

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALLARPUR PAPER HOLDINGS B.V.

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **M/s Ballarpur Paper Holdings B.V.** ("the Company"), which comprise the balance sheet as at 31st March 2017, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued thereunder.

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 Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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.
- PRABHATARAPTS, 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 Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act is not applicable to the company for the year 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 it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rule issued thereunder;
 - 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 derivative 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; and
 - iv. The disclosure of holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 is not applicable to the Company (Refer Note 26).



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



Gurgaon, dated the
22nd May, 2017

BALLARPUR PAPER HOLDINGS B.V.
BALANCE SHEET AS AT MARCH 31, 2017

(Amount in INR)

Particulars	Note No.	As at 31-Mar-17	As at 31-Mar-16	As at 1-Apr-15
ASSETS				
(1) Non-current Assets				
(a) Financial assets				
(i) Investments	4	33,855,598,133	34,573,265,866	31,566,531,458
(ii) Loans	5	7,234,172,405	6,294,301,000	5,954,486,000
(b) Other non-current assets	6	996,506,887	933,013,793	801,317,609
(2) Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	7	205,686,011	2,795,573	77,630,226
(ii) Bank balances other than (i) above	8	-	562,563	35,413,522
(iii) Others Financial Asset	9	912,694,666	664,668,053	837,114,931
(b) Other current assets	10	-	204,333	1,777,331
Total Assets		43,204,658,102	42,468,811,181	39,274,271,077
EQUITY AND LIABILITIES				
Equity				
(1) Equity share capital	11	7,053,604,670	7,053,604,670	7,053,604,670
(2) Other equity		21,662,613,212	22,719,646,059	19,528,795,103
Liabilities				
(3) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	12	13,306,556,911	12,136,012,195	11,407,541,600
(4) Current liabilities				
(a) Financial liabilities				
(i) Others	13	1,181,883,309	514,427,152	1,241,644,585
(b) Other liabilities	14	-	45,121,105	42,685,119
Total Equity and Liabilities		43,204,658,102	42,468,811,181	39,274,271,077

Significant accounting policies and Notes to Ind AS financial statements

2-29

As per our report attached

For and on behalf of the Board of Directors

ASHWIN MANKESHWAR

Partner

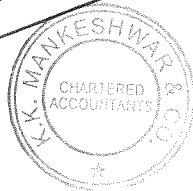
Membership No. 046219

For and on behalf of

K.K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W



Director

Director

Gurgaon, dated the

22nd May, 2012

BALLARPUR PAPER HOLDINGS B.V.

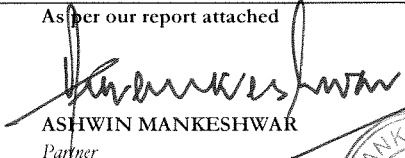
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

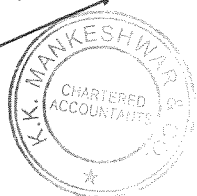
(Amount in INR)

Particulars	Note No.	Year ended	Year ended
		31-Mar-17	31-Mar-16
I Revenue from operations	15	939,152,749	1,660,385,925
II Total Income (I)		939,152,749	1,660,385,925
III Expenses			
Finance costs	16	1,347,908,039	1,171,579,888
Other expenses	17	45,609,607	25,560,970
Total expenses (III)		1,393,517,646	1,197,140,858
IV Profit/ (loss) before exceptional items and tax (II- III)		(454,364,897)	463,245,067
V Exceptional items		-	-
VI Profit/ (loss) before tax (IV-V)		(454,364,897)	463,245,067
VII Tax expenses:			
(1) Current tax		-	-
Total Tax Expenses (VII)		-	-
VIII Profit/ (loss) for the year (VI-VII)		(454,364,897)	463,245,067
IX Other Comprehensive Income			
Items that will not be reclassified to profit and loss			
(i) Foreign currency translation reserve		(602,667,950)	2,727,605,889
(ii) Income tax effect on above		-	-
Total Other Comprehensive Income		(602,667,950)	2,727,605,889
Total Comprehensive Income for the year (VIII+IX)		(1,057,032,847)	3,190,850,956
X (Comprising profit and other comprehensive income for the year)			
XI Earnings per equity share			
(1) Basic (in Rs.)	18	(3.63)	3.70
(2) Diluted (in Rs.)	18	(3.63)	3.70
Significant accounting policies and Notes to Ind AS financial statements	2-29		

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



Director

Director

X

Gurgaon, dated the

22nd May, 2017

BALLARPUR PAPER HOLDINGS B.V.
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

(Amount in INR)

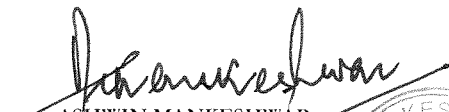
PARTICULARS	For Year Ended March 31, 2017 Rs.	For Year Ended March 31, 2016 Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) Before Tax	(454,364,897)	463,245,067
Operating Profit / (Loss) Before Working Capital Changes	(454,364,897)	463,245,067
Adjustment for Working Capital Changes		
(Increase)/decrease in loans, advances and other current assets	(791,586,541)	206,774,388
Increase/(Decrease) in other current asset	(672,939,536)	(72,386,307)
Increase/(Decrease) in current liability	812,465,773	(871,057,574)
Increase/(decrease) in liabilities and provisions	(156,332,447)	82,024,723
Cash From/(used in) Operating Activities	(1,262,757,648)	(191,399,703)
B. CASH FLOW FROM INVESTING ACTIVITIES		
(Increase)/decrease in other deposit balances	570,162	36,454,137
Cash From/(used in) Investing Activities	570,162	36,454,137
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) borrowings	1,472,237,545	76,578,870
Cash From/(used in) Financing Activities	1,472,237,545	76,578,870
Net Increase / (Decrease) in Cash and Cash Equivalents	210,050,059	(78,366,696)
Foreign Currency Translation Reserve	(7,159,621)	3,532,043
Net increase/(Decrease) in cash and cash equivalents	202,890,438	(74,834,653)
Cash and cash equivalents at beginning of year	2,795,573	77,630,226
Cash and cash equivalents at end of year	205,686,011	2,795,573

Significant accounting policies and Notes to Ind AS financial statements

2-29

As per our report of even date 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



Director

Director ✕

Gurgaon dated the

22nd May, 2017

BALLARPUR PAPER HOLDINGS B.V.

Statement of changes in equity for the year ended March 31, 2017

A. EQUITY SHARE CAPITAL

Balance as at 1st April, 2015	Changes in Equity Share Capital	Balance as at 31st March, 2016
7,053,604,670	-	7,053,604,670

Balance as at 1st April, 2016	Changes in Equity Share Capital	Balance as at 31st March, 2017
7,053,604,670	-	7,053,604,670

B. OTHER EQUITY

Particulars	Reserves and Surplus		Items of Other Comprehensive Income	Total
	Share Premium	Retained Earnings	Items that will not be reclassified to profit and loss	
			Foreign Currency Translation Reserve	
Balance as at April 1, 2015	16,437,885,971	(3,056,389,455)	6,147,298,587	19,528,795,103
Profit for the year	-	463,245,067	-	463,245,067
FCTR for Current year	-	-	2,727,605,889	2,727,605,889
Balance as at March 31, 2016	16,437,885,971	(2,593,144,388)	8,874,904,476	22,719,646,059
Profit for the year	-	(454,364,897)	-	(454,364,897)
FCTR for Current year	-	-	(602,667,950)	(602,667,950)
Balance as at March 31, 2017	16,437,885,971	(3,047,509,285)	8,272,236,526	21,662,613,212

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



Director



Director



Gurgaon, dated the

22nd May, 2017

1. LEGAL STATUS AND BUSINESS ACTIVITY

Ballarpur Paper Holding B.V. ("the Company"), was incorporated on 13th November, 2006 in Amsterdam, the Netherlands, as a private Company with limited liability

The principle activity of the company is that of investment holding.

The financial statements were authorised for issue in accordance with a resolution of the directors on.....

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are prepared in the accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

For all years up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. These financial statements for the year ended 31 March 2017 are the first the Company has prepared in accordance with Ind-AS.

The Company has consistently applied the accounting policies used in the preparation of its opening Ind AS Balance Sheet at April 1, 2015 throughout all years presented, as if these policies had always been in effect and are covered by Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit and cash flows for the year ended March 31, 2016 is disclosed in financial statements.

The financial statements are presented in Indian National Rupees (INR) which is the company's presentation currency. The USD (United States Dollar) is the company's functional currency as this is the most faithfully reflects the underlying transactions, events and conditions that the relevant to the Company.

2.1 USE OF ESTIMATES

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as at the date of the Financial Statements and the reported amount of revenues and expenses during the reporting year. The difference between the actual results and estimates are recognised in the year in which the results are known/materialise.

All Assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as 12 months for the purpose of current/non-current classification of assets and liabilities

2.2 SUMMARY OF SINGNIFICANT ACCOUNTING POLICIES

(i) Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial Assets

Financial Assets are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

Subsequent measurements of financial assets are dependent on initial categorisation. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively that share similar credit risk characteristics.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

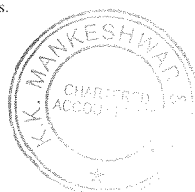
Subsequent recoveries of amounts previously written off are credited to other Income.

(b) Financial liabilities

At initial recognition, all financial liabilities other than fair valued through profit and loss are recognised initially at fair value less transaction costs that are attributable to the issue of financial liability. Transaction costs of financial liability carried at fair value through profit or loss is expensed in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date at fair value with all the changes recognized in the Statement of Profit and Loss.



Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ('EIR') except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting year.

Trade and other payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting year. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

(ii) Cash Flow Statements

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 company are segregated based on the available information.

(iii) 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.

(iv) Investment in subsidiaries

Subsidiaries are those entities (including special purpose entities) in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies. Then existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the company controls another entity.

Investment in subsidiaries is shown at cost. Where the carrying amount of the investment is greater than its estimated recoverable amount it is written down immediately to its recoverable amount and the difference is transferred to the statement of comprehensive income. On disposal of the investment, the difference between the net disposal proceeds and the carrying amounts is charge or credited to profit or loss.

(v) Share capital, share premium and perpetual securities

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Par value of the equity share is recorded as share capital and the amount received in excess of the par value is classified as share premium.

(vi) Revenue recognition

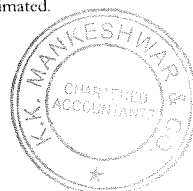
The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below.

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized using the effective interest method.

(vii) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.



(viii) 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.

(ix) Earning Per Share

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

(x) Foreign Currency Transactions and Translations

Transactions in foreign currencies are initially recorded by the company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the company's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The company makes estimates and judgments that affect the reporting amounts of assets and liabilities within the next year. Estimates and judgments are continually evaluated and are based on historical experience and other factor, including expectations of future events that are believed to be reasonable under the circumstance.



BALLARPUR PAPER HOLDINGS B.V.
Notes forming part of Ind AS Financial statements for the year ended as on 31st March 2017
4 Non Current Investments

Particulars	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	No. of Shares	Face Value	Amount in Rs.	No. of Shares	Face Value	Amount in Rs.	No. of Shares	Face Value	Amount in Rs.
(i) Subsidiary Companies									
(a) Investment in equity shares of Sabah Forest Industries SDN BHD	8,833,324,120	RM 1.00	19,508,960,111	8,833,324,120	RM 1.00	19,922,519,183	8,833,324,120	RM 1.00	18,846,938,208
(b) Investment in equity shares of Bilt Graphic Paper Products Limited	550,000,000	Rs. 10.00	10,061,005,926	550,000,000	Rs. 10.00	10,274,278,168	550,000,000	Rs. 10.00	9,719,593,250
(c) Investment in Compulsory convertible debenture of Bilt Graphic Paper Products Limited	30,000,000	Rs. 100.00	4,285,632,096	30,000,000	Rs. 100.00	4,376,478,315	30,000,000	Rs. 100.00	3,900,000,000
	9,413,324,120		33,855,598,133	9,413,324,120		34,573,265,866	9,413,324,120		31,566,531,458



BALLARPUR PAPER HOLDINGS B.V.

Notes forming part of Ind AS Financial statements for the year ended as on 31st March 2017

5 Non Current Loans

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured and considered goods			
Loans to Subsidiaries*	7,234,172,405	6,294,301,000	5,954,486,000
	7,234,172,405	6,294,301,000	5,954,486,000

* ECB Loan of USD 95,000,000 given to Bilt Graphic Paper Products Limited @ 7.6% p.a.

* Loan of USD 16,500,000 given to Sabah Forest Industries Sdn. Bhd. @ (3.25% + LIBOR)p.a.

6 Other non-current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Unsecured and considered goods			
Withholding tax recoverable	996,506,887	933,013,793	801,317,609
	996,506,887	933,013,793	801,317,609

7 Cash and cash equivalents

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with Banks			
- in current accounts	205,686,011	2,795,573	8,819,435
Cash in transit	-	-	68,810,791
	205,686,011	2,795,573	77,630,226

8 Other bank balances

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balance with other accounts			
- DSRA Account	-	562,563	35,413,522
	-	562,563	35,413,522

9 Other current financial assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Interest accrued	787,621,320	140,346,518	63,506,315
Advances to related parties	124,516,037	493,948,788	758,485,395
Advances to others	557,309	30,372,747	15,123,221
	912,694,666	664,668,053	837,114,931

10 Other current assets

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Prepaid Expenses	-	204,333	1,777,331
	-	204,333	1,777,331



BALLARPUR PAPER HOLDINGS B.V.

Notes forming part of Ind AS Financial statements for the year ended as on 31st March 2017

II Equity share capital

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised:			
Ordinary Shares: 240,000,000 Ordinary Shares of Euro 1/- each (Previous year 2016: 240,000,000)(Previous year 2015: 240,000,000)	13,804,928,208 13,804,928,208	13,804,928,208 13,804,928,208	13,804,928,208 13,804,928,208
Issued, Subscribed and fully paid up :			
Equity Share Capital 125,192,483 Ordinary Shares of Euro 1/- each Held by, Bilt Paper B.V. (Formerly Known as Ballapur International Graphic Paper Holdings B.V., the Holding Company (Previous year 2016: 125,192,483)(Previous year 2015: 125,192,483) held by Bilt Paper B.V.	7,053,604,670 7,053,604,670	7,053,604,670 7,053,604,670	7,053,604,670 7,053,604,670

a) Reconciliation of the number of equity shares

Name of shareholders	No. of Shares	As at March 31, 2017	No. of Shares	As at March 31, 2016	No. of Shares	As at April 01, 2015
Balance as at the beginning of the year/period	125,192,483	7,053,604,670	125,192,483	7,053,604,670	125,192,483	7,053,604,670
Add: Issued during the Year	-	-	-	-	-	-
Balance as at the end of the year/period	125,192,483	7,053,604,670	125,192,483	7,053,604,670	125,192,483	7,053,604,670

b) Rights, preferences and restrictions attached to shares

The company has one class of equity shares having a par value of Euro 1 (Euro One) 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.

c) Shares held by holding company and Ultimate holding company:

Name of shareholders	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
	No. of Shares	No. of Shares	No. of Shares
Bilt Paper B.V.	125,192,483	125,192,483	125,192,483
Balance as at the end of the year/period	125,192,483	125,192,483	125,192,483

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

Name of shareholders	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of Shares	Holding %	No. of Shares	Holding %	No. of Shares	Holding %
Bilt Paper B.V.	125,192,483	100.00%	125,192,483	100.00%	125,192,483	100.00%
	125,192,483	100.00%	125,192,483	100.00%	125,192,483	100.00%



BALLARPUR PAPER HOLDINGS B.V.

Notes forming part of Ind AS Financial statements for the year ended as on 31st March 2017

12 Non-current Borrowings

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
a) Secured			
Term loan from banks	1,312,369,707	-	1,253,576,000
b) Unsecured			
Loan from related parties	11,994,187,204	12,136,012,195	10,153,965,600
Total	13,306,556,911	12,136,012,195	11,407,541,600

A Secured term loans

i) Term loan of USD 15 million has been obtained from DBS Bank (rate of interest 3.25% + LIBOR) secured against shares of SFI.

Unsecured term loans

i) The Company has obtained of USD 162 Million from Bilt Paper B.V. (rate of interest 9.9% p.a.).

ii) The Company has obtained of USD 23.50 Million from Ballarpur International Holdings B.V. (rate of interest 1.9% p.a.).

B Defaults and Breaches:

There have been no default in repayment and other terms of non-current term borrowings.

13 Other financial liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Interest accrued but not due on borrowings	30,999,935	-	24,276,718
Interest payable to related party	1,116,703,026	370,394,478	1,159,596,975
Due to related parties	17,860,590	120,363,382	38,089,021
Other payable	16,319,758	23,669,292	19,681,871
	1,181,883,309	514,427,152	1,241,644,585

Current Secured term loans

i) Term loan of USD 5.4 million has been obtained from EC Holding PTE (rate of interest 13%) secured against share of SFI and BPH.

14 Other current liabilities

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Statutory dues	-	45,121,105	42,685,119
	-	45,121,105	42,685,119



BALLARPUR PAPER HOLDINGS B.V.

Notes forming part of Ind AS Financial statements for the year ended as on 31st March 2017

15 Revenue from Operations

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest earned	891,464,054	849,931,122
Other operating income	47,688,695	6,272,644
Dividend Income	-	804,182,159
	939,152,749	1,660,385,925

16 Finance costs

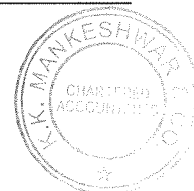
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest expenses :-		
- to others	1,156,632,690	1,092,494,709
Other borrowing costs	185,439,553	78,436,320
Net loss / (gain) in foreign currency transaction and translation	5,835,796	648,859
	1,347,908,039	1,171,579,888

17 Other expenses

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Travelling Expenses	31,684,057	3,239,100
Bank charges	1,054,891	296,488
Legal and professional charges	12,718,345	21,952,711
Directors sitting fees	152,314	72,671
	45,609,607	25,560,970

18 Earning Per Share

Particulars	for the year ended 31, 2017	for the year ended March 31, 2016
Basic and Diluted		
Profit/(Loss) after Tax (In Rupees)	(454,364,897)	463,245,067
Weighted Average number of Ordinary Shares	125,192,483	125,192,483
EPS in Rupees	(3.63)	3.70



BALLARPUR PAPER HOLDINGS B.V.

Notes forming part of Ind AS Financial statements for the year ended as on 31st March 2017

19 Transition to IND AS**Basis of preparation**

For all year up to and including the year ended March 31, 2016, the company has prepared its financial statements in accordance with generally accepted accounting principles in India (Indian GAAP). These financial statements for the year ended March 31, 2017 are the company's first annual IND AS financial statements and have been prepared in accordance with IND AS.

Accordingly, the company has prepared financial statements which comply with IND AS applicable for years beginning on or after April 1, 2015 as described in the accounting policies. In preparing these financial statements, the company's opening Balance Sheet was prepared as at April 1, 2015 the company's date of transition to IND AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP Balance Sheet as at April 1, 2015 and its previously published Indian GAAP financial statements for the quarter ended March 31, 2016 and year ended March 31, 2016.

- I. The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind AS Opening statement of financial position as at April 1, 2015. All explanations should be read in conjunction with the accounting policies of the company as disclosed in the Notes to the Accounts.

Particulars	1-Apr-15	31-Mar-16
Other Equity as per Previous GAAP	19,720,110,559	22,820,709,828
Impact of effective interest rate on borrowings	(188,106,864)	(88,083,483)
Foreign exchange difference due to Ind AS adjustment	(3,208,592)	(12,980,286)
Other Equity as per Ind AS	19,528,795,103	22,719,646,059

- II. The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind AS on Statement of Profit and Loss for the year ended March 31, 2016. All explanations should be read in conjunction with the accounting policies of the company as disclosed in the Notes to the Accounts.

Particulars	2015-16
Profit / (Loss) as per Previous GAAP	363,221,686
Adjustments	
Impact of effective interest rate on borrowings	100,023,381
Profit / (Loss) as per Ind AS	463,245,067

III. Notes to the Reconciliation

- a. Under Previous GAAP ,Cost incurred in raising funds are amortised over the year for which Funds have been obtained ,using timing proportionate basis .However ,as per Ind AS ,the transaction cost are amortised using effective interest rate.
- b. At the time of adoption of IND AS due to different currency of Accounting and reporting there is some translation difference arise due to IND AS adjustments.



Financial risk factors

The company's activities expose it to a variety of financial risks; market risk (including currency risks, interest rate risks and price risk), credit risk and liquidity risk. This note presents information about the company's exposure to each of the said risks, the company's objectives, policies and processes for measuring risks and the company's management of capital. Further quantitative disclosures are included throughout these financial statements.

The board of director has overall responsibility for the establishment and oversight of the company's risk management framework. The company's risk management policies are established to identify and analyse the risks faced by the company to set appropriate measures and controls and to monitor risks and adherence to limits. Risks management policies and systems are reviewed regularly to reflect changes in market conditions and in the company's activities.

The company's exposure to the various types of risks associated to its activity and financial instruments is detailed below:

(a) Market risks

Market risks is the risks that changes in market prices, such as foreign exchange rates and interest rates will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to change in foreign exchange rates. The company invests in securities denominated in Euro. All investments in subsidiaries are accounted at cost and consequently, the company is not exposed to any foreign currency risk.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest

rates. The company receives advance funds fixed at time of disbursements and as such the company is not exposed to any interest rate risk.

(iii) Price risk

Equity price risk is the risk of unfavorable change in fair values of equities as the result of change in the value of individual share. The Company has no exposure to price risks at year end.

(b) Credit risk

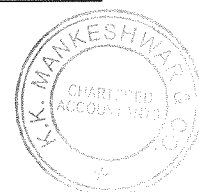
Credit risk represents the potential loss that the company would incur if counter parties fail to perform pursuant to the terms of their obligations to the company. The company limits its credit risks by carrying out transaction through companies within the group. The maximum exposure to credit risk is represented by the carrying amounts of loans receivables from related parties, interest receivable and cash and cash equivalents in the statement of financial positions.

(c) Liquidity risk

This refers to availability of funds for the Company to meet its financial obligations as they fall due.

The maturity profile of the Company's non-derivative financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations are as follows:-

	On demand or within one year	One year to five years	Total
Non-derivative financial assets:			
Loans to subsidiaries	-	7,234,172,405	7,234,172,405
Cash and cash equivalents	205,686,011	-	205,686,011
Advances to subsidiaries	-	124,516,037	124,516,037
Advances to others	-	557,309	557,309
Interest receivable	-	787,621,320	787,621,320
Total undiscounted non-derivative financial assets	205,686,011	8,146,867,071	8,352,553,082
Non-derivative financial liabilities:			
Long term borrowings	1,312,369,707	11,994,187,204	13,306,556,911
Other financial liabilities	1,181,883,309	-	1,181,883,309
Total undiscounted non-derivative financial liabilities	2,494,253,016	11,994,187,204	14,488,440,220



BALLARPUR PAPER HOLDINGS B.V.
21 CONTINGENT LIABILITIES

- (i) The company has granted to the lender a corporate guarantee of USD 100 Million on behalf of Sabah Forest Industries Sdn Bhd
(ii) The company has jointly granted with Bilt Paper B.V to the lender a corporate guarantee of USD 1500 Million on behalf of Bilt Graphic Paper Product Limited.

22 RELATED PARTY DISCLOSURE

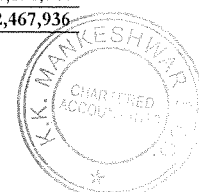
During the year ended 31 March 2017, the Company carried out transaction with related parties as follow:

i Related party name and relationship

Name of Entity	Principal place of operation / Country of Incorporation	Principal Activities	Relation
BILT Paper B. V.	Netherland	Investing	Holding Company
Bilt Graphic Paper Products Limited	India	Manufacturing	Subsidiary
Sabah Forest Industries SDN BHD	Malaysia	Manufacturing	Subsidiary
Ballarpu Industries Ltd.	India	Manufacturing	Ultimate Holding
Ballarpur International Holdings B.V.	Netherland	Investing	Subsidiary of Ultimate Holding
Avantha International Asset B.V.	Netherland	Investing	Other Related Party
Avantha International Holdings B.V.	Netherland	Investing	Other Related Party
Mirabelle Trading Pte. Limited	Singapore	Trading	Other Related Party
TAF Asset 2 B.V.	Netherland	Investing	Other Related Party

ii Related party transactions and balances

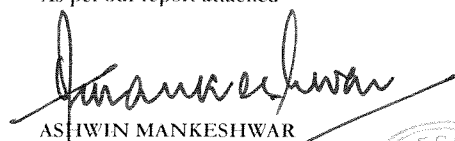
	31.03.2017	31.03.2016
(a) Loan given to subsidiaries		
-Bilt Graphic Paper Products Limited	6,163,644,650	6,294,301,000
-Sabah Forest Industries Sdn Bhd	1,070,527,755	-
	7,234,172,405	6,294,301,000
(b) Interest receivable		
-Bilt Graphic Paper Products Limited	732,672,248	140,346,518
-Sabah Forest Industries Sdn Bhd	54,949,072	-
	787,621,320	140,346,518
(c) Advances given to related parties		
- Bilt Paper B.V.	39,593,304	250,638,607
- Ballarpur Speciality Paper Holdings B.V.	8,833,286	8,837,542
-Avantha International Asset B.V.	1,126,338	1,150,214
-Avantha International Holdings B.V.	90,663	92,585
-Mirabelle Trading Pte. Limited	2,613,904	-
-TAF Asset 2 B.V.	235,913	240,913
-Sabah Forest Industries Sdn Bhd	72,022,629	125,323,252
	124,516,037	386,283,113
(d) Loan Taken from Related Party		
- Bilt Paper B.V.	10,510,636,140	10,554,458,254
- Ballarpur International Holdings B.V.	1,483,551,064	1,581,553,941
	11,994,187,204	12,136,012,195
(e) Advances payable		
Ballarpur International Holdings B.V.	16,405,368	118,877,313
-Ballarpur Industries Ltd.	1,455,222	1,486,069
	17,860,590	120,363,382
(f) Interest payable		
-Bilt Paper B.V.	1,066,514,898	349,136,594
-Ballarpur International Holdings B.V.	50,188,128	21,257,884
	1,116,703,026	370,394,478
(g) Interest Income		
-Bilt Graphic Paper Products Limited	839,554,045	849,931,122
-Sabah Forest Industries Sdn Bhd	57,209,971	-
	896,764,016	849,931,122
(h) Dividend Income		
-Bilt Graphic Paper Products Limited	-	804,182,159
	-	804,182,159
(i) Interest Expenses		
-Bilt Paper B.V.	1,092,190,619	1,050,569,190
Ballarpur International Holdings B.V.	138,387,100	101,898,746
	1,230,577,719	1,152,467,936



- 23 The company has no employees and hence incurred no wages, related social security or pension charges during the year under review.
- 24 **Income Tax Expenses**
In the view of losses, provision for tax has not been recognised. Further the deferred tax asset arising out of timing difference has not been recognised as there is no reasonable certainty of sufficient taxable income being available against which such deferred tax asset can be realised.
- 25 **Micro, Small and Medium Enterprises**
There are no transactions to Micro, Small and Medium Enterprises under Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information given by the Company.
- 26 The disclosure of holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 is not applicable to the Company, since the company has no operation in India and is not holding any specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(1) dated March 31, 2017.
- 27 Other disclosure requirements of Schedule III to the Companies Act, 2013 are not applicable to the Company.
- 28 There are no separate reportable segments (business and/or geographical) in accordance with the requirements of Indian Accounting Standard -108 (Segment Reporting).
- 29 Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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



Director



Director ✕

Gurgaon, dated the

22nd May, 2017