

**INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF BALLARPUR INTENATIONAL HOLDINGS B.V.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of M/s Ballarpur International Holdings B.V. ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the 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.

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.

**OFFICES AT :**

- 243, "SHRIKA RESIDENCY" CANAL ROAD, DHARAMPETH, NAGPUR- 440010.
- BLOCK-E, NEW R D A BUILDING, BOMBAY MARKET, G.E. ROAD, RAIPUR- 492001
- A- 425, SARITA VIHAR, NEW DELHI-110076.
- 331, KALIANDAS UDYOG BHAWAN, CENTURY BAZAR LANE, PRABHADEVI, MUMBAI- 400025.
- PRABHATARAAPTS, 3rd FLOOR, WR, PARANJAPE LANE, NEAR HOTEL VAISHALI, SHIVAJINAGAR PUNE- 411004
- COSMOS REGENCY, JUPITER II, 102 WAGHBILL NAKA GHODBUNDER ROAD. THANE-(W)- 400607



## 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, 2016, and its loss and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. In our opinion and to the best of our information and according to the explanations given to us, 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 is not applicable to the company for the period under review.
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. 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 does not have any pending litigations which would impact its financial position;
    - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
    - iii) There were no amounts which were 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



Gurgaon, dated the

27<sup>th</sup> May, 2016

BALLARPUR INTERNATIONAL HOLDINGS B.V.  
BALANCE SHEET AS AT MARCH 31, 2016

	NOTE NO.	31.03.2016 Rs.	31.03.2015 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	B-2	7,320,372,617	7,320,372,617
Reserves and Surplus	B-3	217,202,220	450,385,783
		<u>7,537,574,837</u>	<u>7,770,758,400</u>
<b>NON - CURRENT LIABILITIES</b>			
Long term borrowings	B-4	9,872,762,994	7,751,852,701
		<u>9,872,762,994</u>	<u>7,751,852,701</u>
<b>CURRENT LIABILITIES</b>			
Short term borrowings	B-5	175,935	-
Other current liabilities	B-6	862,017,390	129,785,361
		<u>862,193,325</u>	<u>129,785,361</u>
<b>TOTAL</b>		<b>18,272,531,156</b>	<b>15,652,396,462</b>
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Non - current investments	B-7	16,056,823,359	15,189,951,973
Long term loans and advances	B-8	1,581,553,942	-
Other non current assets	B-9	210,297,559	236,394,718
		<u>17,848,674,860</u>	<u>15,426,346,691</u>
<b>CURRENT ASSETS</b>			
Cash and bank balances	B-10	3,724,948	1,035,284
Short term loans and advances	B-11	270,546,032	120,450,124
Other current assets	B-12	149,585,316	104,564,363
		<u>423,856,296</u>	<u>226,049,771</u>
<b>TOTAL</b>		<b>18,272,531,156</b>	<b>15,652,396,462</b>

Significant Accounting Policies  
Notes to Financial Statements  
As per our report attached

"A"  
"B"

For and on behalf of the Board of Directors

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



Director

Director

Gurgaon, dated the  
May 27, 2016

**BALLARPUR INTERNATIONAL HOLDINGS B.V.**  
**BALANCE SHEET AS AT MARCH 31, 2016**

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FRN: 106009W



Director

Director

Gurgaon, dated the  
May 27, 2016

**BALLARPUR INTERNATIONAL HOLDINGS B.V.**  
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

	NOTE NO.	31.03.2016 Rs.	31.03.2015 Rs.
<b>REVENUE</b>			
Revenue from operations	B-13	101,898,747	7,453,336
<b>TOTAL</b>		<b>101,898,747</b>	<b>7,453,336</b>
<b>EXPENSES</b>			
Finance cost	B-14	757,304,653	(105,777,664)
Other expenses	B-15	13,577,338	10,184,510
<b>TOTAL</b>		<b>770,881,991</b>	<b>(95,593,154)</b>
Profit before tax		(668,983,244)	103,046,490
Tax expense:			
Current tax/MAT (Including Wealth Tax)			
<b>Profit/(Loss) after tax for the period/ year</b>		<b>(668,983,244)</b>	<b>103,046,490</b>
Earning per equity share:	B-16		
Basic and Diluted (Rs. )		(3.97)	0.61

Significant Accounting Policies  
Notes to Financial Statements

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"B"

As per our report attached

For and on behalf of the Board of Directors

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



Director

Director

Gurgaon, dated the  
May 27, 2016

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<b>Tax expense:</b>			
Current tax/MAT (Including Wealth Tax)		-	-
<b>Profit/(Loss) after tax for the period/ year</b>		<b>(668,983,244)</b>	<b>103,046,490</b>
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Basic and Diluted (Rs. )		(3.97)	0.61

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Membership No. 046219  
For and on behalf of  
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Chartered Accountants  
FRN: 106009W



Director

Director

Gurgaon, dated the  
May 27, 2016

**BALLARPUR INTERNATIONAL HOLDINGS B.V.**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

PARTICULARS	Note no.	For the Year Ended March 31, 2016 Rs.	For the Nine Months Period Ended March 31, 2015 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit / (Loss) Before Tax		(668,983,244)	103,046,490
<b>Adjustments for:</b>			
Finance Cost		757,304,653	(105,777,664)
Operating Profit / (Loss) Before Working Capital Changes		88,321,409	(2,731,174)
<b>Adjustments for:</b>			
(Increase)/ Decrease in Loans & Advances		(1,745,327,265)	306,080,944
Increase/(Decrease) in Other Current Liabilities		234,845,358	33,510,966
<b>Cash generated from Operations</b>		<b>(1,422,160,499)</b>	<b>336,860,736</b>
<b>Cash From/(used in) Operating Activities</b>		<b>(1,422,160,499)</b>	<b>336,860,736</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale / (Purchase) of Investment		-	-
<b>Cash From/(used in) Investing Activities</b>		-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from/ (repayment of) other borrowings		2,168,994,577	(24,651,040)
Interest Paid		(765,948,118)	(362,928,078)
<b>Cash From/(used in) Financing Activities</b>		<b>1,403,046,459</b>	<b>(387,579,118)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>(19,114,040)</b>	<b>(50,718,382)</b>
Foreign Currency Translation Reserve		21,803,704	13,483,626
<b>Net increase/(Decrease) in cash and cash equivalents</b>		<b>2,689,664</b>	<b>(37,234,756)</b>
<b>Cash and cash equivalents at beginning of period/ year</b>		<b>1,035,284</b>	<b>38,270,040</b>
<b>Cash and cash equivalents at end of period/ year</b>		<b>3,724,948</b>	<b>1,035,284</b>

**Notes:**

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statements'.
- Cash and Cash Equivalents at the end of the period/ year, consists of Cash and Balances with Bank.
- Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification.
- Previous period financial statements is for a period of 9 months i.e from July 1, 2014 to March 31, 2015. Therefore the figures of the current period are not comparable with those of the previous year.

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Balances with Banks:		
-In current account	3,724,948	1,035,284
-In Debt Service Reserve Account	-	-
	<u>3,724,948</u>	<u>1,035,284</u>

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES  
TO FINANCIAL STATEMENTS**

A & B

Foreign currency translation effect of investment taken in FCTR

The notes referred to above form an integral part of the Cash Flow Statement.

As per our report of even date

For and on behalf of the Board of Directors

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



*(Signature)*  
 Director

Director

Gurgaon dated the  
 May 27, 2016

BALLARPUR INTERNATIONAL HOLDINGS B.V.  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016

PARTICULARS	Note no.	For the Year Ended March 31, 2016 Rs.	For the Nine Months Period Ended March 31, 2015 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
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Cash From/(used in) Operating Activities		(1,422,160,499)	336,860,736
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Sale / (Purchase) of Investment		-	-
Cash From/(used in) Investing Activities		-	-
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from/ (repayment of) other borrowings		2,168,994,577	(24,651,040)
Interest Paid		(765,948,118)	(362,928,078)
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Net Increase / (Decrease) in Cash and Cash Equivalents		(19,114,040)	(50,718,382)
Foreign Currency Translation Reserve		21,803,704	13,483,626
Net increase/(Decrease) in cash and cash equivalents		2,689,664	(37,234,756)
Cash and cash equivalents at beginning of period/ year		1,035,284	38,270,040
Cash and cash equivalents at end of period/ year		3,724,948	1,035,284

Notes:

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statements'.
- Cash and Cash Equivalents at the end of the period/ year, consists of Cash and Balances with Bank.
- Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification.
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	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
Balances with Banks:		
-In current account	3,724,948	1,035,284
-In Debt Service Reserve Account	-	-
	3,724,948	1,035,284

SIGNIFICANT ACCOUNTING POLICIES AND NOTES  
TO FINANCIAL STATEMENTS

A & B

Foreign currency translation effect of investment taken in FCTR

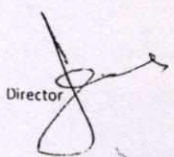
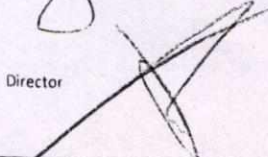
The notes referred to above form an integral part of the Cash Flow Statement.

As per our report of even date

For and on behalf of the Board of Directors

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



Director  
  
Director  


Gurgaon dated the  
May 27, 2016



**BALLARPUR INTERNATIONAL HOLDINGS**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS**

**Company Overview**

Ballarpur International Holdings B.V. ("The Company") was incorporated on 12th October, 2006 in Amsterdam, the Netherlands as a Private Company with limited liability.

**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 period/ 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 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. 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.

**6. FOREIGN CURRENCY TRANSACTIONS**

i. Monetary assets and liabilities related to foreign transactions remaining unsettled at the end of the period/ year are translated at the period/ year end rates.

ii. The difference in translation of monetary assets and liabilities are realized gains and losses on foreign exchange transactions are recognized in the Statement of Profit and Loss.

**7. REVENUE RECOGNITION**

All income are accounted for on accrual basis.

**8. TAXATION**

Provision for tax consists of current tax and deferred tax. Current tax provision is computed for current income based on the tax liability after considering allowances and exemptions. Deferred tax assets and liabilities are computed on the basis of timing differences at the Balance Sheet date between the carrying amount of assets and liabilities and their respective tax basis. Deferred tax assets are recognized based on management estimates of available future taxable income and assessing its certainty.

**9. EARNING PER SHARE**

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

**10. UNAMORTISED EXPENSES**

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



**BALLARPUR INTERNATIONAL HOLDINGS B.V.**

**B-1. Basis of preparation and translation into Indian Rupees**

i. These financial statements have been prepared for the purpose of compliance with the provision of section 129 of the Companies Act 2013 and have been translated to Indian Rupees (Rs.) in accordance with Accounting Standard-11 on "The Effects of Changes in Foreign Exchange Rates". The functional currency of the Company is United States Dollar (US\$).

ii. The translation of foreign currency into Rs. has been carried out as under:

- For assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance Sheet date ( 1 US\$=Rs.66.2558 as at March 31, 2016 and 1 US\$=Rs.62.6788 as at March 31, 2015 ).
- For revenue and expenses using average exchange rates prevailing during the reporting period/ year (1 US\$ = Rs.65.505 for the period April 1, 2015 to March 31, 2016 and 1 US\$ = Rs.61.6276 for the period July 1, 2014 to March 31, 2015).
- For Share Capital using the rate of exchange prevailing at the date of the transaction.
- Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11.

**B-2 SHARE CAPITAL:**

	31.03.2016	31.03.2015
	Rs.	Rs.
<b>Authorised:</b>		
500,000,000 Ordinary Shares of Euro 0.65/- each (Previous Year: 500,000,000 Ordinary Shares of EURO .65/- each)	21,593,696,015	21,593,696,015
	<u>21,593,696,015</u>	<u>21,593,696,015</u>
<b>Issued, Subscribed and fully paid up :</b>		
168,679,093 Ordinary Shares of Euro 0.65/- each (Previous Year: 168,679,093 Ordinary Shares of Euro .65/- each)	7,320,372,617	7,320,372,617
(Held by Ballarpur Industries Limited, the Holding Company)	<u>7,320,372,617</u>	<u>7,320,372,617</u>

**2.1 Reconciliation of number of shares**

EQUITY SHARES:	As on March 31, 2016		As on March 31, 2015	
	No. of shares	Rs.	No. of shares	Rs.
<b>Ordinary Shares</b>				
Balance as at the beginning of the period/ year	168,679,093	7,320,372,617	168,679,093	7,320,372,617
Add:- Issued during the period/ year				
Balance as at the end of the period/ year	168,679,093	7,320,372,617	168,679,093	7,320,372,617

**2.2 Shares held by holding company and Ultimate holding company:**

	As at 31st March, 2016	As at 31st March, 2015
	Number of shares	Number of shares
Ordinary Shares		
Ballarpur Industries Limited	168,679,093	168,679,093

**2.3 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 (%)
Ordinary Shares				
Ballarpur Industries Limited	168,679,093	100%	168,679,093	100%



**B-3 RESERVE AND SURPLUS**

	31.03.2016 Rs.	31.03.2015 Rs.
<b>Share Premium reserve</b>		
At the beginning of the reporting period/ year	30,962,209	30,962,209
At the close of the reporting period/ year	<u>30,962,209</u>	<u>30,962,209</u>
<b>Foreign Currency Translation Reserve</b>		
At the beginning of the reporting period/ year	1,934,564,255	1,610,800,967
Adjustment during the period/ year (net)	435,799,681	323,763,288
At the close of the reporting period/ year	<u>2,370,363,936</u>	<u>1,934,564,255</u>
<b>Balance in Statement of Profit and Loss</b>		
At the beginning of the reporting period/ year	(1,515,140,681)	(1,618,187,171)
Add: Profit for the period/ year as per statement of profit and loss	(668,983,244)	103,046,490
At the close of the reporting period/ year	<u>(2,184,123,925)</u>	<u>(1,515,140,681)</u>
<b>Total</b>	<u>217,202,220</u>	<u>450,385,783</u>

**B-4 LONG TERM BORROWINGS:**

	31.03.2016 Rs.	31.03.2015 Rs.
<b>1. Secured Loans:</b>		
<b>Banks</b>		
	6,592,452,100	4,700,910,000
<b>2. Unsecured Loans:</b>		
Loan from banks	1,030,314,413	1,462,035,121
Zero coupon compulsory convertible bonds	993,837,000	940,182,000
Loans from related parties	1,256,159,481	648,725,580
	<u>3,280,310,894</u>	<u>3,050,942,701</u>
<b>Total long term borrowings</b>	<u>9,872,762,994</u>	<u>7,751,852,701</u>

Notes:-

**Secured Loans:**

Term Loan from Banks is secured against pledge of Bilt Paper B.V.'s shares (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)

a) Company has obtained a loan of US\$ 75,000,000 from Credit Agricole Bank at 4.8% plus LIBOR and is repayable in three equal instalments starts from 48 months of agreement i.e. January 02, 2015 and company has prepaid a loan of US\$ 20,000,000 during the year..

b) Company has obtained a loan of US\$ 20,000,000 from IDBI Bank Limited at 4.8% plus LIBOR and is repayable in three annual equal instalments starts at the end of 4th, 5th and 6th year from the date of first utilisation i.e. starting from October 6, 2019.

c) In July 2015 the company obtained from JP Morgan Chase Bank, London Branch na loan of US\$24,500,000 loan at LIBOR plus a margin of 1.5%. The loan was drawn down on 13th July 2015 and is repayable after 36 months of utilisation.

**Unsecured Loans:**

a) Term Loan from Banks

In March 2014 the company obtained from ICICI Bank a Euro denominated loan equivalent to US\$30,000,000 loan at EURIBOR plus a margin of 2.5%. The loan was drawn down on 13th March 2014. The loan is repayable in 3 equal installment starting from third year of the utilisation date. The Loan is reinstated to US \$ 23,325,831 at closing rate on 31.03.2016

b) Zero Coupon Convertible Bonds

In accordance with the Subscription and Participation Agreement signed between the Company, BILT and JP Morgan Special Situations Asia Corporation (JPMSSL) on 11 March 2007, the company issued to JPMorgan Special Situations Asia Corporation, Convertible Notes due March 2017. During the previous year JPMSSL transferred the notes to Avantha International Assets B.V. (AIA), related party at a mutually negotiated consideration and the notes are held by AIA as at the year ended 30 June 2013 and 30 June 2012. There is no change in the terms and conditions of the convertible notes in respect of such transfer.

c) Loan from related party:

During the year the Company obtained from Ballarpur Industries Limited a US\$ 24,780,000 loan at LIBOR plus a margin of 6.5% and repaid US\$ 16,170,762 loan. The loan was drawn down on repayable terms of 5 years from the date of disbursement.



**B-5 SHORT TERM BORROWINGS:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Bank Overdraft	175,935	-
<b>Total short-term borrowings</b>	<b>175,935</b>	<b>-</b>

**B-6 OTHER CURRENT LIABILITIES:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Current maturities of long term debt	515,157,207	-
Interest Payable ( Related Party)	65,481,982	83,252,518
Due to related Parties	267,325,371	23,375,477
Other payables	14,052,830	23,157,366
<b>TOTAL</b>	<b>862,017,390</b>	<b>129,785,361</b>

**B-7 NON CURRENT INVESTMENTS:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Investment in subsidiaries	16,056,823,359	15,189,951,973
<b>TOTAL</b>	<b>16,056,823,359</b>	<b>15,189,951,973</b>

**Additional Information:**

a) Investment in Bilt Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings)	16,056,823,359	15,189,951,973
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**B-8 LONG TERM LOANS AND ADVANCES:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Loans and advances to related parties	1,581,553,942	-
<b>TOTAL</b>	<b>1,581,553,942</b>	<b>-</b>

**B-9 OTHER NON CURRENT ASSETS:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Unamortized Expenses	210,297,559	236,394,718
<b>TOTAL</b>	<b>210,297,559</b>	<b>236,394,718</b>

**B-10 CASH AND BANK BALANCE :**

	31.03.2016	31.03.2015
	Rs.	Rs.
Cash & cash equivalents		
Balances with banks		
- In current accounts	3,724,948	1,035,284
<b>TOTAL</b>	<b>3,724,948</b>	<b>1,035,284</b>

**B-11 SHORT TERM LOANS AND ADVANCES:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Unsecured, considered good		
Loan & Advances to Related Parties	254,221,057	105,199,778
Prepaid expenses	204,311	-
Other advances recoverable in cash or kind for value to be received	16,120,664	15,250,346
<b>TOTAL</b>	<b>270,546,032</b>	<b>120,450,124</b>

**B-12 OTHER CURRENT ASSETS:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Interest paid in advance	13,136,024	11,963,801
Interest receivable from related party	21,257,884	7,580,470
Current portion of unamortized expenses	115,191,408	85,020,092
<b>TOTAL</b>	<b>149,585,316</b>	<b>104,564,363</b>



**B-13 REVENUE FROM OPERATIONS:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Interest income on loan to related party	101,898,747	7,453,336
<b>TOTAL</b>	<b>101,898,747</b>	<b>7,453,336</b>

**B-14 FINANCE COSTS:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Interest expenses	383,193,035	251,056,421
Other borrowing costs	372,914,949	(411,646,539)
Net loss / (gain) in foreign currency transaction and translation	1,196,669	54,812,454
<b>TOTAL</b>	<b>757,304,653</b>	<b>(105,777,664)</b>

**B-15 OTHER EXPENSES:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Office & other expenses		720,406
Bank charges	3,486,419	3,095,136
Legal and professional charges	10,090,919	6,368,968
<b>TOTAL</b>	<b>13,577,338</b>	<b>10,184,510</b>

**B-16 EARNINGS PER SHARE:**

	31.03.2016	31.03.2015
	Rs.	Rs.
Basic and Diluted Profit after Tax (In Rupees)	(668,983,244)	103,046,490
Weighted Average number of Ordinary Share	168,679,093	168,679,093
Basic and Diluted EPS in Rupees	(3.97)	0.61
Ordinary Share Details (No.'s)		
Issued on October 12, 2006	18,000	18,000
Issued on March 07, 2007	8,375,209	8,375,209
Issued on March 09, 2007	37,256,691	37,256,691
Issued on October 08, 2009	123,029,193	123,029,193
Outstanding as at the end of the period/ year	168,679,093	168,679,093



**B-17 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 period/ year and nature of relationship

1) **List of Related Parties**

BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	Holding Company
Ballarpur Industries Limited	Ultimate Holding Company
Ballarpur Paper Holdings B.V.	Step Down Subsidiary
Avantha International Assets B.V.	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

2) **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)

S.No	Particulars	31.03.2016 Rs.	31.03.2015 Rs
a)	<b>Loan balance from related parties</b>		
	Ballarpur Industries Limited	1,256,159,481	648,725,580
b)	<b>Loan to related parties</b>		
	Ballarpur Paper Holdings B.V.	1,581,553,942	-
c)	<b>Interest expense</b>		
	Ballarpur Industries Limited	64,739,951	38,410,488
d)	<b>Interest Income</b>		
	Ballarpur Paper Holdings B.V. (interest income)	21,016,990	-
	Ballarpur Paper Holdings B.V. (amortization)	80,881,756	-
	BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	-	7,453,336
e)	<b>Interest Payable</b>		
	Ballarpur Industries Limited	65,481,982	83,252,518
f)	<b>Interest receivable</b>		
	Ballarpur Paper Holdings B.V.	21,257,884	-
	BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	-	7,580,470
g)	<b>Advance to related parties</b>		
	BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	62,229,623	-
	Ballarpur Paper Holdings B.V.	118,877,341	36,683,176
	Ballarpur Speciality paper Holdings B.V.	6,858,293	5,837,802
	Avantha International Assets B.V.	66,255,800	62,678,800
h)	<b>Other Payables</b>		
	Ballarpur Industries Limited	226,961,956	963,370.00
	BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	-	22,412,107.00

**B-18 Contingent Assets and Other Contingent Liabilities**

There are no commitments or contingent liabilities which have not been provided for in the balance sheet.

**B-19 Segment Reporting**

The company operates only in one business segment viz Investment Company. Accordingly there are no reportable business segments.



B-20 The Company has no employees and hence incurred no wages, related social security or pension charges during the period under review.

B-21 **Income Taxes**

Due to carried forward losses, no provision for income tax has been made. Also as it is uncertain whether the Company will realize the taxable profits in the future, no deferred tax asset is recognized.

B-22 Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Development Act")-delayed payments due as at the end of the period/ year on account of principal - Rs. NIL (Previous Year Rs. NIL) and interest due thereon Rs. NIL (Previous Year NIL).

Micro, Small and Medium Enterprises are identified by the Management and relied upon by the Auditors.

B-23 Other disclosure requirements of Schedule III to the Companies Act, 2013 are not applicable to the Company.

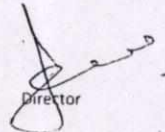
B-24 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure. Previous period financial statements is for a period of 9 months i.e from July 1, 2014 to March 31, 2015. Therefore the figures of the current period are not comparable with those of the previous year.

As per our report attached

For and on behalf of the Board of Directors

ASHWIN MANKESHWAR  
Partner  
Membership No. 046219  
For and on behalf of  
K.K. MANKESHWAR & CO.,  
Chartered Accountants  
FRN: 106009W  
Gurgaon, dated the  
May 27, 2016



  
Director

Director

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Due to carried forward losses, no provision for income tax has been made. Also as it is uncertain whether the Company will realize the taxable profits in the future, no deferred tax asset is recognized.

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**As per our report attached**

**For and on behalf of the Board of Directors**

**ASHWIN MANKESHWAR**  
*Partner*  
Membership No. 046219  
For and on behalf of  
**K.K. MANKESHWAR & CO.,**  
*Chartered Accountants*  
FRN: 106009W  
Gurgaon, dated the  
May 27, 2016



Director

A handwritten signature in black ink, appearing to be "Ashwin Mankeshwar".

Director

