance brought forward from the previous year	256.21	246.83	440.97	520.09
Add: Debenture Redemption Reserve no longer required	12.50	15.64	47.50	34.39
Leaving a surplus of which your directors recommend, be appropriated as follows:	286.48	271.41	328.34	533.13
Transfer to General Reserve	-	-	-	-
Distribution on unsecured perpetual securities	-	-	87.38	61.63
Transfer to Debenture Redemption Reserve	-	-	-	-
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
Add: Dividend Tax	-	2.67	16.52	10.37
Balance carried forward to next year's Account	286.48	256.21	224.44	440.97

worldwide presence in 90 countries with more than 25,000 employees. As required by the SEBI LODR, 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 (BGPPPL), 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 BGPPPL 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 a 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 are detailed in 'Statement containing salient features of the financial statement of subsidiaries in form AOC I pursuant to Section 129 of the Act'.

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, 2016,

and the date of the Board's report i.e. 30 May, 2016.

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;
- They 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;
- They 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 in relation to the financial year 2017 till the conclusion of the next Annual General Meeting. 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 Act. The re-appointment proposed is within the time frame for transition under the third proviso to sub section (2) of Section 139 of the Act.

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.” Further, pursuant to Regulation 34 (2) (a) of SEBI LODR, the impact of qualification in the Auditors’ Report on the financial statements of the Company is at present not ascertainable as the Company has represented to and accordingly has received an order for concession in electricity duty and VAT from Telangana Government as incentive to restart the operations at Unit Kamalapuram. The Company has represented to Andhra Pradesh Government to give concessions on similar lines so that the manufacturing activity can be recommenced at the said Unit.

The Board has appointed M/s PDS & Co., Company Secretaries, to conduct Secretarial Audit of the Company for the financial year 2015–2016. The Secretarial Audit Report for the said financial year is annexed to this report and does not contain any qualification, reservation or adverse remark.

As per Section 148 of the Act read with Companies (Cost Records and Audits) Rules, 2014, as amended, on the recommendation of the Audit Committee, the Board of Directors has appointed M/s. Bahadur Murao & Co., Cost Accountants, Shop No. 25, DDA Market, ‘B’ - Block, Preet Vihar, Delhi – 110092, (Registration No. 000008) being eligible and having sought appointment, as Cost Auditors of the Company, to carry out the cost audit of paper in relation to the financial year ending March 31, 2017. The Company has received their written consent that the appointment is in accordance with the applicable provisions of the Act and rules framed thereunder. The remuneration of the Cost Auditors has been approved by the Board of Directors on the recommendation the Audit Committee and the requisite resolution for ratification of remuneration of the Cost Auditors by the members has been set out in the Notice of the Seventy First Annual General Meeting of your Company.

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 Chapter IV of the SEBI LODR (earlier Clause 49 of the Listing Agreement with Stock Exchanges). Pursuant to the requirement of the SEBI LODR, the report on Corporate Governance together with the said Compliance certificate is attached and forms part of this Report.

RELATED PARTIES TRANSACTIONS, AND LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

During the period under review, all transactions with related parties, referred to in sub-section (1) of Section 188 and Regulation 23 of SEBI LODR (earlier 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 require 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, 2016, 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 SEBI LODR, 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 SEBI LODR, 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 transactions.

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.

The Company has a Policy on "Prevention of Sexual Harassment of Women at Workplace" and matters connected therewith or incidental thereto covering all the aspects as contained under the "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013". There was no such incident during the year.

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, 2016, 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 professionalism, creativity, integrity and efforts in effective utilisation of available resources for the Company's performance.

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

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman
DIN 00012289

B. HARIHARAN

Group Director (Finance)
DIN 00012432

Date 30 May, 2016
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

Unit: Shree Gopal

1. CONSERVATION OF ENERGY:

A) ENERGY CONSERVATION MEASURES TAKEN

Unit Shree Gopal continued its efforts to improve energy usage efficiency and increase contributions from renewable sources of energy. Innovative ways and new technologies were explored to reduce energy consumption. Some of the measures adopted across the company for energy conservation were :-

Unit: Shree Gopal

1. Reduced power consumption by 130kW as per below details:
 - After taking various water saving measures, the unit could reduce operation of 3.5 Nos. bore wells in a day resulted in reduction in power consumption to the tune of 105 kW/ Hr.
 - Replaced energy in-efficient motor of 90kW/ 8 pole with new energy efficient motor of the vacuum pump at PM-4 resulted in reduction in power consumption to the tune of 3 kW/Hr.
 - Installed VFD for black liquor supply pump to Soda recovery in New Pulp Mill resulted in reduction in power consumption to the tune of 3 kW/Hr.
 - Replaced energy inefficient de-aerator pump & motor in Old Power Plant with energy efficient ones resulted in reduction in power consumption to the tune of 5 kW/ Hr.
 - Replaced HPSV (High Pressure Sodium Vapour), HPMV (High Pressure Mercury Vapour), MH (Metal Halide) lamps of 400W, 250W, 125W, 70W with CFL (Compact fluorescent lamp) of 85W, 45W, 35W & 20 watt respectively resulted in reduction in power consumption to the tune of 14 kW/ Hr. In addition to this, modified

lighting circuits were provided to reduce run hrs of these lamps and hence further reduction in power consumption.

2. Recognitions and monetary benefits due to energy conservation drive in the mills:

The unit could achieve the following recognitions & benefits by virtue of consistent & continuous improvement in Energy Terms:-

- Achieved specific energy consumption reduction target of 6.45% given by BEE India under PAT-1 scheme.
- Earned 35,047 REC (Renewable Energy Credit) under renewable energy generation in FY-2015-16.
- Enhanced safety & plant load management: Installed & commissioned 16Nos MOCBs (Minimum Oil Circuit Breakers) for improved flexibility.

(B) Energy Conservation measures planned:

The following jobs have been planned for implementation to further reduce energy and water consumption:-

Unit: Shree Gopal

1. To reduce heat loss in the mills by :-
 - a. Re-insulating the identified steam pipe lines in the mills.
 - b. Installing thermo compression devices at the identified places in order to utilize condensate flash vapours.
 - c. Replacing identified malfunctioning steam traps in the mills.
2. Optimization of specific steam consumption at dryer section of all paper machines.
3. Replacement of old energy inefficient vacuum pumps at paper machines PM-1 & 2 with energy efficient ones.
4. Replacement of identified inefficient motors with energy efficient motors in the mills.

5. Replacement of old energy inefficient air compressors with energy efficient compressors
6. Installation of VFDs at identified pumps and compressors in the mills..
7. To replace DC motors/drives with AC motors drives along with VFD's.
8. Replacement of old energy inefficient non-star rated Air Conditioners with BEE's (Bureau of Energy Efficiency) star rated window/ Split air conditioners in the mills.
9. Replacement of energy inefficient lighting fixtures with new energy efficient fixtures.
10. To Increase water recycling for further reduction in water consumption vis- a vis reduction in power consumption.

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

1. Utilization of waste wood dust from chipper house in coal boilers as a supplement fuel. Chipper Wood dust is mixed with coal and fired into coal boilers resulted in reduction in Fossil fuel (i.e. coal) consumption.
2. Utilization of Day sun light in the mills.

C) CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENTS

Investment for FY2015-16:

Nil

2. TECHNOLOGY ABSORPTION

A) EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

Unit: Shree Gopal

1. Installed new showers at wire section of all paper machines resulted in reduction in water consumption.
2. Installed compressed air drying system (refrigeration type) at Machine House-1 for paper machines PM-1, 2 & 4.
3. Installed new design dandy roll at PM-4 to improve paper quality & productivity both.

4. Installed flexi doctoring system at paper machines PM-4, PM-5 and PM-7 to improve productivity.
5. Introduced nano-technology based retention aid system to improve drainage and overall ash and fiber retention.
6. Installed new QCS at PM-5 to improve paper quality.

B) BENEFITS DERIVED AS A RESULT OF THE ABOVE

Unit: Shree Gopal

- Reduction in Water Consumption from 101 m³/MT to 76 m³/MT of paper.
- Reliability improvement

- Improvement in product Paper quality
- Reduction in product cost.
- Improvement in customers' satisfaction

C) In case of Imported Technology (imported during the last 3 years reckoned from the beginning of the financial year)

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

D) Expenditure on R&D (including through approved agency)

- a) Capital : Nil
- b) Revenue : 4.77 Lacs
- c) Total Expenses as a percent of turnover (Net) : 0.0102%

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

- a) Foreign exchange used : 10.24 Rs in Crores
- b) Foreign exchange earned : 6.76 Rs in Crores

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman
DIN 00012289

B. HARIHARAN

Group Director (Finance)
DIN 00012432

Date 30 May, 2016
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.

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

SL. NO.	NAME OF DIRECTOR	RATIO OF REMUNERATION TO MEDIAN REMUNERATION OF ALL EMPLOYEES
1	Mr. Gautam Thapar	0.43
2	Mr. R. R. Vederah	0.24
3	Mr. B. Hariharan*	45.92
4	Mr. Sanjay Labroo	0.14
5	Mr. A.S. Dulat	0.67
6	Mr. Ashish Guha	0.48
7	Mr. B. Venugopal	0.10
8	Mr. A. P. Singh	0.53
9	Ms. Nandini Adya	0.19

*Whole-time Director (Group Director - Finance)

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 2015-2016, in all categories, whether workmen or white collar employees. Remuneration includes variable pay paid during the year.

- 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 2015-2016 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) #	-
2	Mr. Anup Kansal (CEO)*	32.24
3	Mr. Neehar Aggarwal (CEO)**	-
4	Mr. Akhil Mahajan (CS)	10

N.A. since the same is pursuant to limits prescribed under Section 197 of the Companies Act, 2013

* upto 14 October, 2015

**appointed w.e.f. 6 November, 2015 and no remuneration is payable

- The percentage increase in the median remuneration of employees in the financial year 2015-16: 1.57%
- The number of permanent employees on the rolls of Company as on 31 March, 2016: 1389
- Relationship between average increase in remuneration and Company performance:
There has been average decrease in remuneration of the employees during Financial Year 2016. Unit Kamalapuram is under closure, in view of this staff strength is reduced to the bare minimum level for sustaining the activities.
- Comparison of the remuneration of the Key Managerial Personnel against the performance of the company; Refer point 5 above.
- 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 31ST MARCH 2015	AS AT 31ST MARCH 2016	PERCENTAGE INCREASE / (DECREASE)
Market capitalisation	Rs. 901 crores	Rs. 898 crores	(0.33)
Price earnings ratio	98.07	50.74	(48.26)

The closing market price of the shares of the Company as at 31 March, 2016 was Rs. 13.70 (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 decrease in salary compare to March 2015 Vs March 2016 due to exits/retirement not filled.
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	27,974,628	B.Tech, PGDIT, TMP Cert	42	9 October, 2000	64	Executive Director- Sales & Marketing, Punj Lloyd Ltd.	4 Years
2	Kansal Anup*	Chief Executive Officer	11,501,605	BE (Pulp & Papers); PG in Management	25	1 October, 2009	50	GM (Marketing), Grindwell Norton Ltd.	3 Years
3	Gupta Brij Bhushan**	Vice President – Internal Audit	6,591,428	B.Com., ACA, CIA, CISA	28	4 September, 2006	51	Senior Manager, Ernst & Young	2 Years
4	Hariharan B.	Group Director – Finance	19,076,054	B.Sc., AICWA, ACS, ACA	36	19 August, 1985	59	Private Practice, M/s. K. Venkatchalam Aiyer & Co.	2 Years
5	Sablok Vinod Kumar***	Vice President – Law	8,535,118	B.Sc., LLB	39	22 February, 2006	63	Head of India Legal Operations, Lex India	4 Years

* upto 14 October, 2015

** upto 14 August, 2015

*** upto 31 December, 2015

- 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 accomadation 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

DIN 00012289

B. HARIHARAN

Group Director (Finance)

DIN 00012432

Date 30 May, 2016

Place New Delhi

ANNEXURE 3

FORM NO. MGT. 9 EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31 March, 2016.

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

REGISTRATION AND OTHER DETAILS

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

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	70.24
Paper Products & Office Supplies	1701	27.42

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	62.21	2(87)(ii)
6	Ballarpur Paper Holdings B.V., The Netherlands (BPH)	N.A.	Subsidiary (Step down) ³	100	2(87)(ii)
7	Ballarpur Speciality Paper Holdings B.V., The Netherlands (BSPH)	N.A.	Subsidiary (direct)	100	2(87)(ii)
8	Sabah Forest Industries Sdn. Bhd., Malaysia (SFI)	N.A.	Subsidiary (Step down) ⁴	98.08	2(87)(ii)

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 APRIL, 2015)				NO. OF SHARES HELD AT THE END OF THE YEAR (31 MARCH, 2016)				% 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	0.18	1,211,198	-	1,211,198	0.18	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	322,799,469	-	322,799,469	49.24	322,799,469	-	322,799,469	49.24	-
e)	Banks/FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	324,010,667	-	324,010,667	49.43	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	49.43	324,010,667	-	324,010,667	49.43	-
B	PUBLIC SHARHOLDING									
1)	Institutions									
a)	Mutual Funds	27,310,097	7,566	27,317,663	4.17	46,91,169	7,566	46,98,735	0.72	(3.45)
b)	Banks / FI	456,288	24,009	480,297	0.07	6,47,551	24,009	6,71,560	0.10	0.03
c)	Central Govt.	4,866	684	5,550	0.00	4,866	684	5,550	0.00	0.00
d)	State Govt(s).	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	63,716,669	-	63,716,669	9.72	62,885,911	-	62,885,911	9.59	(0.13)
g)	FIs	108,909,570	48,342	108,957,912	16.63	9,93,60,560	48,342	9,94,08,902	15.16	(1.47)
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	3,676,010	-	3,676,010	0.56	0.00
	Sub-total (B) (1)	205,634,054	80,601	205,714,655	31.38	17,12,66,067	80,601	17,13,46,668	26.13	(5.25)
2)	Non-Institutions									
a)	Bodies Corp.	19,873,944	49,962	19,923,906	3.04	3,59,06,181	49,287	3,59,55,468	5.49	2.45
i)	Indian									
ii)	Overseas									
b)	Individuals									

i CATERGORY-WISE SHARE HOLDING

	CATEGORY OF SHAREHOLDERS	NO. OF SHARES HELD AT THE BEGINNING OF THE YEAR (1 APRIL, 2015)				NO. OF SHARES HELD AT THE END OF THE YEAR (31 MARCH, 2016)				% CHANGE DURING THE YEAR
		DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	DEMAT	PHYSICAL	TOTAL	% OF TOTAL SHARES	
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh	59,947,424	4,032,193	63,979,617	9.76	59,457,631	3,919,759	63,377,390	9.67	(0.09)
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	30,840,937	-	30,840,937	4.70	45,978,329	-	45,978,329	7.01	2.31
c)	Others									
i)	Cleaning Members	2,143,986	-	2,143,986	0.33	2,932,543	-	2,932,543	0.45	0.12
ii)	Non-Residents	2,633,022	204,249	2,837,271	0.43	5,690,419	159,555	5,849,974	0.89	0.46
iii)	Foreign Company	5,734,635	-	5,734,635	0.87	5,734,635	-	5,734,635	0.87	0.00
iv)	Trust	279,722	58,320	338,042	0.05	279,722	58,320	338,042	0.05	-
	Sub-total (B) (2)	115,719,035	10,079,359	125,798,394	19.19	150,244,825	9,921,556	160,166,381	24.43	5.24
	Total shareholding of Public (B) = (B) (1)+(B)(2)	321,353,089	10,159,960	331,513,049	50.57	321,510,892	10,002,157	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)	645,363,756	10,160,083	655,523,839	100.00	645,521,559	10,002,280	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 Holdings Ltd	322,689,019	49.23	206,997,803	322,689,019	49.23	322,674,019	0.00
2	Avantha Realty Ltd	110,000	0.02	-	110,000	0.02	-	0.00
3	Mr. B. M. Thapar	17,911	0.00	-	-	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	-	1,179,127	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	206,997,803	324,010,667	49.43	322,674,019	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 APRIL, 2015		CHANGE IN SHAREHOLDING		SHAREHOLDING AS ON 31 MARCH, 2016	
		NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY	INCREASE	DECREASE	NO. OF SHARES	% OF TOTAL SHARES OF THE COMPANY
1	Samena Special Situations Mauritius	41,515,609	6.33	17,964,935	-	59,480,544	9.07
2	Life Insurance Corporation of India	44,134,423	6.73	-	262058	43,872,365	6.69
3	FINQUEST Securities Pvt Ltd	-	-	14,728,000	-	14,728,000	2.25
4	General Insurance Corporation of India	12,001,050	1.83	-	-	12,001,050	1.83
5	Premier Investment Fund Limited	5,925,022	0.90	5,252,218	-	11,177,240	1.71
6	Citigroup Global Markets Mauritius Private Limited	9,901,876	1.51	-	323,491	10,225,367	1.56
7	The New India Assurance Company Limited	6,275,064	0.96	-	-	6,275,064	0.96
8	CIHL Private Equity Limited	5,710,989	0.87	-	-	5,710,989	0.87
9	HDFC Trustee Company Limited - HDFC Tax Saverfund	16,227,428	2.48	-	11,548,928	4,678,500	0.71
10	Dimensional Emerging Markets Value Fund	4,422,774	0.67	158,522	-	4,581,296	0.70
11	Platinum Asia Fund*	35,282,244	5.38	-	34,230,321	1,051,923	0.16
12	UTI - Dividend Yield Fund*	11,070,000	1.69	-	11,070,000	-	-

*Not in the list of top 10 shareholders as on 31 March, 2016 but is one of the top 10 shareholders as on 1 April, 2015.

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	4,670,791,596	500,000,000	-	5,170,791,596
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	61,085,556	34,717,808	-	95,803,364
	Total (i+ii+iii)	4,731,877,152	534,717,808	-	5,266,594,960
Change in Indebtedness during the financial year					
i	Addition	5,065,535,716	-	-	5,065,535,716
ii	Reduction	-	(500,000,000)	-	(500,000,000)
	Net Change	5,065,535,716	(500,000,000)	-	4,565,535,716
Indebtedness at the end of the financial year					
i	Principal Amount	9,736,327,312	-	-	9,736,327,312
ii	Interest due but not paid	-	-	-	-
iii	Interest accrued but not due	175,265,097	-	-	175,265,097
	Total (i+ii+iii)	9,911,592,409	-	-	9,911,592,409

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	1,179,127	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
	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	1,179,127	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

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A REMUNERATION OF MANAGING DIRECTOR (MD), WHOLE-TIME DIRECTORS (WTD) AND/OR MANAGER (IN RS.)

SL. NO.	PARTICULARS OF REMUNERATION	MR. B. HARIHARAN WTD
1	Gross Salary	
	i Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,020,516
	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)	4,055,538
	TOTAL	19,076,054

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	MR. A. P. SINGH	
	Fee for attending board committee meetings	60,000	200,000	280,000	80,000	220,000	840,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (1)	60,000	200,000	280,000	80,000	220,000	8,40,000
2	Other Non-Executive Directors	MR. GAUTAM THAPAR	MR. R. R. VEDERAH	MR. B. VENUGOPAL			
	Fee for attending board committee meetings	180,000	100,000	40,000			320,000
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total (2)	180,000	100,000	40,000			320,000
	Total (B) = (1 + 2)						1,160,000

C REMUNERATION TO KEY MANAGERIAL PERSONNEL (KMP), OTHER THAN MD / MANAGER / WTD (IN RS.)

SL. NO.	PARTICULARS OF REMUNERATION	KEY MANAGERIAL PERSONNEL		
		MR. ANUP KANSAL *	MR. AKHIL MAHAJAN	TOTAL
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,271,512	4,723,086	15,994,598
	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)	230,093	152,775	382,868
	TOTAL	11,501,605	4,875,861	16,377,466

* upto 14 October, 2015

■ PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

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

For and on behalf of the Board of Directors

GAUTAM THAPAR

Chairman

DIN 00012289

B. HARIHARAN

Group Director (Finance)

DIN 00012432

Date 30 May, 2016

Place New Delhi

ANNEXURE 4

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES FOR FY2015-16

- 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 6 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 a commitment for the communities & environment. BILT uses CSR to integrate economic, environmental and social objectives with the company's operations and growth. The details of the CSR initiatives are available at the company's website 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 the 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. 12.26 Cr.
 - 2014-15 Rs. (11.04) Cr.,
 - 2013-14 Rs. 10.14 Cr.,
 - 2012-13 Rs. 37.69 Cr.
 - 4 Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

2% of Average PBT of 3 Years;
Rs. 25 Lacs.
 - 5 Details of CSR spent during the financial year
 - a) Total amount to be spent for the financial year;
Rs. 34.95 Lacs — Actual Amount Spent on Programmes (April 2015–March 2016) Rs. 32.70 Lacs on Programmes and Rs. 2.25 Lacs on Administration aggregating to Rs. 34.95 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)
- 6 In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

Not Applicable.

DETAILS OF THE CSR

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	15.46 Lakhs	15.46 Lakhs	15.46 Lakhs	Through Implementing Agencies (Partner NGO's)
2		Promoting Education	Local Area around the Plants located in the States of Haryana & Telengana	17.24 Lakhs	17.24 Lakhs	17.24 Lakhs	Through Implementing Agencies (Partner NGO's)
	Total Programme Cost			32.70 Lakhs	32.70 Lakhs	32.70 Lakhs	
3	Administrative Cost			2.25 Lakhs	2.25 Lakhs	2.25 Lakhs	
	TOTAL			34.95 Lakhs	34.95 Lakhs	34.95 Lakhs	

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

NEEHAR AGGARWAL
Chief Executive
Officer

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED
MARCH 31, 2016

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 March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 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 of regulation 55A;

- (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 And Securities And Exchange Board Of India (Prohibition Of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 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.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchanges Limited and BSE Limited.
- (iii) The Listing Agreements entered into by the Company with National Stock Exchanges Limited and BSE Limited as per the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the observation that the Company has Group Director Finance in place of Chief Financial Officer.

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 subject to above observations. 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.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification

was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the

verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For PDS & CO.

Company Secretaries

(Prashant Kumar Balodia)

Partner

Membership No. 6047

Certificate of Practice No. 6153

Date 30 May, 2016

Place 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 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 in which are incorporated the audited financial statements for the year ended on that date of the Unit of the Company audited by other auditor.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance 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 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. 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 financial statements.

Basis for Qualified Opinion

As reported by Auditor of Unit Kamlapuram, the financial statements of the Unit have been prepared on a going concern basis for the reasons stated in the note No. B-36. The financial statements 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 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 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of Kamlapuram Unit of the Company included in the standalone financial statements of the Company whose financial statements reflect total assets of Rs. 54,556 lacs as at 31st March, 2016 and total revenues of Rs. 1,540 lacs for the year 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 report has 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 solely on the report of such Unit Auditor.

Our report is not modified in report of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 of the Unit Auditor;
 - c. The reports on the accounts of the Unit Kamlapuram of the Company audited under Section 143 (8) of the Act by such Unit Auditor have been sent to us and have been properly dealt with by us in preparing this report.
 - d. 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.

- e. *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.
- f. 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.
- g. On the basis of the written representations received from the directors as on 31st March, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;

- h. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The 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 Note 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.

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

New Delhi, dated the
30th May, 2016

“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT

The Annexure referred to in paragraph 1 under “Report on Other Legal and Regulatory Requirement” section of our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended March 31, 2016, we report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The fixed assets were physically verified during the year by the management 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.
- c) On examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except in Unit Kamplapuram, land value at Rs. 44 lacs acquired under agreements and under possession of the Unit are yet to be registered in the name of the Unit.
2. The inventory, except goods-in-transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the registers maintained in pursuance of Section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
4. According to the information and explanation given to us, the Company has complied with the provision of section 185 and 186 of the Act in respect of loans, guarantees, investments and securities made.
5. 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 Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
7. a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities though there has been a slight delay in few cases.
According to the information and explanations given to us, no undisputed amounts payable in respect Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues as applicable to it were outstanding, as at March 31, 2016 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, Sales tax, Value added tax, Service Tax, Duty of Customs, Duty of Excise, Cess which have not been deposited with the appropriate authorities on account of disputes other than those mentioned in “Annexure A (1)” to this report.
8. According to the information and explanations given to us and based on our examination of the records of the Company has not defaulted in repayment of dues to any financial institutions or banks. The Company has not issued debentures during the year.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments). However the moneys raised by way of term loan which were applied for the purpose for which those were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provide for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company.
13. According to the information and explanation given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act, wherever applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the year.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

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

New Delhi, dated the
30th May, 2016

ANNEXURE 'A (1)' TO PARA 7 (B) OF ANNEXURE – 'A' OF OUR REPORT OF EVEN DATE

NAME OF THE STATUTE	NATURE OF DISPUTED DUES	AMOUNTS (IN LACS)	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	38.48	2009-10; 2015-16	Commissioner Panchkula
Central Excise Tariff Act 1985	Excise	694.29	2003-04 to 2010-11	CESTAT, Delhi & Chandigarh
Central Excise Tariff Act 1985	Excise	262.32	2004-05 to 2009-10	Commissioner (Appeals), Delhi
Customs Act,1962	Custom	36.47	2012-13	The Commissioner Custom (Apeals), Kandla
Customs Act,1962	Custom	32.83	2012-13	Commissioner Custom (Apeals), Jam Nagar
Punjab General Sales Tax Act, 1948	Sales Tax	547.00	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	1.22	2008-09	Joint Commisioner Appeals-Saharanpur
UP VAT Act, 2008	Sales Tax	1.47	2008-09	Trade Tax Tribunal, 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
Haryana VAT Act	Sales Tax	2.76	2015-16	Jt.Excise & Taxation Commissioner Appeals-Ambala
UP VAT Act, 2008	Sales Tax	5.99	2014-15	Addl. Commissioner (Appeal)-Saharanpur
UP VAT Act, 2008	Sales Tax	1.12	2010-11	Addl. Commissioner (Appeal)-Saharanpur
Central Sales Tax Act, 1956	Sales Tax	14.70	2001-02	Appellate Deputy Commissioner (CT), Secunderabad
Central Excise Tariff Act 1944	Excise duty and Penalty	723.67	2012-13	CESTAT, Hyderabad
Income Tax Act, 1961	Income Tax	2,919.60	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	2,692.35	1994-95, 2005-06, 2009-10, 2010-11	Pending before high tribunal
Total		8,026.63		

“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF BALLARPUR INDUSTRIES LIMITED

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

We have audited the internal financial controls over financial reporting of M/s Ballarpur Industries 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 Controls

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

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note 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 Act, 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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal

financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 issued by the ICAI.

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

New Delhi, dated the
30th May, 2016

BALANCE SHEET

AS ON MARCH 31, 2016

₹ In Lacs

	NOTE NO.	31.03.2016	31.03.2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share capital	B-1	13,112	13,112
Reserves and surplus	B-2	149,714	147,937
		162,826	161,049
NON - CURRENT LIABILITIES			
Long term borrowings	B-3	91,192	42,627
Deferred tax liabilities (Net)	B-4	5,240	5,633
Other long term liabilities	B-5	466	491
Long term provisions	B-6	3,107	3,030
		100,005	51,781
CURRENT LIABILITIES			
Short term borrowings	B-7	71,423	51,344
Trade payables	B-8	12,525	11,909
Other current liabilities	B-9	15,842	16,345
Short term provisions	B-10	1,948	3,357
		101,738	82,955
TOTAL		364,569	295,785
ASSETS			
NON - CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	B-11	115,076	120,196
Intangible assets	B-11	4,978	5,786
Capital work in progress		26,711	16,041
Intangible assets under development		3,144	-
		149,909	142,023
Non - current investments	B-12	106,535	81,378
Long term loans and advances	B-13	243	381
		106,778	81,759
CURRENT ASSETS			
Inventories	B-14	28,477	29,363
Trade receivables	B-15	17,555	21,661
Cash and bank balances	B-16	5,888	1,016
Short-term loans and advances	B-17	55,952	19,935
Other current assets	B-18	10	28
		107,882	72,003
TOTAL		364,569	295,785
Significant Accounting Policies	"A"		
Notes to Financial Statements	"B"		

As per our report attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

30th May, 2016

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

AKHIL MAHAJAN

Company Secretary

STATEMENT OF PROFIT AND LOSS

FOR THE FINANCIAL YEAR
ENDED MARCH 31, 2016

₹ In Lacs

	NOTE NO.	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
REVENUE			
Sales		61,058	46,964
Less: Excise duty		3,005	2,337
Net sales		58,053	44,627
Other operating revenue		779	476
Revenue from operations	B-19	58,832	45,103
Other Income	B-20	5,360	123
TOTAL		64,192	45,226
EXPENSES			
Cost of materials consumed	B-21	14,665	10,902
Purchases of stock in trade		2,753	6,876
Changes in inventories of finished goods, work in progress and stock in trade	B-22	7,144	[161]
Employee benefits expenses	B-23	7,331	5,730
Finance cost	B-24	5,627	3,599
Depreciation and amortizations expenses	B-11	5,810	4,435
Other expenses	B-25	19,260	14,949
TOTAL		62,590	46,330
Profit / (Loss) before tax		1,602	(1,104)
Tax Expense:			
Current tax/MAT (Including Wealth Tax)		218	-
Deferred tax		(393)	(1,998)
		(175)	(1,998)
Profit/(Loss) after tax		1,777	894
Earning per equity share	B-26		
(1) Basic (₹)		0.27	0.14
(2) Diluted (₹)		0.27	0.14
Significant Accounting Policies	"A"		
Notes to Financial Statements	"B"		

As per our report attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the
30th May, 2016

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

AKHIL MAHAJAN

Company Secretary

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR
ENDED MARCH 31, 2016

₹ In Lacs

	31.03.2016	31.03.2015
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	1,602	(1,104)
Adjustments for:		
(Profit) / Loss on sale of fixed assets (investing activity)	(2,786)	(1)
Depreciation & amortisation expenses	5,811	4,435
Dividend received	(1)	(0)
Interest Income	(10)	(14)
Finance costs (net)	5,627	3,599
	8,641	8,019
Operating Profit before Working Capital Changes	10,243	6,915
Adjustment for Working Capital Changes :		
(Increase)/decrease in trade receivable	4,106	(744)
(Increase)/decrease in loans, advances and other current assets	(35,891)	(3,000)
(Increase)/decrease in inventory	886	1,270
Increase/(decrease) in liabilities and provisions	2,252	176
	(28,647)	(2,298)
Cash generated from operations	(18,404)	4,617
Income tax paid (net)	(55)	5,689
Net cash flow inflow from operating activities	(18,459)	10,306
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in fixed assets, capital work-in-progress and capital advances	(13,923)	(8,427)
Proceed from Sale of property plant and equipment	3,057	14
Interest received	1,677	946
Investment in ZCCB	(25,157)	-
(Increase)/decrease in other bank balances	-	1,163
Dividend Income	1	0
Net cash flow from investing activities	(34,345)	(6,304)
CASH FLOW FROM FINANCING ACTIVITIES		
Increase/(decrease) in borrowings	65,745	2,866
Payment for buy back (optional/convertible)	(4)	(1)
Interest paid (Net)	(6,482)	(5,082)
Dividend paid (including dividend tax)	(1,583)	(1,575)
Net cash flow from financing activities	57,676	(3,792)
Net increase/(decrease) in cash and cash equivalents	4,872	210
Cash and cash equivalents at beginning of reporting period/year	957	747
Cash and cash equivalents (closing balance)	5,829	957
Significant Accounting Policies	"A"	
Notes to Financial Statements	"B"	

As per our report attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the
30th May, 2016

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

AKHIL MAHAJAN

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

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

These 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 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.

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 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 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	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 AND NOTES TO FINANCIAL STATEMENTS

(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. 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.

11. 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

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 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.

(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.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS

12. 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.

13. 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.

14. 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.

15. 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.

16. IMPAIRMENT OF ASSETS

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

17. 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.

18. 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 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.

₹ In Lacs

B-1 SHARE CAPITAL:	31.03.2016	31.03.2015
Authorised:		
750,000,000 (March 31,2015: 750,000,000) Equity shares of ₹ 2/- each	15,000	15,000
25,000,000 (March 31,2015: 25,000,000) Preference shares of ₹ 100/- each	25,000	25,000
	40,000	40,000
Issued:		
655,773,584 (March 31,2015: 655,773,584) Equity shares of ₹ 2/- each	13,115	13,115
	13,115	13,115
Subscribed and Paid up:		
655,773,584 (March 31,2015: 655,773,584) Equity shares of ₹ 2/- each	13,115	13,115
	13,115	13,115
Less: Forfeited shares - 249,745 (March 31,2015: 249,745) Equity shares of ₹ 2/- each	5	5
655,523,839 (March 31,2015: 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, 2016		As on March 31, 2015	
	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, 2016

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 31.03.2016		As on 31.03.2015	
	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	43,872,365	6.69	44,134,423	6.73
3. Samena Special Situations Mauritius	59,480,544	9.07	41,515,609	6.33
4. Platinum Investment Management Ltd. A/c Platinum Asia Fund	-	-	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:		
	31.03.2016	31.03.2015
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	5,000	6,563
Less: Transferred to balance in Statement of Profit and Loss	1,250	1,564
At the close of the reporting period/year	3,750	5,000
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	25,621	24,683
Add:		
Net Profit after tax transferred from statement of profit and loss	1,777	894
Transfer from Debenture Redemption Reserve	1,250	1,564
Less:		
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
Tax on distributed profits	-	267
At the close of the reporting period/year	28,648	25,621
Total	149,714	147,937

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

₹ In Lacs

B-3 LONG TERM BORROWINGS :		31.03.2016	31.03.2015
1) Secured Loans			
Non Convertible Debentures		15,000	15,000
Term Loans :			
Banks		67,799	14,663
Financial Institutions		8,393	12,964
Total		91,192	42,627

Other Informations:

a) Debentures

Non-convertible debentures

MATURITY PROFILE					
CURRENT YEAR	NON-CURRENT				
2016-17	2019-20	2020-21	2021-22	2022-23	2023-24
-	3,000	3,000	3,000	3,000	3,000

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

b) Term Loans

Term loan from South Indian bank is re payable 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 moveable fixed assets of the company.

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Amount	500	1000	2000	2000	2000	2000	500

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

MATURITY PROFILE						
CURRENT	NON-CURRENT					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
375	6000	6187	6250	6325	6650	437

The Term Loans from bank is secured by pari-passu first charge on all Fixed Assets of the Company both present and future.

MATURITY PROFILE						
CURRENT	NON-CURRENT					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
-	850	3400	3400	3400	3400	2550

The Term Loans from bank is First Charge Over freehold immovable property of the company situated at Kamlapuram-Telangana & Shreegopal -Haryana.

MATURITY PROFILE						
CURRENT	NON-CURRENT					
2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
475	750	1000	1730	2400	2800	770

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

MATURITY PROFILE			
CURRENT	NON-CURRENT		
2016-17	2017-18	2018-19	2019-20
4821	3144	3107	2142

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, 2016

₹ 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 2016 comprises of timing difference on account of:

	31.03.2016	31.03.2015
Deferred Tax Liability :		
Higher depreciation claimed under tax laws	9,718	7,151
TOTAL	9,718	7,151
Deferred Tax Asset :		
Disallowance Under Income Tax Act 1961	4,478	1,518
TOTAL	4,478	1,518
Net Deferred Tax Liability (Net)	5,240	5,633

B-5 OTHER LONG TERM LIABILITIES:

	31.03.2016	31.03.2015
Security Deposit	466	491
TOTAL	466	491

B-6 LONG TERM PROVISIONS:

	31.03.2016	31.03.2015
Provisions for employee benefits		
- Provision for gratuity	2,667	2,572
- Provision for leave encashment	440	458
TOTAL	3,107	3,030

B-7 SHORT TERM BORROWINGS:

	31.03.2016	31.03.2015
Unsecured Loans:		
Working Capital Loan	71,423	51,344
TOTAL	71,423	51,344

B-8 TRADE PAYABLES:

	31.03.2016	31.03.2015
To micro, small and medium enterprises (Refer Note 8.1)	106	87
Payable to Related Parties	12	3
Other payables	12,407	11,819
TOTAL	12,525	11,909

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:

	31.03.2016	31.03.2015
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, 2016

₹ In Lacs

B-9 OTHER CURRENT LIABILITIES:		
	31.03.2016	31.03.2015
Current maturities of long term debt	6,171	9,082
Interest accrued but not due on borrowings	1,753	958
Unpaid dividends	80	85
Security deposits	743	680
Interest accrued on Security deposits	40	30
Advance received from customers	110	89
Liability for compulsory / optional buyback	181	185
Payables for capital goods	61	39
Bank book overdrawn	5	232
Statutory dues	3,406	3,044
Payable to employee	3,007	1,693
Due to related Parties	16	56
Other payables	269	172
TOTAL	15,842	16,345

B-10 SHORT TERM PROVISIONS:		
	31.03.2016	31.03.2015
Provisions for employee benefits :		
- Provision for gratuity	390	396
- Provision for leave encashment	82	75
Provision for Proposed dividend	-	1,311
Provision for dividend Tax	-	267
Provision for taxation including MAT	1,410	1,247
Others provisions (Net of payment) (Refer Note 10.1)	66	61
TOTAL	1,948	3,357

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 APRIL 2015	PROVISION DURING THE YEAR	PROVISION UTILISED/ REVERSED DURING THE YEAR	AS AT 31ST MARCH, 2016
Provision for sales tax*	61	5	-	66

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

NOTES TO THE FINANCIAL STATEMENTS

B-11 FIXED ASSETS:

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION			NET BLOCK		
	AS ON 01.04.15	ADDITIONS FOR THE YEAR	DELETIONS DURING THE YEAR	AS ON 31.03.16	AS ON 01.04.15	ADDITIONS FOR THE YEAR	DELETIONS DURING THE YEAR	AS ON 31.03.16	AS ON 31.03.15
A. Tangible Assets									
Free Hold Land	8,429	-	65	8,364	-	-	-	8,364	8,429
Lease Hold Land	9	-	-	9	0	-	-	8	8
Buildings	16,050	-	280	15,770	338	125	-	10,574	11,067
Plant & Equipments	146,407	140	1,793	144,754	4,501	1,780	-	49,778	99,350
Furniture & Fixtures	1,563	2	5	1,560	34	3	-	1,067	527
Vehicles	415	1	61	355	89	37	-	195	272
Office equipment	682	-	1	681	35	0	-	234	483
Computer	12	-	0	12	2	0	-	11	3
Railway Sidings, Trolley Lines, Tramway and Tipping, Tubs	87	-	-	87	4	-	-	34	57
B. Intangible assets									
Computer Software	8,717	-	-	8,717	113	-	-	6,446	2,384
Product Development	3,471	-	-	3,471	694	-	-	763	3,402
TOTAL	173,654	143	2,205	171,592	5,003	1,945	-	56,516	120,196
Previous Year	185,842	143	2,205	183,780	5,810	1,945	-	63,725	125,982
	180,140	5,722	20	185,842	4,435	7	(58)	59,860	125,982

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/-
3. Depreciation charges for the period debited to the Statement of Profit and Loss includes ₹ 31.12 Lacs (previous year ₹ 23.32 Lacs) being depreciation on the revalued portion of Fixed Assets, as the revaluation reserve has been fully adjusted in earlier years.

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

₹ In Lacs

B-12 NON CURRENT INVESTMENTS:			
DETAILS OF INVESTMENTS	NAME OF THE COMPANY	31.03.2016	31.03.2015
Unquoted, Non-trade investment			
Investments in Equity Instruments:			
i) Subsidiary			
990,000 (March 31, 2015: 990,000) fully paid Equity shares of ₹ 10/- each	Bilt Tree Tech Limited	40	40
168,679,093 (March 31, 2015: 168,679,093) fully paid Equity shares of Euro 0.65 each	Ballarpur International Holdings B.V	76,048	76,048
50,000 (March 31, 2015: 50,000) fully paid Equity shares of ₹ 10/- each	Bilt Graphic Paper Products Limited	5	5
18,000 (March 31, 2015: 18,000) fully paid Equity shares of Euro 1/- each	Ballarpur Speciality Paper Holdings	12	12
56,20,427 (March 31, 2015: 56,20,427) fully paid Equity shares of ₹ 10/- each	Premier Tissues (India) Limited	4,522	4,522
*141 Zero Coupon Convertible Notes [ZCCN] of \$ 65789.5 of Premium \$ 214912.25	Ballarpur International Holdings B.V	25,157	-
ii) Other Companies			
5000 (March 31, 2015: 5000) fully paid Equity shares of ₹ 10/- each	Blue Horizon Investments Limited	3	3
86,54,186, (March 31, 2015: 86,54,186) fully paid Equity shares of ₹ 10/- each	Avantha Power & Infrastructure Limited	748	748
TOTAL		106,535	81,378
Additional Information:			
Aggregate value of unquoted investments:			
Cost		106,535	81,378
Note : 141 Zero Coupon Convertible Notes [ZCCN] of \$ 65789.5 of Premium \$ 214912.25 Purchased during the Year			

B-13 LONG TERM LOANS AND ADVANCES:			
	31.03.2016	31.03.2015	
Unsecured, Considered Good			
Capital advances	27	39	
Security deposits	214	335	
Prepaid expenses	2	7	
TOTAL	243	381	

B-14 INVENTORIES:			
	31.03.2016	31.03.2015	
Raw materials	1,640	5,245	
Work in progress	359	1,890	
Finished goods/Stock in Trade	2,419	8,032	
Stores and spares [See Note 14.1]	16,240	5,570	
Chemicals [See Note 14.2]	6,478	7,177	
Packing material [See Note 14.3]	1,341	1,449	
TOTAL	28,477	29,363	

Note:-

14.1) Includes stores & spares-in-transit of ₹ 8 Lacs (Previous Year ₹ 5 Lacs)

14.2) Includes Chemicals-in-transit of ₹ 23 Lacs (Previous Year ₹ 299 Lacs)

14.3) Includes packing material-in-transit of ₹ Nil Lacs (Previous Year ₹ 36 Lacs)

NOTES TO THE FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

₹ In Lacs

B-15 TRADE RECEIVABLES:		
	31.03.2016	31.03.2015
Trade receivables -exceeding six months from the date they are due for payment		
Secured, considered good	-	-
Unsecured, considered good	41	574
Trade receivables-others		
Secured, considered good	219	503
Unsecured, considered good	17,295	20,584
TOTAL	17,555	21,661

B-16 CASH AND BANK BALANCE:		
	31.03.2016	31.03.2015
Cash & cash equivalents		
Balances with banks		
- In current accounts	5,558	679
Cash on hand	10	8
Earmarked Balance with Banks		
In unpaid dividend accounts	80	85
Unclaimed compulsory /optional buy back consideration accounts	181	185
	5,829	957
Other bank balance		
In margin money, security for borrowings, guarantees and other commitments	59	59
	59	59
TOTAL	5,888	1,016

B-17 SHORT TERM LOANS AND ADVANCES:		
	31.03.2016	31.03.2015
Unsecured, considered good		
Loans and advances to Related Parties	44,909	10,817
Balance with government authorities	473	754
Prepaid expenses	637	61
Advances to trade creditors	5,116	4,381
Advances to employees*	174	339
Security deposits	740	745
Other advances recoverable in cash or kind for value to be received	3,903	2,838
TOTAL	55,952	19,935

*Includes amount advanced to Directors ₹ 16 Lacs (Previous year ₹ 5 Lacs).

B-18 OTHER CURRENT ASSETS:		
	31.03.2016	31.03.2015
Interest accrued on deposits	9	16
Assets held for sale (at lower of cost and net realizable value)	-	11
Other current assets	1	1
TOTAL	10	28

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

B-19 REVENUE FROM OPERATIONS:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Sale of products		
Paper (including coated)	58,260	45,515
Rayon grade pulp	1,445	253
Others	1,353	1,196
	61,058	46,964
Less:		
Excise duty	3,005	2,337
Sub Total	58,053	44,627
Other operating Revenue		
Scraps sale / Export Incentive	779	476
Sub Total	779	476
TOTAL	58,832	45,103

B-20 OTHER INCOME:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Interest income	10	14
Dividend Income*	1	0
Profit on sale of fixed assets (Net)	2,786	1
Miscellaneous income	2,563	108
TOTAL	5,360	123
* '0' represent amount below ₹ 50,000/-		

B-21 COST OF MATERIALS CONSUMED:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Bamboo	1,878	1,338
Wood and wood species	6,493	4,897
Wood pulp	229	388
Chemicals	5,069	3,750
Packing materials	709	529
Others	287	-
TOTAL	14,665	10,902

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

B-22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Stocks at the beginning 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 (A)	9,922	9,761
Stocks at the end of the period/year		
Finished goods		
Paper	2,362	7,331
Pulp	57	701
	2,419	8,032
Work in progress		
Paper	356	873
Pulp	3	1,017
	359	1,890
TOTAL (B)	2,778	9,922
Net (Increase)/Decrease in Stocks (A-B)	7,144	(161)

B-23 EMPLOYEE BENEFITS EXPENSES:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Salaries and wages	6,332	4,867
Contribution to provident and other funds	522	451
Staff welfare expenses	477	412
TOTAL	7,331	5,730

Defined contribution plan*

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

	31.03.2016	31.03.2015
Employer's contribution to provident fund	197	167
Employer's contribution to superannuation fund	244	116
Employer's contribution to pension scheme	-	73

* 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 FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

Defined Benefit Plan: PARTICULARS	2015-16		2014-15	
	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	2,968	533	3,088	549
Transferred in as pursuance to scheme	-	-	-	-
Current service cost	129	26	121	59
Interest cost	231	41	197	34
Acquisitions	-	-	-	-
Actuarial (gain)/loss	199	90	17	71
Benefit paid	(470)	(168)	(455)	(180)
Plan amendments	-	-	-	-
Transferred out as pursuance to scheme	-	-	-	-
Transferred in as pursuance to scheme	-	-	-	-
Defined benefit obligation at period/year end	3,057	522	2,968	533
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	470	168	455	180
Benefit paid	(470)	(168)	(455)	(180)
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	3,057	522	2,968	533
Amount recognized in balance sheet	3,057	522	2,968	533
d. Expenses recognized during the period/year (under the Note "Employee Benefits Expense")				
Current service cost	129	26	121	59
Interest cost	231	41	197	34
Expected return on plan assets	-	-	-	-
Actuarial (gain)/loss	199	90	17	71
Plan amendments	-	-	-	-
Present value of obligation as at year end	-	-	-	-
Net cost	559	157	335	164
e. Discount rate (per annum)				
Expected rate of return on plan assets (per annum)	7.70%	7.70%	7.75%	7.75%

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:	YEAR ENDED	PERIOD ENDED
	31.03.2016	31.03.2015
Interest expenses	10,839	4,493
Other borrowing costs	397	389
Net loss / (gain) in foreign currency transaction and translation	(49)	(339)
	11,187	4,543
Less : Interest earned	5,560	944
TOTAL	5,627	3,599

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

B-25 OTHER EXPENSES:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Consumption of stores and spare parts	586	405
Power and fuel	11,624	8,653
Excise duty on period/year end inventory of finished goods	(48)	7
Rent	1,242	1,157
Repairs to buildings	71	57
Repairs to machinery	602	355
Repairs others	84	68
Loss on foreign currency fluctuations	-	27
Insurance	145	120
Rates and taxes	90	98
Other manufacturing expenses	542	442
Office & other expenses	1,013	1,064
Corporate Social responsibility Expense	29	28
Commission	2,185	1,742
Selling expenses	52	10
Carriage and freight	899	612
Legal and professional charges (See Note 25.1)	132	99
Directors sitting fees	12	5
TOTAL	19,260	14,949

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

	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
- Auditor's Remuneration	40	40
- Tax audit fees	8	8
- Limited review	8	8
- Other capacity	11	16
- Reimbursement of expenses	1	2
TOTAL	68	74

B-26 EARNINGS PER SHARE:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Profit for the period/year (₹ in Lacs)	1,777	894
No. of equity shares outstanding	655,523,839	655,523,839
Face value of equity share (₹/share)	2	2
Earning per share		
Basic (in ₹)	0.27	0.14
Dilluted (in ₹)	0.27	0.14

B-27 CONTINGENT LIABILITIES AND COMMITMENTS:		
	31.03.2016	31.03.2015
(to the extent not provided for)		
1) Contingent Liabilities:		
Claims against the Company not acknowledged as debts	15,130	18,263
Guarantees	2,131	1,828
TOTAL (A)	17,261	20,091
2) Commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1	171
TOTAL (B)	1	171
TOTAL (A+B)	17,262	20,262

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 a corporate gurantee of USD 97.25 Million.
- ii) The company has executed an indemnity and undertaking for stand-by Letter of credit facility of USD 55 Million.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

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

	AMOUNT		PERCENTAGE	
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Raw Materials				
- Imported	1,363	1,338	9.29	12.27
- Indigeneous	13,301	9,564	90.71	87.73
TOTAL	14,664	10,902	100	100
Spare parts & Components*				
- Imported	76	68	7.19	7.62
- Indigeneous	981	824	92.81	92.38
TOTAL	1,057	892	100	100

* Includes charged to other accounts

B-29 VALUE OF IMPORTS CALCULATED ON CIF BASIS:

	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Material	101	2,273
Components and spare parts	918	1,602
TOTAL	1,019	3,875

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

	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Interest on foreign currency loans	-	-
Foreign travel commission claims, consultancy fees etc	5	4
TOTAL	5	4

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

	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Export of goods calculated on FOB basis	676	57
TOTAL	676	57

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

	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
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	11.44
Year to which dividend relates to	2014-15	2013-14

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

PARTICULARS	PERIOD/ YEAR	PAPER	PAPER PRODUCTS & OFFICE SUPPLIES	PULP	TOTAL
Revenues					
Gross Sale to External Customers	2015-16	43,228	16,385	1,445	61,058
	2014-15	34,986	11,725	253	46,964
Excise duty	2015-16	(2,453)	(470)	(82)	(3,005)
	2014-15	(1,981)	(341)	(15)	(2,337)
Total Segment Revenues (Net of Excise)	2015-16	40,774	15,915	1,364	58,053
	2014-15	33,005	11,384	238	44,627
Segment results	2015-16	12,902	159	(5,525)	7,536
	2014-15	7,218	181	(4,603)	2,796
Less: Unallocated Corporate Expenses	2015-16				308
	2014-15				301
Profit Before Interest, Tax and exceptional items	2015-16				7,229
	2014-15				2,495
Interest & Finance Cost (Net)	2015-16				5,627
	2014-15				3,599
Profit Before Tax & Exceptional Items	2015-16				1,602
	2014-15				(1,014)
Provision For Tax					
-Current Tax (Net of MAT Credit Entitlement)	2015-16				218
	2014-15				-
-Deferred Tax	2015-16				(393)
	2014-15				(1,998)
Net Profit	2015-16				1,777
	2014-15				894
Other Information					
Segmental Assets	2015-16	185,845	11,747	54,554	252,146
	2014-15	130,266	18,391	64,734	213,391
Unallocated Corporate assets	2015-16				112,423
	2014-15				82,394
Total assets	2015-16				364,569
	2014-15				295,785
Segmental Liabilities	2015-16	12,305	4,595	4,166	21,066
	2014-15	10,175	5,607	3,399	19,181
Unallocated Corporate Liabilities	2015-16				6,651
	2014-15				6,881
Total Liabilities	2015-16				27,717
	2014-15				26,062
Capital Expenditure during the period/year	2015-16				13,923
	2014-15				8,427
Depreciation	2015-16				5,810
	2014-15				4,377
Total Liabilities Exclude					
Long Term Borrowings	2015-16				91,192
	2014-15				42,627
Short Term Borrowings	2015-16				71,423
	2014-15				51,344
Current Maturities of Long Term Debts	2015-16				6,171
	2014-15				9,070
Deferred tax liabilities	2015-16				5,240
	2014-15				5,633

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.
 BILT 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
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
Saraswati Travels (P) Limited	Other Related Parties
Avantha Business Solutions Ltd	Other Related Parties
Solaris Chemtech Industries Limited	Other Related Parties
UHL Power Company Ltd.	Other Related Parties
Avantha Technologies Ltd	Other Related Parties

Key Management Personnel

Mr. Gautam Thapar
 Mr. B Hariharan
 Mr. Anup Kansal (upto 14-10-2015)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

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	31.03.2016	31.03.2015
a)	Sale of Goods, rent received and Allocation of common expenses for rendering Corporate Service:			
	BILT Tree Tech Limited	Subsidiary	-	1
	BILT Graphic Paper Products Limited	Step Down Subsidiary	79	3,424
	Avantha Holdings Limited	Other Related Parties	0	1
	Crompton Greaves Limited	Other Related Parties	-	1
	Jhabua Power Limited	Other Related Parties	-	0
	Korba West Power Company Limited	Other Related Parties	-	0
	Prestige Wines & Spirits (P) Limited	Other Related Parties	-	0
b)	Purchase of Goods & Services, Rent and Commission/ Royalty:			
	BILT Tree Tech Limited	Subsidiary	-	38
	Premier Tissues (India) Limited	Subsidiary	-	1
	BILT Graphic Paper Products Limited	Step Down Subsidiary	2,259	2,153
	Avantha Holdings Limited	Other Related Parties	79	371
	Biltech Building Elements Limited	Other Related Parties	31	39
	Crompton Greaves Limited	Other Related Parties	-	1
	Mirabelle Trading Pte. Limited	Other Related Parties	-	111
c)	Loan Given during the year period/year			
	Ballarpur International Holdings B.V.	Subsidiary	12,562	5,853
d)	Loan Received during the period/year			
	Ballarpur International Holdings B.V.	Subsidiary	10,714	6,135
e)	Interest on Loan Given:			
	Ballarpur International Holdings B.V.	Subsidiary	655	391
	Avantha Realty Limited	Other Related Parties	501	480
f)	Advances given during the period/year			
	Sabah Forest Industries Sdn. Bhd.	Step Down Subsidiary	3,774	1,535
	Mirabelle Trading Pte. Limited	Other Related Parties	5,863	-
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	1	0
i)	Remuneration :			
	Mr Gautam Thapar	Key Management Personnel	2	1
	Mr B Hariharan	Key Management Personnel	775	58
	Mr Anup Kansal	Key Management Personnel	112	87
	* Net of Recovery			
j)	Out Standing Balances as on 31st March 2016			
	BILT Tree Tech Limited	Subsidiary	-	1,495
	Premier Tissues (India) Limited	Subsidiary	17	7
	Ballarpur International Holdings B.V.	Subsidiary	15,566	7,329
	Ballarpur Paper Holdings B.V.	Step Down Subsidiary	12	12
	Sabah Forest Industries Sdn Bhd	Step Down Subsidiary	3,774	258
	BILT Graphic Paper Products Limited	Step Down Subsidiary	(12)	(4,637)
	Biltech Building Elements Limited	Other Related Parties	1,160	977
	Avantha Holdings Limited	Other Related Parties	1,169	0
	Crompton Greaves Limited	Other Related Parties	(4)	(9)
	Saraswati Travels Private Limited	Other Related Parties	8	8
	BILT Industrial Packaging Company Limited	Other Related Parties	859	859
	Global Green Company Limited	Other Related Parties	376	376
	Arizona Printers & Packers Private Limited	Other Related Parties	1	1
	UHL Power Company Limited	Other Related Parties	473	473
	Jhabua Power Limited	Other Related Parties	0	(0)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

S.NO.	PARTICULARS	RELATIONSHIP	31.03.2016	31.03.2015
	Korba West Power Company Limited	Other Related Parties	0	0
	Solaris Chemtech Industries Limited	Other Related Parties	2,243	(100)
	Avantha Power & Infrastructure Limited	Other Related Parties	(103)	(103)
	Avantha Realty Limited	Other Related Parties	13,479	1,301
	Mirabelle Trading Pte. Ltd.	Other Related Parties	5,863	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 ₹ 6 Lacs (31st March, 2015 ₹ 16 Lacs).

	As on 31st March 2016	As on 31st March 2015
Not Later than one year from 31st March, 2016	NIL	NIL
Later than one year and not later than five years	NIL	NIL

B-36 Kamapuram Unit has discontinued its manufacturing activity since 06th April, 2014 in view of continuing adverse market conditions and continuous losses being incurred. During the year the unit incurred loss of ₹ 55,24,89,453/- (previous year ₹ 46,03,74,912/-). The unit has not paid salaries since June- 2015 due to non generation of revenue at unit level. The company has given representation to the Government of Telangana for certain subsidies on inputs and power for restarting the manufacturing activity. In continuation to the representation given to the Government of Telangana, they have agreed to extend the following incentives for restarting the unit.

- Subsidy of upto ₹ 9.00 crores p.a. on supply of power; and
- Subsidy of upto ₹ 21.00 crores p.a. on supply of pulp wood

The aforesaid subsidies are subject to completion of certain formalities and conditions and shall be available to the company for a period of 7 years. The accounts of the Unit for the year ended 31st March, 2016 have been prepared on the "Going Concern" basis as the unit is confident of restarting the operations in foreseeable future.

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 12 months i.e. from 1st April, 2015 to 31st March, 2016 as against 9 months of the previous year 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 period's classification/ disclosure.

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

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

New Delhi, dated the
30th May, 2016

AKHIL MAHAJAN
Company Secretary

Form AOC-I

(Persuant 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	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016	31.03.2016
Reporting Currency	USD	USD	USD	INR	INR	INR	RM	USD
- Exchange Rate - Balance Sheet items (Closing rate)	66.26	66.26	66.26	1.00	1.00	1.00	16.96	66.26
- Exchange Rate - Profit & Loss items (Average rate)	65.51	65.51	65.51	1.00	1.00	1.00	16.27	65.51
Capital								
- Equity Share Capital	73,204	5,418	70,536	562	108	55,005	179,082	13
Reserves	2,172	321,632	228,207	349	422	82,742	(18,975)	(248)
Total Assets	182,725	465,433	427,489	3,538	3,209	775,820	295,897	2
Total Liabilities	182,725	465,433	427,489	3,538	3,209	775,820	295,897	2
Investments								
(Except Investments in Subsidiaries)								
- Government or Trust Securities	-	-	-	-	-	-	-	-
- Shares, Debentures or Bonds	-	-	-	-	-	4,265	-	-
Turnover	-	-	-	5,045	7,930	378,371	48,628	-
Profit Before Taxation	(6,690)	10,197	3,632	(35)	268	1,851	(26,503)	(21)
Provision for Taxation								
- Current Tax	-	-	-	-	22	387	-	-
- MAT ENTITLEMENT CREDIT	-	-	-	(2)	-	(342)	-	-
- Deferred Tax	-	-	-	(3)	-	(787)	94	-
- Excess provision relating to earlier years	-	-	-	6	-	0	0	-
Profit After Taxation	(6,690)	10,197	3,632	(37)	246	2,593	(26,597)	(21)
Proposed Dividend	-	-	-	-	-	-	-	-
Share Holding percentage in the Subsidiary	100	63.92 (a)	100 (b)	100	91.67	100 (c)	97.78 (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.

2015 2016

**CONSOLIDATED
FINANCIALS**

INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE MEMBERS OF BALLARPUR INDUSTRIES LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Ballarpur Industries Limited ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated balance sheet as at 31 March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the 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 the consolidated financial statements in terms of the requirements of the Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; 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 the 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 there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 error. 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. 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 consolidated 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 Unit Kamplapuram of the Holding Company, the financial statements of the Unit have been prepared on a going concern basis for the reasons stated in the note No. B-34. The financial statements 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 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 state of affairs of the Company as at 31 March, 2016, and its loss and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of Unit Kamplapuram of the Holding Company included in the Standalone financial statements of the Holding Company whose financial statements reflect total assets of Rs. 54,556 lacs as at 31st March, 2016 and total revenues of Rs. 1,540 lacs for the year 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 report has 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 solely on the report of such Unit Auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the Unit Auditor.

INDEPENDENT AUDITORS' REPORT

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a. We have sought and, *except for the possible effect of the matter described in the Basis for Qualified Opinion above*, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, *except for the possible effect of the matter described in the Basis for Qualified Opinion above*, 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. *Except for the matter described in of the Basis for Qualified Opinion paragraph above*, the report on the Financial Statements of the Unit Kamplapuram of the Holding Company, audited under Section 143 (8) of the Act by the Unit Auditor has been sent to us, and has been properly dealt with in preparing this report.
 - d. 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 relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016, and taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. In our opinion, *except for the effect of the matters described in the Basis for Qualified Opinion paragraph above*, 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.
 - g. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group.
 - h. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - i. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending 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; and
 - 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 Subsidiary Companies incorporated in India.

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.,

Chartered Accountants

FRN: 106009W

New Delhi, dated the
30th May, 2016

ANNEXURE 'A' TO 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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Ballarpur Industries Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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 auditors' 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.

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the Holding Company and its Subsidiary Companies, which are companies incorporated in India, have, 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 31 March 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 ICAI.

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.,

Chartered Accountants

FRN: 106009W

New Delhi, dated the
30th May, 2016

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2016

₹ In Lacs

	NOTE NO.	31.03.2016	31.03.2015
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	B-1	13,112	13,112
Reserves and Surplus	B-2	131,011	181,727
Subordinated Perpetual Capital Securities	B-3	132,512	125,358
Minority Interest		98,256	109,482
		374,891	429,679
NON - CURRENT LIABILITIES			
Long term borrowings	B-4	425,161	335,436
Deferred tax liabilities (Net)	B-5	8,323	9,489
Other long term liabilities	B-6	5,480	5,316
Long term provisions	B-7	7,911	7,215
		446,875	357,456
CURRENT LIABILITIES			
Short term borrowings	B-8	205,800	186,119
Trade payables	B-9	121,564	111,432
Other current liabilities	B-10	124,835	116,458
Short term provisions	B-11	4,803	6,134
		457,002	420,143
TOTAL		1,278,768	1,207,278
ASSETS			
NON - CURRENT ASSETS			
FIXED ASSETS			
Tangible assets	B-12	776,473	787,392
Intangible assets	B-12	9,046	7,953
Capital work in progress		35,221	23,581
Intangible assets under development		4,301	193
		825,041	819,119
Non - current investments	B-13	5,016	4,056
Long term loans and advances	B-14	64,239	43,254
Other non current assets	B-15	71,623	57,327
		140,878	104,637
CURRENT ASSETS			
Inventories	B-16	153,991	143,245
Trade receivables	B-17	51,338	51,245
Cash and bank balances	B-18	25,222	24,072
Short term loans and advances	B-19	77,419	61,616
Other current assets	B-20	4,879	3,344
		312,849	283,522
TOTAL		1,278,768	1,207,278
Significant Accounting Policies	"A"		
Notes to Financial Statements	"B"		

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

For Ballarpur Industries Limited
R. R. VEDERAH
 Vice Chairman

B. HARIHARAN
 Group Director (Finance)

New Delhi, dated the
 30th May, 2016

AKHIL MAHAJAN
 Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

	NOTE NO.	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
REVENUE			
Sales		445,978	338,243
Less:- Excise Duty		23,842	18,868
Net sales		422,136	319,375
Other operating revenue		5,541	4,488
Revenue from operations	B-21	427,677	323,863
Other Income	B-22	4,472	1,526
TOTAL		432,149	325,389
EXPENSES			
Cost of materials consumed	B-23	227,528	172,280
Purchases of stock in trade		10,751	10,917
Changes in inventories of finished goods, work in progress and stock in trade	B-24	8,431	(7,689)
Employee benefits expenses	B-25	30,810	23,920
Finance cost	B-26	46,316	27,617
Depreciation and amortizations expenses	B-27	26,456	20,300
Other expenses	B-28	79,094	69,988
TOTAL		429,386	317,333
Profit/(Loss) before tax		2,763	8,056
Exceptional Item		-	255
Profit before tax		2,763	7,801
Tax expense:			
Current tax/MAT (Including Wealth Tax)		627	896
MAT Credit Entitlement available for set off in subsequent years		(344)	(780)
Deferred tax		(1,183)	(1,802)
Excess provision relating to earlier years		6	-
		(893)	(1,686)
Profit/(Loss) From Continuing Operation		3,656	9,487
Profit/(Loss) From Discontinued Operations Before Tax		(26,503)	(14,040)
Tax expense of discontinued operation		94	137
Profit/(loss) from discontinued operation after tax		(26,597)	(14,177)
Less : Minority Interest		(6,928)	(2,555)
Profit/(loss) for the year after minority interest		(16,013)	(2,135)
Earning per equity share:	B-29		
(1) Basic (In ₹)		(2.44)	(0.33)
(2) Diluted (In ₹)		(2.44)	(0.33)

Significant Accounting Policies

"A"

Notes to Financial Statements

"B"

As per our report attached
ASHWIN MANKESHWAR
Partner

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

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

B. HARIHARAN
Group Director (Finance)

New Delhi, dated the
30th May, 2016

AKHIL MAHAJAN
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

	31.03.2016	31.03.2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit after exceptional items, and before tax minority interest and appropriations	(23,740)	(6,239)
Adjustments for:		
(Profit) / Loss on sale of Assets (net)	(2,802)	(27)
Unspent Liabilities and Excess Provisions of earlier years written back	(532)	(174)
Depreciation & amortisation expenses	40,771	33,809
Assets discarded	5	-
Finance costs (net)	52,541	31,205
	89,983	64,813
Operating Profit before Working Capital Changes	66,243	58,574
Adjustment for Working Capital Changes :		
(Increase)/decrease in trade receivable	(93)	(3,924)
(Increase)/decrease in loans, advances and other current assets	(38,454)	(6,815)
(Increase)/decrease in inventory	(10,746)	2,861
Increase/(decrease) in liabilities and provisions	6,302	15,334
	(42,991)	7,456
Cash generated from operations	23,253	66,030
Income tax paid (net)	(1,645)	2,497
Net cash flow inflow from operating activities	21,608	68,527
CASH FLOW FROM INVESTING ACTIVITIES		
Increase in fixed assets, capital work-in-progress and capital advances	(60,073)	(25,510)
Proceed from Sale of property plant and equipment	3,128	46
Interest received	495	19
Increase in Investment	(960)	-
(Increase)/decrease in other bank balances	19,259	(4,955)
Net cash flow from investing activities	(38,151)	(30,400)
CASH FLOW FROM FINANCING ACTIVITIES		
Premium in purchase of ZCCB	(19,343)	-
Increase/(decrease) in borrowings	119,646	(44,970)
Payment for buy back (optional/convertible)	(4)	(1)
Dividend and distribution on unsecured subordinated perpetual capital Securities (including dividend tax)	(4,841)	(14,218)
Proceed from change in minority interest	-	49,962
Interest paid (Net)	(49,065)	(30,517)
Dividend paid	(3,230)	-
Net cash flow from financing activities	43,163	(39,744)
Net increase/(decrease) in cash and cash equivalents	26,619	(1,617)
Cash and cash equivalents at beginning of reporting period/year	2,974	9,764
Impact of Foreign Currency Translation Reserve	(6,210)	(5,173)
Cash and cash equivalents (closing balance)	23,384	2,974
Significant Accounting Policies	"A"	
Notes to Financial Statements	"B"	

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

For Ballarpur Industries Limited
R. R. VEDERAH
Vice Chairman

B. HARIHARAN
Group Director (Finance)

New Delhi, dated the
30th May, 2016

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 (Telangana).

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 financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21, 'Consolidated Financial Statements'. The consolidated financial statements comprise the financial statements of the Company, its controlled trusts and its subsidiaries as disclosed in Note 2.21, combined on a line by line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gain / loss. The consolidated financial statements are prepared by applying uniform accounting policies in use at the Group. Minority interests have been excluded. Minority interests represent that part of the net profit and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the Company.

The Consolidated Financial Statements comprise of the financial statements of Ballarpur Industries Limited (the company) for year ended 31st March 2016 and its following Subsidiaries:

Name of the Company	Country of Incorporation	Proportion of Ownership Interest either directly or through subsidiary as on	
		31.03.2016	31.03.2015
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%	63.92%
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%	98.08%

(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 those of the foreign subsidiaries have been prepared in compliance with the local laws and applicable accounting standards.

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

SIGNIFICANT ACCOUNTING POLICIES

ADDITIONAL INFORMATION, AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, FOR THE YEAR ENDED 31ST MARCH 2016

Name of the Entity	Net Assets i.e. Total Assets minus total liabilities		Share in Profit or Loss	
	As % Consolidated Net Assets	Amount (₹ in Lacs)	As % Consolidated profit or loss	Amount (₹ in Lacs)
Parent Company				
Ballarpur Industries Limited	43%	162,827	-11%	1,780
Indian Subsidiaries				
BILT Graphic Paper Products Limited	37%	137,746	-16%	2,590
BILT Tree Tech Limited	0%	530	-2%	246
Premier Tissues (India) Limited	0%	911	0%	-37
Foreign Subsidiaries				
Ballarpur International Holdings B.V.	20%	75,376	42%	(6,690)
Ballarpur Paper Holdings B.V.	80%	298,743	-23%	3,632
Ballarpur Sepciality Paper Holdings B.V. (BS)	0%	(235)	0%	(21)
Bilt Paper B.V.	123%	459,562	-64%	10,197
Sabah Forest Industries Sdn. Bhd.	43%	160,105	166%	(26,597)
Adjustment arising out of consolidation	-246%	(920,674)	7%	(1,113)
Total		374,891		(16,013)

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.

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.
- 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 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 out 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 assets are as follows -

SIGNIFICANT ACCOUNTING POLICIES

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	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 the useful life of the assets as prescribed in schedule II of 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 Group 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 Group has intention to complete the development of intangible asset and use or sell it;
- (III) the Group 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 Group 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. 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 Group in various securities are primarily meant to be held over a long-term period.
- (b) 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.

10. 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 group'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.

11. REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group against export made by it are recognized as and when goods are imported against them.

12. RETIREMENT BENEFITS

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

Post employment and other long term employee benefits are charged off in the 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.

13. 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.

14. LEASES

Assets acquired under lease where the group has substantially all the risks & 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 and the liability is created for the equivalents amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant period 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.

15. TAXATION

Provision for Current Tax is made on the basis of estimated taxable income for the relevant accounting 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 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.

16. IMPAIRMENT OF ASSETS

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

17. 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.

18. 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 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.

19. UNAMORTISED EXPENSES

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

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

₹ In Lacs

B-1 SHARE CAPITAL:	31.03.2016	31.03.2015
Authorised:		
750,000,000 (Mar 31,2015: 750,000,000) equity shares of ₹ 2/- each	15,000	15,000
25,000,000 (Mar 31,2015: 25,000,000) preference shares of ₹ 100/- each	25,000	25,000
	40,000	40,000
Issued:		
655,773,584 (Mar 31,2015: 655,773,584) equity shares of ₹ 2/- each	13,115	13,115
	13,115	13,115
Subscribed and Paid up:		
655,773,584 (Mar 31,2015: 655,773,584) equity shares of ₹ 2/- each	13,115	13,115
	13,115	13,115
Less: Forfeited shares - 249,745 (Mar 31,2015: 249,745) equity shares of ₹ 2/- each	5	5
655,523,839 (Mar 31,2015: 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, 2016		AS ON MARCH 31, 2015	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
Balance as at the beginning of the year/Period	655,523,839	13,112	655,523,839	13,112
Balance as at the end of the year/Period	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 31.03.2016		AS ON 31.03.2015	
	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, 2016

₹ In Lacs

B-2 RESERVES AND SURPLUS:	31.03.2016	31.03.2015
Capital Reserve on Consolidation		
At the beginning of the reporting year/Period	35,882	38,297
Less: Adjustment for change in minority interest	(19,343)	(2,415)
At the close of the reporting year/Period	16,539	35,882
Capital Reserve		
At the beginning of the reporting year/Period	1,515	1,515
At the close of the reporting year/Period	1,515	1,515
Share Premium reserve		
At the beginning of the reporting year/Period	26,798	26,798
At the close of the reporting year/Period	26,798	26,798
Preference Share Capital Redemption Reserve		
At the beginning of the reporting year/Period	7,385	7,385
At the close of the reporting year/Period	7,385	7,385
Debenture Redemption Reserve		
At the beginning of the reporting year/Period	17,750	21,189
Transferred to balance in Statement of Profit and Loss	(4,750)	(3,439)
Transferred from balance in Statement of Profit and Loss		
At the close of the reporting year/Period	13,000	17,750
General Reserve		
At the beginning of the reporting year/Period	80,810	80,810
Add: Transferred from balance in Statement of Profit and Loss	-	-
At the close of the reporting year/Period	80,810	80,810
Foreign Currency Translation Reserve		
At the beginning of the reporting year/Period	(32,510)	(1,970)
Addition during the year (net)	(4,970)	(30,540)
At the close of the reporting year/Period	(37,480)	(32,510)
Balance in Statement of Profit and Loss		
At the beginning of the reporting year/Period	44,097	52,009
Add:		
Loss for the year as per statement of profit and loss	(16,013)	(2,135)
Transfer from Debenture Redemption Reserve	4,750	3,439
Less:		
Transfer to Debenture Redemption Reserve	-	-
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)	8,738	6,163
Proposed Dividend on 655,523,839 equity shares Nil (on 655,523,839 equity shares @ 10%)	-	1,311
Tax on distributed profits (including tax paid by step down subsidiary company)	1,652	1,037
At the close of the reporting year/Period	22,444	44,097
Total	131,011	181,727

B-3 SUBORDINATED PERPETUAL CAPITAL SECURITIES:

	31.03.2016	31.03.2015
Subordinated Perpetual Capital Securities*	132,512	125,358
TOTAL	132,512	125,358

* During the year ended 30th June, 2012, the step down subsidiary of Company, 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, 2016

₹ In Lacs

B-4 LONG TERM BORROWINGS:		
	31.03.2016	31.03.2015
1. Secured Loans:		
Debentures (Refer Note 4.1)	26,000	52,000
External commercial borrowings (Refer Note 4.2)	21,378	23,385
Term Loans :		
Financial Institutions (Refer Note 4.3)	59,151	53,953
Banks (Refer Note 4.3)	298,485	177,210
Vehicle Loan (See Note 4.4)	5	8
	405,019	306,556
2. Unsecured Loans:		
Loan from banks (Refer Note 4.5)	10,303	14,620
Zero coupon compulsory convertible bonds(Refer Note 4.6)	3,792	9,402
Deferred payment liabilities (Refer Note 4.7)	6,047	4,858
	20,142	28,880
Total long term borrowings (1+2)	425,161	335,436

SECURED LOAN:-

4.1 NON-CONVERTIBLE DEBENTURES

Debentures are secured by pari-passu first charge created on all moveable 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

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 company, both present and future. NCD are repayable in instalments starting from September 2012 to September 2017. Maturity Profile and Rate of interest of Non Convertible Debentures are as set out below:

₹ In Lacs

MATURITY PROFILE			
RATE OF INTEREST	CURRENT MATURITY PROFILE		NON-CURRENT MATURITY PROFILE
	2016-17		2017-18
9.65%	12,500		-
9.75%	7,500		5,000
9.90%	6,000		6,000

4.2 EXTERNAL COMMERCIAL BORROWINGS

- 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.
- 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 instalments starting from 07th February, 2016 to 07th August, 2019. The loan is secured by way of first pari-passu charge over all Moveable Fixed Assets of Bilt Graphic Paper Products Limited.

4.3 TERM LOANS FROM BANKS & FINANCIAL INSTITUTIONS

- Term loan from South Indian bank is re payable 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 moveable fixed assets of the company.

₹ In Lacs

Year	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Amount	500	1000	2000	2000	2000	2000	500

- Term loan from other bank 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					
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
375	6000	6187	6250	6325	6650	437

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

- (c) The Term Loans from bank is secured by pari-passu first charge on all Fixed Assets of the Company both present and future.

MATURITY PROFILE						
Current 2016-17	Non-Current					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	850	3400	3400	3400	3400	2550

- (d) The Term Loans from bank is First Charge Over freehold immovable property of the company situated at Kamlapuram-Telangana & Shreegopal -Haryana.

MATURITY PROFILE						
Current 2016-17	Non-Current					
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
475	750	1000	1730	2400	2800	770

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

MATURITY PROFILE			
Current 2016-17	Non-Current		
	2017-18	2018-19	2019-20
4,821	3,144	3,107	2,142

- (f) Term Loan from IDFC Limited of ₹ 25,000 Lacs is repayable in 26 equal quarterly instalments 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.
- (g) 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 moveable fixed assets of Bilt Graphic Paper Products Limited.
- (h) The Bilt Graphic Paper Products Limited has obtained a Term loan from State Bank of India of ₹ 30,000 Lacs. The loan is repayable in Instalments starting from 30th June, 2014 to 30th June, 2023. The loan is secured by way of first pari passu charge over all Moveable Fixed Assets of Bilt Graphic Paper Products Limited.
- (i) 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 Moveable Fixed Assets of Bilt Graphic Paper Products Limited.
- (j) 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 Moveable Fixed Assets of Bilt Graphic Paper Products Limited.
- (k) 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 Moveable Fixed Assets of Bilt Graphic Paper Products Limited.
- (l) Bilt Graphic Paper Products Limited has obtained a Term loan from Aditya Birla Finance Ltd. of ₹ 25,000 Lacs and against this ₹ 5,000 Lacs downsell/assigned to State Bank of Patiala. The loan is repayable in 31 Instalments starting from 30 Sept., 2015 to 31 Mar., 2023. The loan is secured by way of first pari passu charge on all Moveable Fixed Assets of the Bilt Graphic Paper Product Limited.
- (m) Bilt Graphic Paper Products Limited has obtained from Axis Bank of ₹ 70,284 Lacs. The loan is repayable in 40 equal quarterly Instalments starting from 23rd Dec., 2015 to 29th Dec., 2025. The loan is secured by way of first pari passu charge on all Fixed Assets of the Bilt Graphic Paper Product Limited.
- (n) Bilt Graphic Paper Products Limited has obtained a Term loan from ICICI Bank of ₹ 32,500 Lacs. The loan is repayable in 20 equal quarterly Instalments starting from 30 Mar., 2018 to 30 Dec., 2022. The loan is secured by way of first pari passu charge on all Fixed Assets of the Bilt Graphic Paper Product Limited.
- (o) 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:
- a term loan of USD 50 Million, which is repayable by 8 equal semi-annual instalments commencing from March 15, 2013;
 - a term loan of USD 20 Million, which is repayable by 8 equal semi-annual instalments commencing from October 20, 2013;
 - a term loan of USD 20 Million, which is repayable by 8 equal semi-annual instalments commencing from January 4, 2014;
 - a term loan of USD 25 Million which is repayable by 5 equal semi-annual instalments commencing from September 28, 2014;
 - a term loan of USD 25 Million, which is repayable by 10 equal semi-annual instalments commencing from February 8, 2013;
 - a term loan of USD 50 Million, which is repayable by 19 unequal quarterly instalments commencing from December 28, 2013;
 - a term loan of USD 25 Million, which is repayable by 24 unequal quarterly instalments commencing from November 1, 2013;
- (p) (i) ₹ 559 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 instalments after a moratorium period of 12 months w.e.f. July, 2011 along with interest @ 2.85% plus prime lending rate (present rate is 13.60%).

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

- (ii) ₹ 200 Lacs term loan is secured by exclusive charge on the movable fixed assets and immovable fixed assets (located at Mysore) of Premier Tissues India Limited. Repayable in 16 quarterly instalments after a moratorium period of 12 months w.e.f. July, 2016 along with interest @ 13.50%.
- (iii) Term loan of USD 20 Million at LIBOR plus a margin of 4.80% from IDBI Bank is secured against pledge of Bilt Paper B.V.'s (Formerly known as Ballarpur International Graphic Paper Holdings B.V.) shares and is repayable in three annual equal instalments starting at the end of 4th, 5th and 6th year from the date of first utilisation i.e. starting from October 6, 2019.

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 (2013: 3 to 7 years).

Unsecured Loan:-

4.5 LOAN FROM BANKS

- a) 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 a closing rate on 31.03.2016.
- b) A USD 24.50 Million loan at LIBOR plus a margin of 1.5% was drawn on July 2015 from JP Morgan Chase Bank, London Branch and is repayable after 36 Months from utilization date.

4.6 ZERO COUPON COMPULSORY CONVERTIBLE BONDS

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

4.7 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 2016 comprises of timing difference on account of:		
	31.03.2016	31.03.2015
Deferred Tax Liability :		
Higher depreciation claimed under tax laws (net off unabsorbed depreciation & c/f losses)	15,001	17,858
TOTAL	15,001	17,858
Deferred Tax Asset :		
Expenses allowable on payment basis	6,678	8,369
TOTAL	6,678	8,369
Net Deferred Tax Liability*	8,323	9,489
*Includes effect of foreign currency translation.		
B-6 OTHER LONG TERM LIABILITIES:		
	31.03.2016	31.03.2015
Security Deposit	5,480	5,316
TOTAL	5,480	5,316
B-7 LONG TERM PROVISIONS:		
	31.03.2016	31.03.2015
Provisions for employee benefits		
Provision for gratuity	7,043	6,391
Provision for leave encashment	868	824
	7,911	7,215
B-8 SHORT TERM BORROWINGS:		
	31.03.2016	31.03.2015
1. Secured Loans:		
Working Capital Loan (See Note 8.1 & 8.2)	8,467	11,163
	8,467	11,163
2. Unsecured Loans:		
Working Capital Loan	195,152	173,113
Bank Overdraft	2,181	1,843
	197,333	174,956
Total short-term borrowings (1+2)	205,800	186,119

Note:-

- 8.1) ₹ 7,982 Lacs (Previous Year ₹ 10,580 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) ₹ 485 Lacs (Previous Year ₹ 583 Lacs) is secured against exclusive charge on the current assets of Premier Tissues (India) Limited.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

₹ In Lacs

B-9 TRADE PAYABLES:		
	31.03.2016	31.03.2015
To micro, small and medium enterprises (Refer Note 9.1)	941	297
Payable to Related Parties	36	3
Other payables	120,587	111,132
TOTAL	121,564	111,432

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:

	31.03.2016	31.03.2015
Principal amount due and remaining unpaid	112	80
Interest due on above and the unpaid interest	10	1
Interest paid on all delayed payments under the MSMED Act	-	-
Payment made beyond the appointed day during the year	4	1
Interest due and payable for the period of delay	4	1
Interest accrued and remaining unpaid	10	1
Amount of further interest remaining due and payable in succeeding years	-	-
	140	84

B-10 OTHER CURRENT LIABILITIES:		
	31.03.2016	31.03.2015
Current maturities of long term debt	91,890	79,246
Current maturities of finance lease obligations	4	30
Interest accrued but not due on borrowings	6,698	3,349
Payable towards Subordinated Perpetual Capital Securities	1,795	1,698
Interest accrued but not due on deposits	293	166
Unpaid dividends	80	86
Security deposits	1,638	1,716
Advance received from customers	3,171	7,544
Bank book overdrawn	205	4,946
Payables for capital goods	3,425	3,532
Liability for compulsory / optional buyback	181	185
Statutory dues	8,718	7,187
Payable to employee	6,630	4,086
Due to related Parties	-	631
Other payables	107	2,056
TOTAL	124,835	116,458

B-11 SHORT TERM PROVISIONS:		
	31.03.2016	31.03.2015
Provisions for employee benefits :		
- Provision for gratuity	1,002	1,168
- Provision for leave encashment	145	158
Provision for Proposed dividend	-	1,311
Provision for dividend Tax	-	267
Provision for taxation including MAT	1,411	1,261
Others provisions (Net of payment) (Refer Note 11.1)	2,245	1,969
TOTAL	4,803	6,134

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 ON 1ST APRIL, 2015	PROVISION DURING THE YEAR	PROVISION UTILISED/ REVERSED DURING THE YEAR	AS ON 31ST MARCH, 2016
Anti-dumping duty *	27	-	-	27
Water cess	1,881	391	120	2,152
Provision for Sales tax**	61	5	-	66

*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, 2016

B-12 Fixed Assets:

PARTICULARS	GROSS BLOCK (AT COST)				DEPRECIATION				NET BLOCK				
	AS ON 01.04.15	ADDITIONS FOR THE YEAR	DELETIONS DURING THE YEAR	TRANS- LATION RESERVE	AS ON 31.03.16	AS ON 01.04.15	ADDITIONS FOR THE YEAR	DELETIONS DURING THE YEAR	ADJUST- MENT ON ACCOUNT OF SCHED- ULE II	TRANS- LATION RESERVE	AS ON 31.03.16	AS ON 31.03.15	
A. Tangible Assets													
Free Hold Land	18,131	67	65	-	18,133	1,016	-	-	-	-	1,016	17,117	17,115
Lease Hold Land	2,392	-	-	26	2,418	343	114	-	-	9	466	1,952	2,049
Buildings	145,671	522	284	177	146,086	55,449	3,984	128	-	151	59,456	86,630	90,222
Plant & Equipments	1,007,065	25,234	2,012	1,685	1,031,972	332,436	32,162	1,980	-	1,153	363,771	668,201	674,629
Furniture & Fixtures	5,211	63	9	16	5,281	3,912	199	6	-	14	4,119	1,162	1,299
Vehicles	3,038	172	134	6	3,082	2,062	288	68	-	8	2,290	792	976
Office equipment	2,935	1	3	-	2,933	2,186	69	2	-	-	2,253	680	749
Computer	112	100	8	-	204	104	57	8	-	-	153	51	8
Railway Sidings, Trolley Lines, Tramway and Tipping Tubs	375	104	-	82	561	30	549	-	-	94	673	(112)	345
	1,184,930	26,263	2,515	1,992	1,210,670	397,538	37,422	2,192	-	1,429	434,197	776,473	787,392
B. Intangible Assets													
Computer Software	10,629	531	-	-	11,160	7,114	408	-	-	-	7,522	3,638	3,515
Product Development	4,897	1,962	-	-	6,859	459	992	-	-	-	1,450	5,408	4,438
	15,526	2,493	-	-	18,019	7,573	1,399	-	-	-	8,973	9,046	7,953
TOTAL	1,200,456	28,756	2,515	1,992	1,228,689	405,111	38,820	2,192	-	1,429	443,170	785,519	795,345
Previous Year	1,223,388	24,198	30	(47,100)	1,200,456	397,518	31,201	11	705	(24,302)	405,111	795,345	

- During the year additions includes capitalisation of Exchange loss amounting to ₹ 9640 (Previous Year ₹131 Lacs).
- The Lease agreement in respect of 5.04 Acres of land in possession of the Bilt Graphic Paper Product Limited is yet to be executed in favour of the Bilt Graphic Paper Product Limited.
- Building includes ₹ 293 Lacs (Previous year ₹ 293 Lacs) towards revalued value of ownership flats in Cooperative Housing Societies.
- Depreciation during the period/year include:
 - ₹ 263 Lacs (Previous year ₹ 184 Lacs) charge to inventories.
 - ₹ 391 Lacs (Previous year ₹ 424 Lacs) charge to biological assets.
 - ₹ 14,315 Lacs (Previous year ₹ 13,508 Lacs) to discontinue operations.
- Depreciation charges for the period debited to the Statement of Profit and Loss includes ₹ 31.12 Lacs (previous year ₹ 23.32 Lacs) being depreciation on the revalued portion of Fixed Assets, as the revaluation reserve has been fully adjusted in earlier years.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

₹ In Lacs

B-13 NON CURRENT INVESTMENTS:			
	NAME OF THE COMPANY	31.03.2016	31.03.2015
A. Non-trade, unquoted investment			
a) Investments in Equity Instruments:			
Other Companies			
5000 (Mar 31, 2015: 5000) Fully paid Equity shares of ₹ 10/- each	Blue Horizon Investments Limited	3	3
39,880,940 (Mar 31, 2015: 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
B. Quoted Non-Traded Investment			
a) Investments in Mutual Fund			
Units 344294.449 NAV 278.8311 (March 31, 2015: Nil)	Birla Sun Life Savings Fund	960	-
TOTAL		5,016	4,056
Additional Information:			
1) Aggregate value of quoted Investments:			
Book Value of quoted investments		960	-
Market Value of quoted investments		1,012	-
2) Aggregate value of unquoted Investment:			
Book Value of Unquoted investments		-	-
Note : ₹ 0 represent amount below ₹ 50000/-		4,056	4,056

B-14 LONG TERM LOANS AND ADVANCES:		
	31.03.2016	31.03.2015
Unsecured, considered good		
Capital advances	547	395
Security deposits	1,456	1,565
Prepaid expenses	9,125	2,413
Balance with Govt Authorities	25,072	12,348
Mat Credit Entitlement	18,051	17,707
Advance Tax, Tax Deducted at Source (Net of provision for tax)	9,988	8,826
TOTAL	64,239	43,254

B-15 OTHER NON CURRENT ASSETS:		
	31.03.2016	31.03.2015
Unamortized Expenses	11,755	10,473
Biological Assets*	59,850	46,837
Long term deposits with banks with maturity period more than 12 months	18	17
TOTAL	71,623	57,327

* Biological assets represent plantation development expenditure:-

	31.03.2016	31.03.2015
Cost		
At beginning of year	70,159	71,496
Additions	15,028	5,986
Translation reserve	485	(7,323)
At end of year	85,672	70,159
Accumulated Amortisation		
At beginning of year	23,322	22,654
Charge for the year	2,313	3,074
Translation reserve	187	(2,406)
At end of year	25,822	23,322
Carrying Amount	59,850	46,837
Note: During the period/year, amortization expense is charged to the following		
Statement of Profit and Loss	2,605	3,216
Inventories	(292)	(142)
TOTAL	2,313	3,074

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

₹ In Lacs

B-16 Inventories:	31.03.2016	31.03.2015
Raw materials (See Note 16.1)	19,314	48,466
Work in progress	10,172	15,166
Finished goods/Stock in Trade	22,065	26,819
Stores and spares (See Note 16.2)	71,407	35,028
Block Stores	178	193
Chemicals (See Note 16.3)	27,584	13,657
Packing material (See Note 16.4)	3,271	3,916
TOTAL	153,991	143,245

Note:-

Note 16.1) Includes raw material-in-transit of ₹ 5,917 Lacs (Previous Year ₹ 8,860 Lacs)

Note 16.2) Includes stores & spares-in-transit of ₹ 1,121 Lacs (Previous Year ₹ 1,870 Lacs)

Note 16.3) Includes Chemicals-in-transit of ₹ 1,109 Lacs (Previous Year ₹ 989 Lacs)

Note 16.4) Includes packing material-in-transit of ₹ 30 Lacs (Previous Year ₹ 77 Lacs)

B-17 TRADE RECEIVABLES:	31.03.2016	31.03.2015
Trade receivables -exceeding six months from the date they are due for payment		
Secured, considered good	65	122
Unsecured, considered good	3,787	2,953
Trade receivables -others		
Secured, considered good	1,081	2,536
Unsecured, considered good	46,405	45,634
TOTAL	51,338	51,245

B-18 CASH AND BANK BALANCES:	31.03.2016	31.03.2015
Cash & cash equivalents		
Balances with banks		
– In current accounts	23,094	1,992
Cash on hand	29	23
Money in transit	-	688
In unpaid dividend accounts	80	86
Unclaimed compulsory /optional buy back consideration	181	185
	23,384	2,974
Other bank balance		
In margin money, security for borrowings, guarantees and other commitments	1,120	60
In deposit accounts exceeding three months but less than twelve months	712	20,684
In other accounts	6	354
	1,838	21,098
TOTAL	25,222	24,072

B-19 SHORT TERM LOANS AND ADVANCES:	31.03.2016	31.03.2015
Unsecured, considered good		
Loans and advances (Related Parties)	10,560	6,986
Balance with government authorities	31,905	31,677
Prepaid expenses	4,443	3,549
Advances to trade creditors	21,676	12,824
Advances to employees*	215	401
Insurance claim receivables	6	5
Security deposits	783	783
Other advances recoverable in cash or kind for value to be received	7,831	5,391
TOTAL	77,419	61,616

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

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2016

₹ In Lacs

B-20 OTHER CURRENT ASSETS:		
	31.03.2016	31.03.2015
Interest accrued on deposits	81	587
Interest paid in advance	131	120
Assets held for sale (at lower of cost and net realizable value)	2	13
Current portion of unamortized expenses	4,561	2,567
Other current assets	104	57
TOTAL	4,879	3,344

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

B-21 REVENUE FROM OPERATIONS:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Sale of products		
Paper (including coated)	441,041	334,952
Rayon grade pulp	1,445	253
Others	3,493	3,038
	445,978	338,243
Less:		
Excise duty	23,842	18,868
Sub Total	422,136	319,375
Mega project benefit	3,568	2,621
Export incentive / scrap sale	1,973	1,867
Sub Total	5,541	4,488
TOTAL	427,677	323,863

B-22 OTHER INCOME:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Profit on sale of fixed assets (Net)	2,802	27
Gain on foreign currency fluctuations	267	432
Rent and license fee	109	85
Unspent liabilities and excess provisions of earlier years written back	532	174
Other non operating income (net of expenses directly attributable to such income)	762	808
TOTAL	4,472	1,526

B-23 COST OF MATERIALS CONSUMED:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Bamboo	10,353	8,511
Wood and wood species	56,011	44,627
Chemicals	65,446	52,301
Wood pulp	84,790	58,665
Packing materials	10,611	8,160
Others	317	16
TOTAL	227,528	172,280

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

B-24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Stocks at the beginning of the year/Period		
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 (A)	41,985	37,734
Stocks at the end of the year/Period		
Finished goods		
Paper	22,008	26,422
Pulp	57	397
	22,065	26,819
Work in progress		
Paper	10,170	13,947
Pulp	2	1,219
	10,172	15,166
TOTAL (B)	32,237	41,985
Discontinued Operation	1,317	3,438
Net (Increase)/Decrease in Stocks (A-B)	8,431	(7,689)

B-25 Employee Benefits Expenses:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Salaries and wages	27,889	21,543
Contribution to provident and other funds	1,407	1,122
Staff welfare expenses	1,514	1,255
TOTAL	30,810	23,920

The disclosure required under Accounting Standard 15 "Employee Benefits" specified under section 133 of Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 are given below:

Defined contribution plan*

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

	31.03.2016	31.03.2015
Employer's contribution to provident fund	343	496
Employer's contribution to superannuation fund	32	147
Employer's contribution to pension scheme	398	345

* Includes charged to other accounts

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

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.

₹ In Lacs

DEFINED BENEFIT PLAN: PARTICULARS	2015-16			2014-15		
	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 year	587	4,209	448	393	6,877	909
Transferred in as pursuance to scheme	-	-	-	-	-	-
Current service cost	47	294	55	31	311	93
Past service cost	-	-	-	-	-	-
Interest cost	45	325	34	26	444	56
Acquisitions	(0)	328	137	-	-	-
Actuarial (gain)/loss	(26)	(622)	(184)	155	413	216
Benefit paid	-	1	0	(18)	(882)	(292)
Plan amendments	-	-	-	-	15	-
Transferred out as pursuance to scheme	-	-	-	-	-	-
Defined benefit obligation at year end	653	4,535	491	587	7,178	982
b. Reconciliation of opening and closing balance of fair value of plan assets						
Fair value of plan assets at beginning of the year	206	-	-	178	-	-
Expected return on plan assets	16	-	-	9	-	-
Actuarial gain/ (loss)	0	-	-	2	-	-
Employer contribution	4	617	170	35	882	292
Benefit paid	(26)	(621)	(179)	(18)	(882)	(292)
Fair value of plan assets at year end	199	(4)	(10)	206	-	-
Actual return on plan assets	-	-	-	-	-	-
c. Reconciliation of fair value of assets and obligations						
Fair value of plan assets as Year end	199	-	-	206	-	-
Present value of obligation as at year end	653	4,535	491	587	7,178	982
Amount recognised in balance sheet	454	4,535	491	381	7,718	982
d. Expenses recognized during the year (under the Note "Employee Benefits Expense")						
Current service cost	47	-	-	31	311	92
Interest cost	45	-	-	26	444	56
Expected return on plan assets	(16)	-	-	(9)	-	-
Actuarial (gain)/loss	(27)	(622)	(184)	153	413	216
Net cost	50	(622)	(185)	201	1,168	364
e. Discount rate (per annum)	7.70%	7.70%	7.70%	7.75%	7.75%	7.75%
Expected rate of return on plan assets (per annum)	7.70%	7.70%	7.70%	7.75%	7.75%	7.75%

"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:	YEAR ENDED	PERIOD ENDED
	31.03.2016	31.03.2015
Interest expenses	55,375	26,780
Other borrowing costs	650	504
Net loss / (gain) in foreign currency transaction and translation	6,434	2,416
	62,459	29,700
Less : Interest earned	16,143	2,083
TOTAL	46,316	27,617

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

₹ In Lacs

B-27 DEPRECIATION AND AMORTIZATION:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Depreciation on tangible assets	25,058	18,949
Amortization of intangible assets	1,399	1,351
TOTAL	26,456	20,300

B-28 OTHER EXPENSES:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Consumption of stores and spare parts	6,613	4,904
Power and fuel	48,454	42,734
Excise duty on year end inventory of finished goods	(131)	188
Rent	2,246	1,869
Repairs to buildings	369	240
Repairs to machinery	3,251	1,831
Repairs others	604	407
Insurance	547	1,246
Rates and taxes	524	265
Other manufacturing expenses	1,197	84
Office & other expenses	1,621	6,152
Corporate Social responsibility Expense	290	247
Bank charges	48	181
Commission	2,707	2,026
Selling expenses	(800)	(1,731)
Assets discarded	5	-
Carriage and freight	10,055	8,179
Legal and professional charges (See Note 28.1)	1,380	1,182
Directors sitting fees	114	(16)
TOTAL	79,094	69,988

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

	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
- Statutory audit fees (including cost audit fees)	130	130
- Tax audit fees	22	22
- Other capacity	70	132
- Reimbursement of expenses	5	5
TOTAL	227	289

B-29 EARNINGS PER SHARE:		
	YEAR ENDED 31.03.2016	PERIOD ENDED 31.03.2015
Profit for the year	(16,013)	(2,135)
No. of equity shares outstanding	655,523,839	655,523,839
Earning Per Share		
Basic (In ₹)	(2.44)	(0.33)
Diluted (In ₹)	(2.44)	(0.33)

B-30 CONTINGENT LIABILITIES AND COMMITMENTS:		
	31.03.2016	31.03.2015
(to the extent not provided for)		
1) Contingent Liabilities:		
Claims against the Group not acknowledged as debts	46,508	47,205
Guarantees	7,688	8,497
TOTAL (A)	54,196	55,702
2) Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,710	2,304
TOTAL (B)	1,710	2,304
TOTAL (A+B)	55,906	58,006

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

- 3) Odisha Pollution Control Board issued a notice to Unit Sewa of Bilt Graphic Paper Product Limited for recovery of ₹ 298 Crore for water drawn from Kolab river upto the end of Dec. 2008 for which reply has been filed. Currently the challenge against the constitutional validity of this recovery is still pending before High Court of Odisha.
- 4) In respect of loan availed by its foreign wholly owned subsidiary, Ballarpur International Holding B.V
- The Company has granted to the lender an irrevocable and unconditional right to require it to purchase loan wholly or in part(s), as may be required by lender through exercise of put option given to lender subject to a maximum limit of USD 70 Million.
 - The Company has granted to the lender a corporate guarantee of USD 35.10 Million.
 - The Company has executed an "indemnity and undertaking" for stand by letter of credit facility of USD 30 Million.

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

PARTICULARS	YEAR	PAPER	PAPER AND PAPER PRODUCTS	PULP	OTHERS	TOTAL
Revenues						
Gross Sale to External Customers	2015-16	379,139	49,874	1,445	15,520	445,978
Excise Duty	2015-16	(21,217)	(2,159)	(81)	(385)	(23,842)
Gross Sale to External Customers	2014-15	284,675	39,727	253	13,588	338,243
Excise Duty	2014-15	(16,603)	(1,929)	(15)	(321)	(18,868)
Total Segment Revenues (Net of Excise)	2015-16	357,922	47,715	1,364	15,135	422,136
	2014-15	268,072	37,798	238	13,268	319,375
Revenue from discontinued operation	2015-16	48,688	-	-	-	48,688
	2014-15	65,208	-	-	-	65,208
Segment Results	2015-16	54,689	829	(5,525)	(605)	49,388
	2014-15	40,168	841	(4,604)	(431)	35,974
Less: Unallocated Corporate Expenses (Net of other income)	2015-16					309
	2014-15					301
Profit Before Interest, Tax & Exceptional Items	2015-16					49,079
	2014-15					35,673
Interest & Finance cost (Net of Income)	2015-16					46,316
	2014-15					27,617
Profit Before Tax & Exceptional Items	2015-16					2,763
	2014-15					8,056
Profit/(Loss) from discontinued operation before tax	2015-16					(26,503)
	2014-15					(14,040)
Exceptional Items	2015-16					-
	2014-15					255
Profit Before Tax after Exceptional Items	2015-16					(23,740)
	2014-15					(6,239)
Provision For Tax						
- Current Tax (Net of MAT Credit Entitlement)	2015-16					283
	2014-15					116
Tax expenses of discontinued operation	2015-16					94
	2014-15					137
- Deferred Tax	2015-16					(1,183)
	2014-15					(1,802)
Less: Excess Provision for Taxation relating to earlier Years	2015-16					6
	2014-15					-

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
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₹ In Lacs

PARTICULARS	YEAR	PAPER	PAPER AND PAPER PRODUCTS	PULP	OTHERS	TOTAL
Net Profit	2015-16					(22,941)
	2014-15					(4,690)
Less : Minority interest	2015-16					(6,928)
	2014-15					(2,555)
Net Profit after Minority Interest and Share of Profit in Associates	2015-16					(16,013)
	2014-15					(2,135)
Other Information						
Segmental Assets	2015-16	1,129,708	64,668	54,556	-	1,248,932
	2014-15	1,033,546	58,660	64,735	-	1,156,941
Unallocated Corporate assets	2015-16					29,836
	2014-15					50,337
Total Assets	2015-16					1,278,768
	2014-15					1,207,278
Segmental Liabilities	2015-16	160,816	12,353	4,166	-	177,335
	2014-15	157,721	10,047	3,400	-	171,168
Unallocated Corporate Liabilities	2015-16					9,734
	2014-15					10,750
Total Liabilities	2015-16					187,069
	2014-15					181,918
Capital Expenditure during the period (Including Movements in CWIP & Capital Advances)	2015-16					60,073
	2014-15					25,510
Depreciation	2015-16					25,058
	2014-15					19,654
Amortisation	2015-16					1,399
	2014-15					1,351
Total Liabilities Exclude						
Long Term Borrowings	2015-16					419,114
	2014-15					330,578
Short Term Borrowings	2015-16					205,800
	2014-15					186,119
Current Maturities of Long Term Debts	2015-16					91,894
	2014-15					78,984
Deferred tax liabilities (Net)	2015-16					8,323
	2014-15					9,489
Minority interest	2015-16					98,256
	2014-15					109,482
Net assets/liabilities directly associated with discontinue operations	2015-16					160,107
	2014-15					187,067

II. Secondary Segments (Geographical Segments)

(a) Segmental Revenue

₹ In Lacs

	31.03.2016	31.03.2015
Domestic	382,574	252,378
Overseas	63,405	85,865
TOTAL	445,978	338,243

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

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

₹ in Lacs

	31.03.2016	31.03.2015
Domestic	616,692	604,223
Overseas	208,349	214,896
TOTAL	825,041	819,119

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. R R Vederah
Mr. B. Hariharan

(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
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	31.03.2016	31.03.2015
a)	Sale of goods, rent received & allocation of common expenses for rendering corporate service:		
	- Other Related Party	0	2,857
b)	Purchase of Goods and Services:		
	- Other Related Party	110	37,414
c)	Remuneration (net of recovery) :		
	- Key Management Personnel	777	426
d)	Advances given during the year		
	- Other Related Party	5,863	-
e)	Royalty paid/payable		
	- Other Related Party	65	1,567
f)	Outstanding Balances Loan and Advances		
	- Key Management Personnel	16	16
	- Other Related Party	10,524	6,336

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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 ₹ 6 Lacs (30st March, 2015 ₹ 21 Lacs). As of 31st March, 2016, the future minimum lease payments for non-cancellable operating leases are as below :-

₹ In Lacs

	As on 31st March, 2016	As on 31st March, 2015
Not later than one year from 31st March, 2016	NIL	NIL
Later than one year and not later than five years	NIL	NIL

B-34 The manufacturing activity at Kamapuram Unit of the company has been discontinued since 06th April, 2014 in view of continuing adverse market conditions and continuous losses being incurred. During the year the unit incurred loss of ₹ 55,24,89,453/- (previous year ₹ 46,03,74,912/-). The unit has not paid salaries since June- 2015 due to non generation of revenue at unit level. The company has given representation to the Government of Telangana for certain subsidies on inputs and power for restarting the manufacturing activity. In continuation to the representation given to the Government of Telangana, they have agreed to extend the following incentives for restarting the unit.

- Subsidy of upto ₹ 9.00 crores p.a. on supply of power; and
- Subsidy of upto ₹ 21.00 crores p.a. on supply of pulp wood

The aforesaid subsidies are subject to completion of certain formalities and conditions and shall be available to the company for a period of 7 years. The accounts of the Unit for the year ended 31st March, 2016 have been prepared on the "Going Concern" basis as the unit is confident of restarting the operations in foreseeable future.

B-35 In respect of subscription of USD 110 Mn by Lathe investments Pte Limited (LPTE) and 100 Million by International Finance Corporation (IFC) in the equity shares of its step down subsidiary Bilt Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.), LPTE has anytime after December'14 and IFC has anytime after October'21, a put option expressible 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 In continuation to the binding offer received for disinvestment of entire equity stake of 98.08% in its step down subsidiary, Sabah Forest Industries Sdn. Bhd. (SFI), Malaysia, we wish to further update in continuation to earlier updates, that at the request of M/s Pandawa Sakti (Sabah) Sdn. Bhd., Malaysia (Buyer), the following has been agreed

- The Buyer will pay BPH USD 50.0 Million as an advance by June 2016 and pay the balance to acquire 50% equity of SFI by June 30, 2016.
- The Buyer is in the process of furnishing us a Guarantee for USD 17.5 Million as an additional security by May 31, 2016, in addition to existing Guarantees for USD 32.5 Million (which continues to be valid) making the total Guarantees amount to USD 50.0 Million.

Based on the above and other formalities to be completed by the Buyer for acquisition of 50% equity of SFI, the Long Stop Date (LSD) for sale of SFI equity stake has been extended upto June 30, 2016. Accordingly, the Company has classified SFI Operations discontinued operations.

Statements of profit and loss of the discontinued operations:

PARTICULARS	2015-16	2014-15
Revenue from operations	48,688	65,208
Less: Expenses	75,191	79,248
Profit/ (loss) before tax from a discontinue operations	(26,503)	(14,040)
Tax Income/ (expenses)	94	137
Profit/ (loss) after tax from a discontinue operations	(26,597)	(14,177)

The major classes of assets and liabilities of the discontinued operations are as under:

PARTICULARS	2015-16	2014-15
Assets		
Tangible assets	2,08,276	2,14,716
Capital Work in Progress	76	180
Deferred tax assets (Net)	18,312	18,330
Biological Assets	49,751	46,836
Inventories	16,456	20,234
Short term loans and advances	1,137	2,666
Trade Receivable	1,708	4,229
Cash and Bank Balances	181	203
Other Current assets	-	10
Total (A)	2,95,897	3,07,404

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS

FOR THE FINANCIAL
YEAR ENDED MARCH 31, 2016

PARTICULARS	2015-16	2014-15
Liabilities		
Long term borrowings	29,125	53,060
Short term borrowings	10,161	12,423
Trade Payables	28,253	26,115
Other Current Liabilities	68,251	28,739
Total (B)	1,35,790	1,20,337
Net assets/liabilities directly associated with discontinue operations (A-B)	1,60,107	1,87,067
Net cash flows attributable to the operating, investing and financing activities of discontinued operations:		
CASH FLOWS FROM	2015-16	2014-15
Operating activities	36332	10578
Investing activities	(9889)	(22171)
Financing activities	(25185)	992

B-38 Previous 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-39 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report attached

ASHWIN MANKESHWAR

Partner

Membership No. 046219

For and on behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

New Delhi, dated the

30th May, 2016

For Ballarpur Industries Limited

R. R. VEDERAH

Vice Chairman

B. HARIHARAN

Group Director (Finance)

AKHIL MAHAJAN

Company Secretary

ADDRESS FOR CORRESPONDENCE

THE COMPANY SECRETARY

Ballarpur Industries Limited,
First India Place, Tower C,
Block A, Sushant Lok I,
Mehrauli Gurgaon Road,
Gurgaon 122002

Tel +91 124 2804242 / 23
Fax +91 124 2804261
Email sectdiv@bilt.com
Website www.bilt.com