

## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of BILT Graphic Paper Products Limited**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of M/s BILT Graphic Paper Products Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2015, the Statement of Profit and Loss and the Cash Flow Statement for the nine months period then ended, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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.

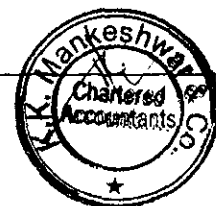
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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.

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#### **OFFICES AT :**

- 243, " SHRIKA RESIDENCY " CANAL ROAD, DHARAMPETH, NAGPUR - 440 010.
- BLOCK - E, NEW R.D.A. BUILDING, BOMBAY MARKET, G.E. ROAD, RAIPUR - 492001
- A-425, SARITA VIHAR, NEW DELHI - 110076.
- 29, KALIANDAS UDYOG BHAWAN, CENTURY BAZAR LANE, PRABHADEVI, MUMBAI - 400025.
- 9, SURYA TOWERS, 3rd FLOOR, NEAR MHATRE BRIDGE, ERANDWANA, PUNE - 411004.



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

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

## **Opinion**

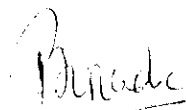
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,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

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. 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-20 to the financial statements;
  - ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note B-6 and B-10 to the financial statements;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.



**ABHAY UPADHYE**

*Partner*

Membership No. 049354

For and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN- 106009W

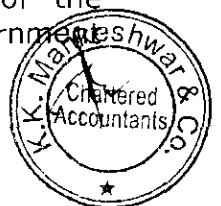


New Delhi, dated the  
26<sup>th</sup> May, 2015

## ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the nine months period ended March 31, 2015, 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 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.
2. a) The inventories were physically verified during the nine months period by the Management at reasonable intervals. Materials lying with third parties have substantially been physically verified or confirmed by the third parties. In our opinion, the frequency of verification is reasonable.  
b) The procedure of physical verification of inventories followed by the Management is reasonable and adequate in relation to the size of the Company and the nature of its business.  
c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. The Company has not granted any loan, secured or unsecured, to Companies, firms or other parties covered in the registers maintained in pursuance of Section 189 of the Companies Act. Accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
4. There are adequate internal control systems commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods, except having regard to the explanation that certain items purchased/ services availed are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations. During the course of our audit, no major weakness has been noticed in the internal control system.
5. The Company has not accepted any deposits from the public.
6. We have broadly reviewed the books of account and records maintained by the Company relating to the products of the Company pursuant to the Rules made by the Central Government.



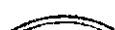
for the maintenance of cost records under Sub-section (1) of Section 148 of the Companies Act and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable to it were outstanding, as at 31st March 2015 for a period of more than six months from the date they became payable.

- b) The particulars of dues of sales tax, excise duty, income tax, custom duty, service tax, entry tax, water tax and cess as on 31<sup>st</sup> March, 2015 which have not been deposited on account of disputes have been stated in Annexure B.

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

8. The Company does not have any accumulated losses as on 31st March, 2015 and it has not incurred any cash losses in the nine months period ended on that date or in the immediately preceding financial year.
9. The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
10. In our opinion and according to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
11. On an overall basis, the term loans taken and/ or utilized during the nine months period have been applied for the purpose for which they were obtained, other than temporary deployment of such funds.
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12. In accordance with the generally accepted auditing practices in India, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the nine months period, nor have we been informed of such case by the Management.



*Abhay Upadhye*  
**ABHAY UPADHYE**

*Partner*

Membership No. 049354

For and on behalf of

**K.K.MANKESHWAR & CO.,**

*Chartered Accountants*

FRN- 106009W

New Delhi, dated the  
26<sup>th</sup> May, 2015

**Annexure 'B' to Para 7 (b) of Annexure -'A' of our report of even date**

<b>Name of the Statute</b>	<b>Nature of Dues</b>	<b>Amount (Rs. in lakhs)</b>	<b>Period Involved</b>	<b>Forum Where the dispute is pending</b>
Central Excise Laws	Excise Duty	74.85	2003-04	CESTAT Mumbai
Central Excise Laws	Excise Duty	102.43	2008-09	Commissioner (Appeals), Central Excise, Nagpur
Central Excise Laws	Excise Duty	1.12	2009-10	Commissioner (Appeals), Central Excise, Chandrapur
Central Excise Laws	Service Tax	28.25	2003-04	Mumbai High Court, Bench at Nagpur
Central Excise Laws	Interest on delayed payment of service tax	1.76	2004-05	CESTAT, Mumbai
Sales Tax Law	BST	4.43	2007-08	Joint Commissioner of Sales Tax, Nagpur
Sales Tax Law	CST	95.77	2007-08	Joint Commissioner of Sales Tax, Nagpur
Sales Tax Law	Sales Tax	65.11	2005-06	High Court Mumbai
Customs Laws	Customs	96.31	2006-07	CESTAT
Customs Laws	Customs	429.81	2014-15	CESTAT
Customs Laws	Customs	166.82	2013-14	CESTAT
Customs Laws	Customs	36.22	2013-14	Commissioner of customs(Appeal)
Central Excise Law	Cenvat on input Service	2.26	2006-07	Commissioner of central excise, Pune
Central Excise Laws	Excise Duty	630.61	1984 to 1986, 1991 to 1994, 1999 to 2001, 2005 to 2009	Assessing Authority
Central Excise Laws	Excise Duty	824.95	1984 to 1986, 1995 to 1996, 2000 to 2003,2005 to 2006, 2005 to 2009,2006 to 2007, 2006 to 2013.	Appellate Authority
Central Excise Laws	Excise Duty	523.71	1990 to 1991, 1999 to 2000.	High Court
Central Excise Laws	Excise Duty	7.28	1988 to 1989	Supreme Court
Sales Tax Law	Value Added Tax	635.99	2005 to 2006, 2007 to 2008	Assessing Authority
Custom Laws	Custom duty	6.78	1983 to 1984	Hon'ble High Court of Orissa

Name of the Statute	Nature of Dues	Amount (Rs. in lakhs)	Period Involved	Forum Where the dispute is pending
Central Excise Laws	Excise duty	622.27	1999 to 2015	Joint Commissioner to Central Excise & Gold (Appellate) Tribunal (CEGAT)
Central Excise Laws	Service Tax	62.32	1997 to 1998, 2005 to 2007	Commissioner of Central Excise & Custom.
Sales Tax Law	Sales tax	266.40	1985 to 1987, 1995 to 2007	Assistant Commissioner to Appellate Tribunal.
Income Tax Act,1961	Tax deducted at source	39.41	2007 to 2014	Income Tax Officer
Orissa Entry Tax Act,1999	Entry tax	601.61	1999 to 2009	Sale Tax Appellate Tribunal
Orissa Irrigation Act,(Amendment 1993)	Water tax	591.47	1994 to 2014	Hon'ble High Court of Orissa
Water Prevention & Control of Pollution) Cess (Amendment Act,2003)	Water Cess	84.11	2004 to 2014	State Pollution Control Board Orissa
<b>Total</b>		<b>6,002.05</b>		





	NOTE NO.	31.03.2015	30.06.2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	B-1	55,005	55,005
Reserves and Surplus	B-2	89,914	91,359
		<u>144,919</u>	<u>146,364</u>
<b>NDN - CURRENT LIABILITIES</b>			
Long term borrowings	B-3	242,650	244,751
Deferred tax liabilities (Net)	B-4	21,881	21,700
Other long term liabilities	B-5	4,732	4,850
Long term provisions	B-6	4,120	3,518
		<u>273,383</u>	<u>274,819</u>
<b>CURRENT LIABILITIES</b>			
Short term borrowings	B-7	90,968	101,405
Trade payables	B-8	103,406	88,183
Other current liabilities	B-9	71,376	66,765
Short term provisions	B-10	2,756	2,962
		<u>268,506</u>	<u>259,315</u>
<b>TOTAL</b>		<b>686,808</b>	<b>680,498</b>
<b>ASSETS</b>			
<b>NDN - CURRENT ASSETS</b>			
<b>FIXED ASSETS</b>			
Tangible assets	B-11	449,384	461,425
Intangible assets	B-11	2,167	2,231
Capital work in progress		7,340	5,317
Intangible assets under development		192	-
		<u>459,083</u>	<u>468,973</u>
Non - current investments	B-12	3,305	3,305
Long term loans and advances	B-13	34,714	31,040
Other non current assets	B-14	17	11
		<u>38,036</u>	<u>34,356</u>
<b>CURRENT ASSETS</b>			
Inventories	B-15	91,649	85,500
Trade receivables	B-16	24,980	20,682
Cash and bank balances	B-17	20,534	21,339
Short term loans and advances	B-18	51,898	49,577
Other current assets	B-19	628	71
		<u>189,689</u>	<u>177,169</u>
<b>TOTAL</b>		<b>686,808</b>	<b>680,498</b>

Significant Accounting Policies  
Notes to Financial Statements

"A"

"B"

As per our report attached

ABHAY UPADHYE

Partner

Membership No. 049354

For and on behalf of

K.K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W



New Delhi, dated the  
26th May 2015

For BILT Graphic Paper Products Limited

B. Hariharan

Director

Yogesh Agarwal

Director

Deepak Bansal

Company Secretary

*(Handwritten signatures of B. Hariharan, Yogesh Agarwal, and Deepak Bansal)*

	NOTE NO.	31.03.2015	30.06.2014
<b>REVENUE</b>			
Sales		287,966	387,471
Less:- Excise Duty		16,210	22,521
Net sales		<u>271,756</u>	<u>364,950</u>
Dther operating revenue		4,013	5,709
Revenue from operations	B-21	<u>275,769</u>	<u>370,659</u>
Dther Income	B-22	2,600	1,126
<b>TOTAL</b>		<b>278,369</b>	<b>371,785</b>
<b>EXPENSES</b>			
Cost of materials consumed	B-23	158,167	214,579
Purchases of stock in trade		5,915	292
Changes in inventories of finished goods, work in progress and stock in trade	B-24	(7,854)	(8,740)
Employee benefits expenses	B-25	17,250	18,369
Finance cost	B-26	29,013	33,415
Depreciation and amortizations expenses	B-11	15,708	22,607
Other expenses	B-27	55,758	78,490
<b>TOTAL</b>		<b>273,957</b>	<b>359,012</b>
Exceptional Items	B-35	255	-
<b>Profit before tax</b>		<b>4,157</b>	<b>12,773</b>
<b>Tax expense:</b>			
Current tax/MAT (Including Wealth Tax)		872	2,677
MAT Credit Entitlement available for set off in subsequent years		(770)	(2,362)
Deferred tax		181	1,122
		<u>283</u>	<u>1,437</u>
<b>Profit/(Loss) after tax for the year</b>		<b>3,874</b>	<b>11,336</b>
Earning per equity share:	B-28		
(1) Basic (In ₹)		0.70	2.06
(2) Diluted (In ₹)		0.81	1.96

Significant Accounting Policies

"A"

Notes to Financial Statements

"B"

As per our report attached

ABHAY UPADHYE

Partner

Membership No. 049354

For and on behalf of

K.K. MANKESHWAR &amp; CO.

Chartered Accountants

FRN: 106009W



New Delhi, dated the

26th May 2015

For BILT Graphic Paper Products Limited

B. Hariharan

Director

Yogesh Agarwal

Director


Deepak Bansal

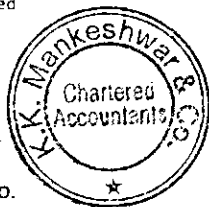
Company Secretary

**BILT Graphic Paper Products Limited**  
**Cash Flow Statement For The Nine Month Ended March 31, 2015**

	31.03.2015	30.06.2014
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before exceptional items, tax, and appropriations	4,157	12,773
Adjustments for:		
(Profit) / Loss on sale of Assets (net)	(27)	(25)
Unspent Liabilities and Excess Provisions of earlier years written back	(161)	(7)
Depreciation & amortisation expenses	15,708	22,607
Assets discarded	-	13
Finance costs (net)	29,013	33,415
	<u>44,533</u>	<u>56,003</u>
<b>Operating Profit before Working Capital Changes</b>	<u>48,690</u>	<u>68,776</u>
<b>Adjustment for Working Capital Changes :</b>		
(Increase)/decrease in trade receivable	(4,298)	(2,406)
(Increase)/decrease in loans, advances and other current assets	(4,430)	9,542
(Increase)/decrease in inventory	(6,149)	(18,335)
Increase/(decrease) in Trade payable, other liabilities and provisions	15,887	19,412
	<u>1,010</u>	<u>8,213</u>
<b>Cash generated from operations</b>	49,701	76,989
Direct tax (net)	(2,238)	(4,821)
<b>Net cash flow inflow from operating activities(A)</b>	<u>47,463</u>	<u>72,168</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase in fixed assets, capital work-in-progress and capital advances	(7,338)	(45,380)
Proceed from Sale of fixed assets(net)	29	113
Interest received	598	309
(Increase)/decrease in other bank balances	(6,390)	(12,336)
	<u>(13,101)</u>	<u>(57,294)</u>
<b>Net cash flow from investing activities(B)</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(decrease) in long-term borrowings and other borrowings	(5,616)	29,329
Interest paid (Net)	(31,315)	(33,012)
Dividend paid(including dividend tax)	(4,620)	(4,183)
<b>Net cash flow from financing activities(C)</b>	<u>(41,551)</u>	<u>(7,866)</u>
	<u>(7,189)</u>	<u>7,008</u>
<b>Net increase/(decrease) in cash and cash equivalents(A+B+C)</b>		
<b>Cash and cash equivalents (opening balance)</b>	7,688	680
<b>Cash and cash equivalents (closing balance)</b>	<u>499</u>	<u>7,688</u>
Significant Accounting Policies	"A"	
Notes to Financial Statements	"B"	

As per our report attached

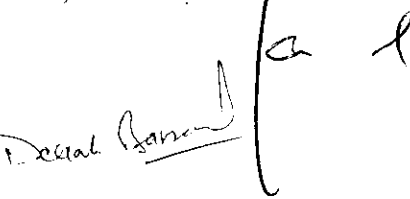
  
**ABHAY UPADHYE**  
 Partner  
 Membership No. 049354  
 For and on behalf of  
**K.K. MANKESHWAR & CO.**  
 Chartered Accountants  
 FRN: 106009W

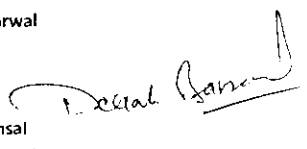


New Delhi, dated the  
 26th May 2015

For BILT Graphic Paper Products Limited

  
**B. Hariharan**  
 Director

  
**Yogesh Agarwal**  
 Director

  
**Deepak Bansal**  
 Company Secretary

**Company Overview**

The Company operates in the business of manufacturing and selling of Paper, Pulp and Paper Products and its manufacturing operations are spread over four units namely Ballarpur (Maharashtra), Bhigwan (Maharashtra), Ashti (Maharashtra) and Sewa (Orissa).

**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. The differences between the actual results and estimates are recognised in the period in which the results are known/materialise.

**3. CASH FLOW STATEMENT**

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

**4. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise cash and demand 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 ASSETS**

- 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 straight line method 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 Straight Line Method over the useful life of the assets based on internal assessment and independent technical evaluation carried out by external valuers. 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	Factory Building	2-60
2	Office Building	2-60
3	Equipments	1-15
4	Furniture & Fixtures	1-10
5	Plant & Machinery	1-40
6	Vehicles	1-10
7	Computers & Peripherals	1-6



## 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.

### (a) Research and development cost:

#### 1. Research Cost:

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

#### 2. Development Cost:

Development expenditure on new product is capitalized as intangible assets, if all of the following can be demonstrated.

- (I) the technical feasibility of completing the intangible asset so that it will be available for the use or sale;
- (II) the Company has intention to complete the development of intangible asset and use or sell it;
- (III) the company has ability to use or sell the intangible asset;
- (IV) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;
- (V) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (VI) the company has ability to measure the expenditure attributable to the intangible asset during the development reliably.

Development cost on the intangible asset, fulfilling the criteria are amortised over a period of five years, otherwise are expensed in the period in which they are incurred.

## 8. INVENTORY VALUATION

Raw Materials, Stores, Spare Parts, Chemicals etc., are valued at cost, computed on weighted average basis. 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

Investments are classified into current and Non Current investments. Current investments are stated at lower of cost and fair value. Non Current investments are stated at cost less any provision for diminution in value other than temporary in nature.

## 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 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

### (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) INCDME FRDM 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.

## 12. EMPLOYEE BENEFITS

Short term employee benefits are recognised as an expense in the year in which the related services are rendered.

Post employment and other long term employee benefits recognised as an expense 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. BDRROWING 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. 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.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

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.

## 15. IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged for when an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

## 16. PROVISION AND CONTINGENCIES

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources.

Contingent liabilities are not recognised but are disclosed in the Notes 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.

Contingent assets are neither recognised nor disclosed in the financial statements.

## 17. EARNING PER SHARE

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.



## B-1 SHARE CAPITAL:

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Authorised Share Capital</b>		
85,01,00,000 equity shares of ₹ 10/- each (Previous Year 85,01,00,000)	85,010	85,010
	<u>85,010</u>	<u>85,010</u>
<b>Issued, Subscribed and Paid-Up Share Capital</b>		
55,00,50,000 (Previous Year 55,00,50,000) equity shares of ₹ 10/- each	55,005	55,005
	<u>55,005</u>	<u>55,005</u>

## 1.1 Reconciliation of number of shares

EQUITY SHARES:	As on March 31, 2015		As on Jun 30, 2014	
	No. of shares	Amount(Rs. In Lacs)	No. of shares	Amount(Rs. In Lacs)
Balance as at the beginning of the year	550,050,000	55,005	550,050,000	55,005
Balance as at the end of the year	550,050,000	55,005	550,050,000	55,005

## 1.2 Rights, preferences and restrictions attached to shares:

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

## 1.3 Shares held by holding company and Ultimate holding company:

	31.03.2015	30.06.2014
55,00,00,000 Shares (June 30, 2014 : 55,00,00,000 Shares) held by Ballarpur Paper Holdings B.V., the Holding Company	55,000	55,000
50,000 Shares (June 30, 2014 : 50,000 Shares) held by Ballarpur Industries Limited, Ultimate Holding Company and its nominee	5	5

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

NAME OF SHAREHOLDER	As on 31.03.2015		As on 30.06.2014	
	No. of shares	Holding (%)	No. of shares	Holding (%)
55,00,00,000 Shares (June 30, 2014 : 55,00,00,000 Shares) held by Ballarpur paper holding B.V., the Holding Company	55,00,00,000	99.99	55,00,00,000	99.99

## 1.5 Shares reserved for issue under options :-

Equity Shares at two times of par value (refer note 1.6 below)	150,000,000	150,000,000
--	-------------	-------------

## 1.6 Terms of securities convertible into equity shares :-

3,00,00,000 Nos. Compulsorily Convertible Debentures (CCD) of ₹ 100/- each will be converted in equity shares of an amount equal to two times the par value i.e ₹ 20 per Share of the relevant conversion shares and/or the minimum price that can be paid for the conversion shares in accordance with applicable Law on or before June 15, 2020, whichever is higher.



**B-2 RESERVE AND SURPLUS**

₹ In Lacs

	31.03.2015	30.06.2014
<b>Capital Reserve</b>		
As per the last financial statement	939	939
	<u>939</u>	<u>939</u>
<b>Share Premium reserve</b>		
As per the last financial statement	9,191	9,191
	<u>9,191</u>	<u>9,191</u>
<b>Debenture Redemption Reserve</b>		
As per the last financial statement	14,625	16,750
Less: Transferred to balance in Statement of Profit and Loss	1,875	2,125
	<u>12,750</u>	<u>14,625</u>
<b>Balance in Statement of Profit and Loss</b>		
As per the last financial statement	66,604	57,326
Add:		
Net Profit for the year	3,874	11,336
Transfer from Debenture Redemption Reserve	1,875	2,125
Less:		
Adjustment for Depreciation in accordance with schedule II of the Companies Act,2013	699	-
Dividend on 55,00,50,000 equity shares @ 6.5%	3,850	3,575
Tax on distributed profits	770	608
	<u>67,034</u>	<u>66,604</u>
<b>Total</b>	<b>89,914</b>	<b>91,359</b>



**B-3 LONG TERM BORROWINGS:**

₹ In Lacs

	31.03.2015	30.06.2014
<b>1. Secured Loans:</b>		
Non Convertible Debentures	37,000	51,000
External commercial borrowings	23,385	27,021
Term Loans :		
Financial Institutions	40,989	43,160
Banks	49,374	32,525
Vehicle Loan	-	1
<b>Total (A)</b>	<b>150,748</b>	<b>153,707</b>
<b>2. Unsecured Loans:</b>		
Compulsorily convertible debentures	30,000	30,000
Deferred payment liabilities	4,858	4,000
External Commercial Borrowings	57,044	57,044
<b>Total (B)</b>	<b>91,902</b>	<b>91,044</b>
<b>Total long term borrowings (A+B)</b>	<b>242,650</b>	<b>244,751</b>

**Secured Loan:-****3.1 NON-CONVERTIBLE DEBENTURES**

The Company had issued 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. The debenture is secured by first pari-passu charge on fixed assets of the company both present and future except for NCD of ₹ 25,000 Lacs allotted on 29th September 2010 which is secured by Pari-Passu first charge on Movable fixed assets of the company, both present and future. NCD are repayable in installments starting from September 2012 to September 2017. Maturity profile and rate of interest of Non Convertible Debentures are as set out below :

₹ In Lacs

Rate of Interest	Current Maturity Profile		Non-Current Maturity Profile	
	2015-16	2016-17	2016-17	2017-18
9.50%	5,000	-	-	-
9.55%	4,000	-	-	-
9.65%	5,000	12500	-	-
9.75%	-	7500	7500	5000
9.90%	-	6000	6000	6000



### 3.2 EXTERNAL COMMERCIAL BORROWINGS

- (a) Loan from Consortium led by RABO bank has been refinanced by USD 78.48 Million loan from consortium led by RABO Bank at LIBOR plus 1.75% repayable by 31 May 2015 secured by way of hypothecation over the Secured Movable Fixed Assets of the company .

₹ In Lacs

Current Maturity Profile	
	2015-16
External Commercial Borrowings	15,372

- (b) The Company has obtained a ECB loan from RABO Bank for USD 25 Million at LIBOR plus margin of 3.3%.The loan is repayable by nine equal semi annual instalments 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 the Company.
- (c) The Company has obtained a ECB loan from DBS Bank Limited for USD 20 Million at 3 Month Libor plus margin 2.7%. The loan is repayable in eight ballooning 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 the Company.

### 3.3 TERM LOANS FROM BANKS & FINANCIAL INSTITUTIONS

- (a) The Company has obtained a Term Loan from IDFC Limited of ₹ 25,000 Lacs. The loan 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 The Company.
- (b) The Company has obtained a Term loan from GE Money Financial Services Private Limited of ₹ 15,000 Lacs is repayable in 22 equal quarterly instalments 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 the company.
- (c) The Company has obtained a Term loan from State Bank of India of ₹ 30,000 Lacs. The loan is repayable in quarterly 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 the Company.
- (d) The loan of ₹ 12,692.94 Lacs has been transferred to the company 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 the Company.
- (e) The Loan of ₹ 8,851 Lacs has been transferred to the company from Avantha Power & Infrastructure Limited, the loan is availed from Axis Bank Limited, the repayment of the loan is already started and the loan is divided into three parts, the final repayment of Loan 1 and Loan 2 is 1st July 2020 and Loan 3 is 03rd September 2020. The loan is secured by way of first pari passu charge over all Moveable Fixed Assets of the Company.
- (f) The Company has obtained a Term loan from GE Money Financial Services Private Limited of ₹ 5,000 Lacs is repayable in 22 equal quarterly instalments starting from August 14, 2015 to November 13, 2020. The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.
- (g) The Company has obtained a Term loan from Axis Bank Limited of ₹ 20,000 Lacs. The loan is repayable in 20 equal quarterly instalments starting from December 31, 2016 to September 30, 2021. The Loan is secured by way of a first pari-passu charge over all moveable fixed assets of the company.

### 3.4 VEHICLE LOANS

Vehicle Loan is being taken from HDFC Bank. The said loan was secured by hypothecation of vehicle. The said loan is to be repaid within a period of 60 month at EMI of ₹ 24,445/-.

### Unsecured Loan:-

### 3.5 COMPULSORILY CONVERTIBLE DEBENTURES

3,00,00,000 Nos. Compulsorily Convertible Debentures (CCD) at interest rate of 10% per annum, held Ballarpur Paper Holdings B.V., of ₹ 100/- each will be converted in equity shares of an amount equal to two times the par value of the relevant conversion shares and/or the minimum price that can be paid for the conversion shares in accordance with applicable Law on or before June 15, 2020.

### 3.6 EXTERNAL COMMERCIAL BORROWINGS

The Company obtained a loan from Ballarpur Paper Holdings B.V. of USD 95,000,000 at interest rate of 7.679 % per annum. The loan is repayable in full on the date falling 10 years after and including the first Utilization Date i. e. 12 August 2011.

### 3.7 DEFERRED PAYMENT LIABILITIES

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



**B-4 DEFERRED TAX LIABILITIES (NET)**

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Deferred Tax Liability :</b>		
Higher depreciation claimed under tax laws (net off unabsorbed depreciation & c/f losses)	28,707	27,398
<b>Total</b>	<b>28,707</b>	<b>27,398</b>
<b>Deferred Tax Asset :</b>		
Disallowance under Income Tax Act 1961	6,826	5,698
<b>TOTAL</b>	<b>6,826</b>	<b>5,698</b>
<b>Net Deferred Tax Liability</b>	<b>21,881</b>	<b>21,700</b>

**B-5 OTHER LONG TERM LIABILITIES:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Security Deposit	4,732	4,850
<b>TOTAL</b>	<b>4,732</b>	<b>4,850</b>

**B-6 LONG TERM PROVISIONS:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Provisions for employee benefits		
Provision for gratuity	3,767	3,230
Provision for leave encashment	353	288
<b>TOTAL</b>	<b>4,120</b>	<b>3,518</b>

**B-7 SHORT TERM BORROWINGS:**

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Unsecured Loans:</b>		
Working Capital Loan	90,968	101,405
<b>TOTAL</b>	<b>90,968</b>	<b>101,405</b>

**B-8 TRADE PAYABLES:**

₹ In Lacs

	31.03.2015	30.06.2014
To micro,small and medium enterprises(Refer Note 8.1)	210	212
Payable to Related Parties	154	147
Trade Payable-Others	103,042	87,824
<b>TOTAL</b>	<b>103,406</b>	<b>88,183</b>

Note 8.1: Dues to Micro and Small Enterprises Under Micro Small and Medium Enterprises Development Act , 2006 (MSMED ACT) have been determined to the extent such parties have been identified on the basis of information collected by the management are as under:

₹ In Lacs

Particular	31.03.2015	30.06.2014
Principal amount due and remaining unpaid	79	33
Interest due on above and the unpaid interest	1	2
Interest paid on all delayed payments under the MSMED Act	-	-
Payment made beyond the appointed day during the year	1	-
Interest due and payable for the period of delay other than above	1	1
Interest accrued and remaining unpaid	1	1
Amount of further interest remaining due and payable in succeeding years	-	-

**B-9 OTHER CURRENT LIABILITIES:**

₹ In Lacs

	31.03.2015	30.06.2014
Current maturities of long term debt	46,930	39,271
Current maturities of finance lease obligations	-	2
Interest accrued but not due on deposits	163	60
Interest accrued but not due on borrowings	1,861	1,986
Interest accrued but not due on borrowings ( Related Party)	635	1,776
Security deposits	1,028	934
Advance received from customers	7,407	9,154
Payables for capital goods	3,091	3,876
Bank book overdrawn	4,714	3,619
Statutory dues	3,363	3,022
Payable to employee	2,114	3,007
Other payables	70	58
<b>TOTAL</b>	<b>71,376</b>	<b>66,765</b>



**B-10 SHORT TERM PROVISIONS:**

	31.03.2015	30.06.2014
₹ In Lacs		
<b>Provisions for employee benefits :</b>		
- Provision for gratuity	768	727
- Provision for leave encashment	81	54
Provision for taxation including MAT	-	589
Others provisions (Net of payment) (Refer Note 10.1)	1,907	1,592
<b>TOTAL</b>	<b>2,756</b>	<b>2,962</b>

10.1) The company is carrying provision for obligation as on balance sheet date, which may result in outflow of resources. The following is the disclosure of such provisions covered under accounting standard 29-Provisions, Contingent Liabilities and Contingent Asset issued by Institute of Chartered Accountants of India.

	AS AT 1ST JULY 2014	PROVISION DURING THE YEAR	PROVISION UTILISED/ REVERSED DURING THE YEAR	AS AT 31ST MARCH, 2015
Anti-dumping duty *	27			27
Water cess	1,565	415	100	1,880

\* Represent provision against anti-dumping duty, case for which appeal has been filed before CESTAT

PARTICULARS	GROSS BLOCK (AT COST)			DEPRECIATION				NET BLOCK		
	AS ON 01.07.14	ADDITIONS FOR THE PERIOD	DELETIONS DURING THE PERIOD	AS ON 30.03.15	AS ON 01.07.14	ADDITIONS FOR THE PERIOD	DELETIONS DURING THE PERIOD	ADJUSTMENT ON ACCOUNT OF SCHEDULE II	AS ON 30.03.15	AS ON 30.06.14
<b>A. Tangible Assets</b>										
Free Hold Land	3,148	-	-	3,148	-	-	-	-	3,148	3,148
Lease Hold Land	2,650	-	-	2,650	85	10	-	-	2,565	2,565
Buildings	67,530	332	-	67,862	4,397	1,823	-	605	61,037	63,133
Plant & Equipments	482,042	3,547	3	485,586	90,554	13,343	1	0	381,690	391,488
Furniture & Fixtures	356	17	0	373	139	37	0	0	197	217
Vehicles	854	50	-	904	329	66	-	-	509	525
Office equipment	364	47	0	411	73	33	0	71	234	291
Computer	174	10	-	184	116	31	-	23	14	58
Railway Sidings, Trolley Lines, Tramway and Tipping Tubs	557,118	4,003	3	561,118	95,693	15,343	1	699	449,384	461,425
<b>B. Intangible assets</b>										
Computer Software	1,458	-	-	1,458	113	198	-	0	1,147	1,345
Product Development	1,109	301	-	1,410	223	167	-	-	1,020	886
	2,567	301	-	2,868	336	365	-	0	2,167	2,231
<b>TOTAL</b>	559,685	4,304	3	563,986	96,029	15,708	1	699	451,551	463,656
<b>Previous Year</b>	401,321	158,579	215	559,685	73,549	22,607	127	-	463,656	96,029

1. During the year additions includes Capitalisation of Exchange loss amounting to ₹ 131 Lacs (Previous Year ₹ 1593 Lacs)

2. The Lease agreement in respect of 5.04 Acres of land in possession of the company is yet to be executed in favour of the company.

3. '0' represent amount below ₹ 50,000/-



## B-12 NON CURRENT INVESTMENTS:

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Unquoted, Non-trade investments:</b>		
<b>Associate Companies:</b>		
<b>Avantha Power &amp; Infrastructure Limited</b>		
3,12,26,754 (Jun 30, 2014: 3,12,26,754) Fully paid Equity shares of ₹ 10/- each	3,305	3,305
<b>Government Securities</b>		
6 Year National certificate(Refer Note 12.1)	0	0
(Face value ₹ 5,000 (previous Year ₹ 5,000))		
<b>Total</b>	<b>3,305</b>	<b>3,305</b>
<b>Additional Information:</b>		
Aggregate value of unquoted investments:		
Cost	3,305	3,305
<b>NOTE:</b>		
12.1 (D) represent amount below ₹ 50,000/-		

## B-13 LONG TERM LOANS AND ADVANCES:

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Secured, considered good</b>		
Capital Advance	-	7
<b>Unsecured, considered good</b>		
Security Deposits	1,163	1,150
Vat Credit Entitlement	17,676	16,906
Capital advances	356	315
Prepaid Expenses	2,405	1,766
Balance with Govt Authorities	12,337	10,896
Advance tax, Tax Deducted at Source (Net of provisions for tax)	111	
<b>Total</b>	<b>34,714</b>	<b>31,040</b>



**B-14 OTHER NON CURRENT ASSETS:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Long term deposits with banks with maturity period more than 12 months	17	11
<b>Total</b>	<b>17</b>	<b>11</b>

**B-15 INVENTORIES:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Raw materials (See Note 15.1)	38,993	40,984
Work in progress	11,764	8,824
Finished goods	17,852	12,938
Stores and spares (See Note 15.2)	13,991	14,682
Block Stores	193	196
Chemicals (See Note 15.3)	6,463	5,903
Packing material (See Note 15.4)	2,393	1,973
<b>Total</b>	<b>91,649</b>	<b>85,500</b>

**Note:-**

Note 15.1) Includes raw material-in-transit of ₹ 8860 Lacs (Previous Year ₹ 7969 Lacs)

Note 15.2) Includes stores & spares-in-transit of ₹ 1753 Lacs (Previous Year ₹ 2459 Lacs)

Note 15.3) Includes Chemicals-in-transit of ₹ 939 Lacs (Previous Year ₹ 871 Lacs)

Note 15.4) Includes packing material-in-transit of ₹ 40 Lacs (Previous Year ₹ 184 Lacs)



**B-16 TRADE RECEIVABLES:**

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Trade receivables -exceeding six months from the date they are due for payment</b>		
Secured, considered good	1,008	22
Unsecured, considered good	1,402	537
<b>Trade receivables -others</b>		
Secured, considered good	3,723	2,672
Unsecured, considered good	18,821	16,214
Unsecured, considered good ( Related parties)	26	1,237
<b>Total</b>	<b>24,980</b>	<b>20,682</b>

**B-17 CASH AND BANK BALANCE :**

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Cash &amp; cash equivalents</b>		
Balances with banks		
- In current accounts	487	7,672
Cash on hand	12	16
	<b>499</b>	<b>7,688</b>
<b>Other bank balance</b>		
In margin money, security for borrowings, guarantees and other commitments	1	1
In deposit accounts exceeding three months but less than twelve months	20,034	13,650
	<b>20,035</b>	<b>13,651</b>
<b>TOTAL</b>	<b>20,534</b>	<b>21,339</b>



**B-18 SHORT TERM LOANS AND ADVANCES:**

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Unsecured, considered good</b>		
Advances recoverable in cash or kind for value to be received	2,260	2,234
Loans and advances (Related Parties)	9,402	7,699
Balance with government authorities	30,629	27,040
Prepaid expenses	1,632	814
Advances to Suppliers	7,921	11,728
Advances to employees	49	62
Insurance claim receivables	5	-
<b>TOTAL</b>	<b>51,898</b>	<b>49,577</b>

**B-19 OTHER CURRENT ASSETS:**

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Unsecured, Considered Good</b>		
Interest accrued on deposits	566	25
Assets held for sale (at lower of cost and net realizable value )	2	2
Export incentive under duty draw back recoverable	23	-
Other current assets	37	44
<b>TOTAL</b>	<b>628</b>	<b>71</b>

**B-20 CONTINGENT LIABILITIES AND COMMITMENTS:**

	In Lacs	
	31.03.2015	30.06.2014
(to the extent not provided for)		
<b>1) Contingent Liabilities:</b>		
Claims against the Company not acknowledged as debts	24,533	23,559
Guarantees	6,665	5,989
<b>TOTAL (A)</b>	<b>31,198</b>	<b>29,548</b>
<b>2) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	1,794	2,360
<b>TOTAL (B)</b>	<b>1,794</b>	<b>2,360</b>
<b>TOTAL (A+B)</b>	<b>32,992</b>	<b>31,908</b>

**B-21 REVENUE FROM OPERATIONS:**

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>Sale of products</b>		
Paper (including coated )	287,236	386,408
Caustic soda, chlorine etc.	-	6
Others	730	1,057
	<b>287,966</b>	<b>387,471</b>
<b>Less:</b>		
Excise duty	16,210	22,521
<b>Sub Total</b>	<b>271,756</b>	<b>364,950</b>
<b>Other operating Revenue</b>		
Export incentive	460	1,043
Scraps sale	932	1,037
Mega project benefit	2,621	3,629
<b>Sub Total</b>	<b>4,013</b>	<b>5,709</b>
<b>TOTAL</b>	<b>275,769</b>	<b>370,659</b>

**B-22 OTHER INCOME:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Interest income on Deposits	28	97
Rent and license fee	84	102
Unspent liabilities and excess provisions of earlier years written back	161	7
Profit on sale of fixed assets (Net)	27	25
Gain on foreign currency fluctuations	442	-
Miscellaneous Income	1,858	895
<b>TOTAL</b>	<b>2,600</b>	<b>1,126</b>

**B-23 COST OF MATERIALS CONSUMED:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Bamboo	7,173	8,803
Wood and wood species	39,730	45,334
Wood pulp	55,514	86,652
Chemicals	48,497	64,076
Packing materials	7,253	9,597
Salt	-	117
<b>TOTAL</b>	<b>158,167</b>	<b>214,579</b>

## B-24 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE:

₹ In Lacs

	31.03.2015	30.06.2014
<b>Stocks at the beginning of the year</b>		
Finished goods	12,938	8,706
Work in progress	8,824	4,316
<b>TOTAL (A)</b>	<b>21,762</b>	<b>13,022</b>
<b>Stocks at the end of the year</b>		
Finished goods	17,852	12,938
Work in progress	11,764	8,824
<b>TOTAL (B)</b>	<b>29,616</b>	<b>21,762</b>
<b>Net (Increase)/Decrease in Stocks (A-B)</b>	<b>(7,854)</b>	<b>(8,740)</b>

**B-25 EMPLOYEE BENEFITS EXPENSES:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Salaries and wages	15,819	16,800
Contribution to provident and other funds	629	685
Staff welfare expenses	802	884
<b>Total</b>	<b>17,250</b>	<b>18,369</b>

The disclosure required under Accounting Standard 15 "Employee Benefits" notified in the Companies (Accounting Standards) Rules 2014, are given below:

**Defined contribution plan\***

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

	31.03.2015	30.06.2014
Employer's contribution to provident fund	305	358
Employer's contribution to superannuation fund	31	52
Employer's contribution to pension scheme	263	190

\* 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.

Defined Benefit Plan: Particulars	2014-15			2013-14		
	Gratuity (Funded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Funded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
<b>a. Reconciliation of Opening and closing balance of Defined Benefit Obligation</b>						
Defined benefit obligation at beginning of the year	393	3,742	342	355	3,354	332
Transferred in as pursuance to scheme	-	-	-	-	-	-
Current service cost	31	184	32	34	284	28
Past service cost	-	-	-	-	-	8
Interest cost	26	244	22	28	262	26
Actuarial (gain)/loss	-	-	-	(13)	140	50
Benefit paid	155	394	145	(11)	(466)	(107)
Acquisitions	(18)	(425)	(107)	-	-	-
Plan amendments	-	15	0	-	168	5
Transferred out as pursuance to scheme	-	-	-	-	-	-
<b>Defined benefit obligation at year end</b>	<b>587</b>	<b>4,154</b>	<b>434</b>	<b>393</b>	<b>3,742</b>	<b>342</b>
<b>b. Reconciliation of opening and closing balance of fair value of plan assets</b>						
Fair value of plan assets at beginning of the year	178	-	(0)	177	-	-
Expected return on plan assets	9	-	-	17	-	-
Actuarial gain/ (loss)	2	-	-	(5)	-	(0)
Employer contribution	35	424	107	0	460	107
Benefit paid	(18)	(424)	(107)	(11)	(460)	(107)
Fair value of plan assets at year end	206	-	(0)	178	-	(0)
Actual return on plan assets	-	-	-	-	-	-
<b>c. Reconciliation of fair value of assets and obligations</b>						
Fair value of plan assets as on 31st March 2015	206	-	-	178	-	-
Present value of obligation as on 31st March 2015	587	4,154	434	393	3,742	342
<b>Amount recognized in balance sheet</b>	<b>381</b>	<b>4,154</b>	<b>434</b>	<b>215</b>	<b>3,742</b>	<b>342</b>
<b>d. Expenses recognized during the year (under the Note "Employee Benefits Expense")</b>						
Current service cost	31	184	32	34	256	28
Interest cost	26	244	22	28	262	26
Expected return on plan assets	(9)	-	-	(16)	-	-
Actuarial (gain)/loss	154	276	133	(9)	140	50
<b>Net cost</b>	<b>202</b>	<b>704</b>	<b>187</b>	<b>37</b>	<b>658</b>	<b>104</b>
<b>e. Discount rate (per annum)</b>	<b>7.75%</b>	<b>7.75%</b>	<b>7.75%</b>	<b>8.70%</b>	<b>8.70%</b>	<b>8.70%</b>
<b>Expected rate of return on plan assets (per annum)</b>	<b>7.75%</b>	<b>7.75%</b>	<b>7.75%</b>	<b>8.70%</b>	<b>8.70%</b>	<b>8.70%</b>

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:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Interest expenses	27,374	28,637
Other borrowing costs	113	499
Net loss / (gain) in foreign currency transaction and translation	2,735	4,604
	<b>30,152</b>	<b>33,740</b>
Less: Interest earned	1,139	325
<b>TOTAL</b>	<b>29,013</b>	<b>33,415</b>

**B-27 OTHER EXPENSES:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Consumption of stores and spare parts	4,385	5,619
Power and fuel	33,747	49,710
Excise duty on year end inventory of finished goods	183	136
Rent	687	714
Repairs to buildings	177	740
Repairs to machinery	1,451	2,916
Repairs others	323	496
Insurance	318	424
Rates and taxes	129	605
Other manufacturing expenses	302	390
Loss on foreign currency fluctuations (Net)	-	1,868
Office & other expenses	4,905	6,160
Corporate Social Responsibility Expense	219	311
Prior Period expenses	-	371
Selling expenses	316	574
Assets discarded	-	13
Commission	1,749	-
Carrage and freight	6,332	6,963
Legal and professional charges (See Note 27.1)	540	979
Directors sitting fees	-	1
<b>TOTAL</b>	<b>55,758</b>	<b>78,490</b>

Note: 27.1) Legal & Professional Charges include auditors' remuneration as under:

<b>Auditor's Remuneration</b>	31.03.2015	30.06.2014
Statutory audit fees (including cost audit fees)	60	60
Tax audit fees	12	17
Certification fees	3	17
Other capacity	5	18
Reimbursement of expenses	3	6
<b>TOTAL</b>	<b>83</b>	<b>113</b>



**B-28 EARNINGS PER SHARE:**

	₹ In Lacs	
	31.03.2015	30.06.2014
<b>I Profit Computation Basic and Diluted Earnings Per Share of ₹ 10/- each</b>		
Net Profit after Tax available to Equity Shareholders for Basic EPS (₹ in Lacs)	3,874	11,336
Adjustment for the purpose of Diluted EPS:-		
Add: Effect of potential equity shares on conversion of Compulsorily Convertible Debentures (CCD)	1,805	2,404
Net Profit available to equity shareholders for Diluted EPS (₹ in Lacs)	5,679	13,740
<b>II Weighted Average number of Equity Share for Earnings Per Share Computation</b>		
A) No. of shares for Basic Earnings Per Share	550,050,000	550,050,000
Add: Effect of potential equity shares on conversion of Compulsorily Convertible Debentures (CCD)	150,000,000	150,000,000
B) No. of Shares for Diluted Earnings Per Share	700,050,000	700,050,000
<b>III Earnings Per Share</b>		
Basic (In ₹)	0.70	2.06
Diluted (In ₹)	0.81	1.96

**B-29 VALUE OF IMPORTED AND INDIGENEOUS RAW MATERIALS, SPARE PARTS AND CDMPDNENTS CONSUMED :**

	₹ In Lacs			
	Amount		Percentage	
	Year Ended 31.03.2015	Year Ended 30.06.2014	Year Ended 31.03.2015	Year Ended 30.06.2014
<b>Raw Material</b>				
-Imported	65,855	104,963	42	49
-Indigenous	92,312	109,616	58	51
<b>Total</b>	<b>158,167</b>	<b>214,579</b>	<b>100</b>	<b>100</b>
<b>Spare Parts &amp; Components*</b>				
-Imported	1,668	516	30	7
-Indigenous	3,897	6,606	70	93
<b>Total</b>	<b>5,565</b>	<b>7,122</b>	<b>100</b>	<b>100</b>

\* Including charged to other accounts

**B-30 VALUE DF IMPORT CALCULATED IN CIF BASIS:**

	₹ In Lacs	
	31.03.2015	30.06.2014
Raw Material	80,382	100,471
Component and Spare Parts	12,838	14,512
Capital Goods	529	1,171
<b>Total</b>	<b>93,749</b>	<b>116,154</b>





**B-31 EXPENDITURE IN FOREIGN CURRENCY (NET OF WITHHOLDING TAX):**

₹ In Lacs

	31.03.2015	30.06.2014
(i) Interest on foreign currency Loans		
-Debenture	2,283	3,042
-Others	4,451	9,476
(ii) Foreign Travel commission claims, consultancy fees etc.	109	221
<b>TOTAL</b>	<b>6,843</b>	<b>12,739</b>

**B-32 EARNING IN FOREIGN EXCHANGE:**

₹ In Lacs

	31.03.2015	30.06.2014
Export of Good calculated on FOB basis	20,136	24,420
<b>TOTAL</b>	<b>20,136</b>	<b>24,420</b>

**B-33 SEGMENT REPORTING:**
**(a) 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.

Particulars	YEAR	PAPER	PAPER PRODUCTS & OFFICE SUPPLIES	OTHERS	TOTAL
<b>Revenues</b>					
Gross Sale to External Customers	2014-15	254,234	33,002	730	287,966
Excise Duty	2014-15	(14,623)	(1,587)	-	(16,210)
Gross Sale to External Customers	2013-14	345,939	40,469	1,063	387,471
Excise Duty	2013-14	(24,798)	2,278	(1)	(22,521)
Total Segment Revenues (Net of Excise)	2014-15	239,611	31,415	730	271,756
	2013-14	321,141	42,747	1,062	364,950
<b>Segment Results</b>	2014-15	32,197	1,257	(29)	33,425
	2013-14	44,521	1,710	(43)	46,188
Profit Before Interest, Tax and exceptional items	2014-15				33,425
	2013-14				46,188
Interest & Finance cost(Net of income)	2014-15				29,013
	2013-14				33,415
Profit Before Tax & Exceptional Items	2014-15				4,412
	2013-14				12,773
Exceptional Items	2014-15				255
	2013-14				-
Profit Before Tax after Exceptional Items	2014-15				4,157
	2013-14				12,773
Provision For Tax					
-Current Tax (Net of MAT Credit Entitlement)	2014-15				102
	2013-14				315
-Deferred Tax	2014-15				181
	2013-14				1,122
Net Profit	2014-15				3,874
	2013-14				11,336

Other Information Segmental Assets	2014-15	599,099	45,417	-	644,516
	2013-14	597,425	40,164	1,348	638,937
Unallocated Corporate assets	2014-15				42,292
	2013-14				41,561
Total Assets	2014-15				686,808
	2013-14				680,498
Segmental Liabilities	2014-15	135,729	8,589	-	144,318
	2013-14	124,205	6,301	33	130,539
Unallocated Corporate Liabilities	2014-15				-
	2013-14				589
Total Liabilities	2014-15				144,318
	2013-14				131,128
Capital Expenditure during the period (Including Movements in CWIP & Capital Advances)	2014-15				7,331
	2013-14				23,920
Depreciation	2014-15				16,407
	2013-14				22,607
<b>Total Liabilities Exclude</b>					
Long term borrowings	2014-15				237,792
	2013-14				240,751
Short term borrowings	2014-15				90,968
	2013-14				101,405
Current Maturities of Long Term Debts	2014-15				46,930
	2013-14				39,150
Deferred tax liabilities (Net)	2014-15				21,881
	2013-14				21,700

(b) Geographical Segments

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

₹ In Lacs

Revenue by geographical Market	31.03.2015	30.06.2014
India	267,237	361,467
Outside India	20,729	26,004
<b>TOTAL</b>	<b>287,966</b>	<b>387,471</b>

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

- a) **Control Exist**  
 Holding Company: Ballarpur Paper Holdings B.V.  
 Ultimate Holding Company: Ballarpur Industries Limited  
 Subsidiaries (including step down subsidiaries) of ultimate holding Company: Ballarpur International Holdings B.V.,  
 Bit Tree Tech Limited  
 Premier Tissues (India) Limited  
 Ballarpur Speciality Paper Holdings B.V.  
 Sabah Forest Industries Sdn. Bhd.  
 BIT Paper B.V.

- b) **Key Management Personnel**  
 Mr. Yogesh Agarwal

- (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)

	31.03.2015	₹ In Lacs 30.06.2014
i) <b>Interest Paid on Debentures</b>		
<i>Holding Company</i>		
-Ballarpur Paper Holding B.V.	2,283	3,042
ii) <b>Interest Paid on External Commercial Borrowings</b>		
<i>Holding Company</i>		
-Ballarpur Paper Holding B.V.	3,864	5,098
iii) <b>Purchase of Goods and Services &amp; Royalty fee</b>		
<i>Ultimate Holding Company</i>		
-Ballarpur Industries Limited	3,424	214
<i>Fellow Subsidiary</i>		
-Bit Tree Tech Limited	6,150	6,133
-Sabah Forest Industries Sdn Bhd	21,998	32,981
iv) <b>Sale of goods &amp; services and allocation of common expenses for rendering corporate service:</b>		
<i>Ultimate Holding Company</i>		
-Ballarpur Industries Limited	2,153	6,799
<i>Fellow Subsidiary</i>		
-Bit Tree Tech Limited	9	0
-Premier Tissues(India) Limited	26	1
-Sabah Forest Industries Sdn Bhd	2	98
v) <b>Remuneration to Key Management Personnel :</b>		
Mr. Yogesh Agarwal	281	980
vi) <b>Outstanding Balances(Net)</b>		
<i>Holding Company</i>		
-Ballarpur Paper Holding B.V.	(635)	(1,776)
<i>Ultimate Holding Company</i>		
-Ballarpur Industries Limited	4,637	5,999
<i>Fellow Subsidiary</i>		
-Bit Tree Tech Limited	967	458
-Sabah Forest Industries Sdn Bhd	3,644	2,331
-Premier Tissues(India) Limited	26	1

**B-35** During the nine months period ended 31st March 2015, the company has paid a sum of Rs. 255 lacs on account of Voluntary Retirement scheme shown as exceptional item in the statement of profit and loss.

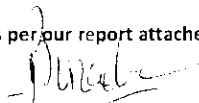
**B-36** Office & Other Expenses includes Nil (Previous year ₹ 1.25 crore) being amount paid as donation to political party.

**B-37** 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-38** Current period financial statements is 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 figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosure.

As per our report attached



**ABHAY UPADHYE**

Partner

Membership No. 049354

For and on behalf of

**K.K. MANKESHWAR & CO.**

Chartered Accountants


FRN: 106009W



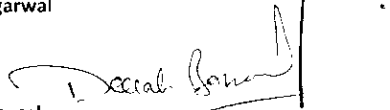
New Delhi, dated the  
26th May 2015

For 8ILT Graphic Paper Products Limited

**B. Hariharan**  
Director



**Yogesh Agarwal**  
Director



**Deepak Bansal**  
Company Secretary