

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF BALLARPUR PAPER HOLDINGS B.V.

#### Report on the Financial Statements

We have audited the accompanying financial statements of M/s Ballarpur Paper Holdings B.V. ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, 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.

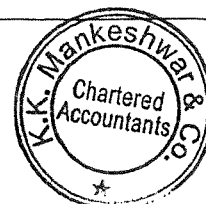
We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected

#### 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



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

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




Gurgaon, dated the  
26<sup>th</sup> May, 2015

BALLARPUR PAPER HOLDINGS B.V.  
BALANCE SHEET AS ON MARCH 31, 2015

	NOTE NO.	31.03.2015	30.06.2014
		RS.	RS.
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	B-2	7,053,604,670	7,053,604,670
Reserves and Surplus	B-3	19,720,110,559	14,767,999,616
		26,773,715,229	21,821,604,286
<b>NON - CURRENT LIABILITIES</b>			
Long term borrowings	B-4	11,407,541,600	13,210,120,000
		11,407,541,600	13,210,120,000
<b>CURRENT LIABILITIES</b>			
Other current liabilities	B-5	1,284,329,705	742,221,152
		1,284,329,705	742,221,152
<b>TOTAL</b>		<b>39,465,586,534</b>	<b>35,773,945,438</b>
<b>ASSETS</b>			
Non-current investments	B-6	31,566,531,458	27,964,764,784
Long term loans and advances	B-7	5,954,486,000	5,704,370,000
Other non-current assets	B-8	909,501,804	860,070,520
		38,430,519,262	34,529,205,304
<b>CURRENT ASSETS</b>			
Cash and bank balances	B-9	113,043,748	124,911,884
Short term loans and advances	B-10	773,608,616	810,060,379
Other current assets	B-11	148,414,908	309,767,871
		1,035,067,272	1,244,740,134
<b>TOTAL</b>		<b>39,465,586,534</b>	<b>35,773,945,438</b>

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

BALLARPUR PAPER HOLDING B.V.

  
Director



ABHAY UPADHYE  
Partner  
Membership No. 049354  
For and on behalf of  
K K MANESWAR & CO.  
Chartered Accountants  
FAN 105031W

  
J.H. Beetsma  
Managing Director

Guaroon dated on  
May 26, 2015

**BALLARPUR PAPER HOLDINGS B.V.**  
**BALANCE SHEET AS ON MARCH 31, 2015**

	NOTE NO.	31.03.2015 Rs.	30.06.2014 Rs.
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	B-2	7,053,604,670	7,053,604,670
Reserves and Surplus	B-3	19,720,110,559	14,767,999,616
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<b>CURRENT LIABILITIES</b>			
Other current liabilities	B-5	1,284,329,705	742,221,152
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<b>TOTAL</b>		<b>39,465,586,534</b>	<b>35,773,945,438</b>
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		<u>1,035,067,272</u>	<u>1,244,740,134</u>
<b>TOTAL</b>		<b>39,465,586,534</b>	<b>35,773,945,438</b>

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

"A"  
"B"

BALLARPUR PAPER HOLDING B.V.

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



Director

Director

Gurgaon, dated the  
May 26, 2015


BALLARPUR PAPER HOLDINGS B.V.  
STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015

	NOTE NO.	31-03-2015	30-06-2014
		Rs.	Rs.
<b>REVENUE</b>			
Revenue from operations	B-12	611,094,859	807,708,154
Other income	B-13	400,283,031	354,795,330
<b>TOTAL</b>		<b>1,011,377,890</b>	<b>1,162,503,484</b>
<b>EXPENSES</b>			
Finance cost	B-14	949,208,678	1,393,818,627
Other expenses	B-15	10,323,906	5,744,854
<b>TOTAL</b>		<b>959,532,584</b>	<b>1,399,563,481</b>
Profit/(Loss) before tax		51,845,306	(237,059,997)
Prior period item			
<b>Profit before tax</b>		<b>51,845,306</b>	<b>(237,059,997)</b>
<b>Tax expense:</b>			
Current tax/MAT (including Wealth Tax)		51,845,306	(237,059,997)
<b>Profit/(Loss) after tax for the period/ year</b>			
Earning per equity share:	B-16	0.41	(1.89)
Basic and Diluted (In Rs )			

Significant Accounting Policies  
Notes to Financial Statements

As per our report attached

BALLARPUR PAPER HOLDING B.V.

  
Director

ABHAY UPADHYE

Partner

Membership No. 049354

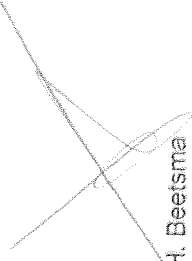

For and on behalf of

K.K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106099W

Gurgaon, dated the  
May 26, 2015

  
J.H. Beetsma  
Managing Director  


**BALLARPUR PAPER HOLDINGS B.V.**  
**STATEMENT OF PROFIT AND LOSS FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015**

	NOTE NO.	31.03.2015 Rs.	30.06.2014 Rs.
<b>REVENUE</b>			
Revenue from operations	B-12	611,094,859	807,708,154
Other Income	B-13	400,283,031	354,795,330
<b>TOTAL</b>		<b>1,011,377,890</b>	<b>1,162,503,484</b>
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Finance cost	B-14	949,208,678	1,393,818,627
Other expenses	B-15	10,323,906	5,744,854
<b>TOTAL</b>		<b>959,532,584</b>	<b>1,399,563,481</b>
Profit/(Loss) before tax		51,845,306	(237,059,997)
Prior period Item		-	-
<b>Profit before tax</b>		<b>51,845,306</b>	<b>(237,059,997)</b>
<b>Tax expense:</b>			
Current tax/MAT (Including Wealth Tax)		-	-
<b>Profit/(Loss) after tax for the period/ year</b>		<b>51,845,306</b>	<b>(237,059,997)</b>
Earning per equity share: Basic and Diluted (In Rs )	B-16	0.41	(1.89)

Significant Accounting Policies  
Notes to Financial Statements

"A"  
"B"

As per our report attached

BALLARPUR PAPER HOLDING B.V.

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



Director

Director

Gurgaon ,dated the  
May 26, 2015

**BALARPUR PAPER HOLDINGS B.V.**

**CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015**

PARTICULARS	Note no.	For the Nine Months	For the Year Ended
		Period Ended March 31, 2015	June 30, 2014
		Rs.	Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit / (Loss) Before Tax		51,845,308	(237,059,997)
Adjustments for:			
Amortisation of Profit			
Dividend Income		381,687,126	351,660,123
Finance Cost		949,209,678	1,393,818,627
Operating Profit / (Loss) Before Working Capital Changes		1,382,741,110	1,508,418,752
Adjustments for:			
(Increase)/(Decrease) in Loans & Advances		(192,720,877)	(178,211,809)
(Increase)/(Decrease) in Other Payables		921,685,742	274,063,695
Cash From/(used in) Operating Activities		2,111,705,975	1,604,279,844
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>			
Dividend Income		(381,687,126)	(351,660,123)
Investment in subsidiaries		(2,465,104,000)	
Cash From/(used in) Investing Activities		(2,846,791,126)	(351,660,123)
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from / (repayment of) borrowings		(2,341,848,800)	
Contributions received from holding Company in the form of security premium		3,900,516,000	
Interest Paid		(79,663,898)	(8,314,327,897)
Cash From/(used in) Financing Activities		(1,569,089,302)	(8,314,327,897)
Net Increase / (Decrease) in Cash and Cash Equivalents		813,918,151	(61,717,175)
Foreign Currency Translation Reserve		(845,796,287)	49,784,365
Net Increase/(Decrease) in cash and cash equivalents		(11,868,136)	(11,932,811)
Cash and cash equivalents at beginning of year		124,911,884	126,864,684
Cash and cash equivalents at end of year		113,043,748	124,911,884

The above Cash Flow Statement has been prepared under the "Direct Method" as set out in the Accounting Standard on 'Cash Flow Statements' issued by The Institute of Chartered Accountants of India

Cash and Cash Equivalents at the end of the year consist of Cash and balances with Bank

Previous year's figures have been regrouped/reclassified wherever necessary, so as to conform to current year's classification

Current 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, 2015 (Rupees)	As at June 30, 2014 (Rupees)
Balances with Bank		
in Current account	8,819,435	7,953,038
Money at hand	68,810,791	66,520,305
Bank Service Reserve Accounts	35,413,512	50,418,640
	113,043,748	124,911,884

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES**

1. AFT FINANCIALS

A & B

As per our report of even date

**ABHAY UPADHYE**

Partner

Membership No.049354

For and on behalf of

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

Chartered Accountants

100/100/10

Outgoing dated the

May 06, 2015

BALARPUR PAPER HOLDING B.V.

Director

Director

**J.H. Beetsma**

Managing Director

11/5/15



**BALLARPUR PAPER HOLDINGS B.V.**  
**CASH FLOW STATEMENT FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2015**

PARTICULARS	Note no.	For the Nine Months Period Ended March 31, 2015 Rs.	For the Year Ended June 30, 2014 Rs.
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit / (Loss) Before Tax		51,845,306	(237,059,997)
<b>Adjustments for:</b>			
Appropriation of Profit			
Dividend Income		381,687,126	351,660,123
Finance Cost		949,208,678	1,393,818,627
Operating Profit / (Loss) Before Working Capital Changes		1,382,741,110	1,508,418,752
<b>Adjustments for:</b>			
(Increase)/Decrease in Loans & Advances		(192,720,877)	(178,211,603)
(Increase)/Decrease in Other Payables		921,685,742	274,063,695
<b>Cash From/(used in) Operating Activities</b>		<b>2,111,705,975</b>	<b>1,604,270,844</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Dividend Income		(381,687,126)	(351,660,123)
Investment in subsidiaries		(2,465,104,000)	-
<b>Cash From/(used in) Investing Activities</b>		<b>(2,846,791,126)</b>	<b>(351,660,123)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>			
Proceeds from / (repayment of) borrowings		(2,341,848,800)	-
Contribution received from holding Company in the form of security premium		3,990,516,000	-
Interest Paid		(79,663,898)	(1,314,327,897)
<b>Cash From/(used in) Financing Activities</b>		<b>1,569,003,302</b>	<b>(1,314,327,897)</b>
<b>Net Increase / (Decrease) in Cash and Cash Equivalents</b>		<b>833,918,151</b>	<b>(61,717,175)</b>
Foreign Currency Translation Reserve		(845,786,287)	49,764,365
<b>Net increase/(Decrease) in cash and cash equivalents</b>		<b>(11,868,136)</b>	<b>(11,952,811)</b>
Cash and cash equivalents at beginning of year		124,911,884	136,864,694
Cash and cash equivalents at end of year		113,043,748	124,911,884

- The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on 'Cash Flow Statements' issued by The Institute of Chartered Accountants of India.
- Cash and Cash Equivalents at the end of the year consist of Cash and Balances with Bank:
- Previous year's figures have been regrouped/reclassified wherever necessary to conform to current year's classification.
- Current 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, 2015 (Rupees)	As at June 30, 2014 (Rupees)
Balances with Banks	8,819,435	7,953,038
-in Current account	68,810,791	66,520,206
-Money in transit	35,413,522	50,438,640
-Debt Service Reserve Accounts	113,043,748	124,911,884

**SIGNIFICANT ACCOUNTING POLICIES AND NOTES  
TO ACCOUNTS**

A & B

As per our report of even date

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



**BALLARPUR PAPER HOLDING B.V.**

*(Signature)*  
 Director

Director

Gurgaon dated the  
 May 26, 2015

**BALLARPUR PAPER HOLDINGS B.V.**  
**SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO FINANCIAL STATEMENTS**

**Company Overview**

Ballarpur Paper Holdings B.V. ("The Company") was incorporated on 13th November, 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 are translated at the period/ year end rates.
- ii. The difference in translation of monetary assets and liabilities are realised gains and losses on foreign exchange transactions are recognised 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 PAPER HOLDINGS B.V.**

B-NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2015

**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:

- a) For assets and liabilities (both monetary and non-monetary items) using the rate of exchange prevailing on the balance Sheet date (1 US\$=Rs.60.046 as at June 30, 2014 and 1 US\$=Rs.62.6788 as at March 31, 2015).
- b) For revenue and expenses using average exchange rates prevailing during the reporting period/year (1 US\$ = Rs.61.6276 for the period July 1, 2014 to March 31, 2015 and 1 US\$ = Rs.61.4277 for the period July 1, 2013 to June 30, 2014).
- c) For Share Capital using the rate of exchange prevailing at the date of the transaction.
- d) Resulting exchange differences are taken into foreign currency translation reserve as required under Accounting Standard-11

**B-2 SHARE CAPITAL:**

	31.03.2015 Rs.	30.06.2014 Rs.
<b>Authorised:</b>	13,80,49,28,208	13,80,49,28,208
Ordinary Shares: 240,000,000 (Previous year: 240,000,000) Ordinary Shares of Euro 1/- each	<u>13,80,49,28,208</u>	<u>13,80,49,28,208</u>
Issued, Subscribed and fully paid up :	7,05,36,04,670	7,05,36,04,670
125,192,483 Ordinary Shares of Euro 1/- each (Previous Year: 125,192,483 Ordinary Shares of Euro 1/- each )		
Held by, Bilt Paper B.V. (Formerly Known as Ballarpur International Graphic Paper Holdings B.V., the Holding Company (Previous year: 125,192,483 held by Bilt Paper B.V. (Formerly Known as Ballarpur International Graphic Paper Holdings B.V.))	<u>7,05,36,04,670</u>	<u>7,05,36,04,670</u>

**1.1 Reconciliation of number of shares**

EQUITY SHARES:	As on 31st March 2015		As on Jun 30, 2014	
	No. of shares	Rs.	No. of shares	Rs.
<b>a) Class A ordinary shares</b>				
Balance as at the beginning of the period/year	12,51,92,483	7,05,36,04,670	12,51,92,483	7,05,36,04,670
Balance as at the end of the period/year	12,51,92,483	7,05,36,04,670	12,51,92,483	7,05,36,04,670

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

	As at March 31, 2015	As at June 30, 2014
<b>Bilt Paper B.V. (Formerly Known as Ballarpur International Graphic Paper Holdings B.V.)</b>		
Ordinary shares	12,51,92,483	12,51,92,483

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

Name of shareholder	As on 31.03.2015		As on 30.06.2014	
	No. of shares	Holding ( % )	No. of shares	Holding ( % )
<b>a) Class A ordinary shares</b>				
Bilt Paper B.V. (Formerly Known as Ballarpur International Graphic Paper Holdings B.V.)	12,51,92,483	100%	12,51,92,483	100%



**B-3 RESERVE AND SURPLUS**

	31.03.2015	30.06.2014
	Rs.	Rs.
<b>Share Premium reserve</b>		
At the beginning of the reporting period/ year	12,44,73,69,971	12,44,73,69,971
Add: Contribution received from holding Company in the form of security premium	3,99,05,16,000	-
At the close of the reporting period/ year	<b>16,43,78,85,971</b>	<b>12,44,73,69,971</b>
<b>Foreign Currency Translation Reserve</b>		
At the beginning of the reporting period/ year	5,24,07,57,544	5,11,51,65,227
Adjustment during the period/ year (net)	90,97,49,636	12,55,92,317
At the close of the reporting period/ year	<b>6,15,05,07,180</b>	<b>5,24,07,57,544</b>
<b>Balance in Statement of Profit and Loss</b>		
At the beginning of the reporting period/ year	(2,92,01,27,899)	(2,68,30,67,903)
Profit for the period/ year as per statement of profit and loss	5,18,45,307	(23,70,59,996)
At the close of the reporting period/ year	<b>(2,86,82,82,592)</b>	<b>(2,92,01,27,899)</b>
<b>Total</b>	<b>19,72,01,10,559</b>	<b>14,76,79,99,616</b>

**B-4 LONG TERM BORROWINGS:**

	31.03.2015	30.06.2014
	Rs.	Rs.
<b>1. Secured Loans:</b>		
Banks	1,25,35,76,000	3,48,26,68,000
	<b>1,25,35,76,000</b>	<b>3,48,26,68,000</b>
<b>2. Unsecured Loans:</b>		
Loans from related parties	10,15,39,65,600	9,72,74,52,000
	<b>10,15,39,65,600</b>	<b>9,72,74,52,000</b>
<b>Total long term borrowings (1+2)</b>	<b>11,40,75,41,600</b>	<b>13,21,01,20,000</b>

## Secured Loans:

## a) Term Loan from Banks

- Is secured against pledge of Company's Shares

- USD 58,000,000 Loan taken from Standard Chartered Bank @interest of margin of 5.25%+Liber per annum. The loan was drawn down in July 2012 and is repayable at the end of three years from first utilisation date. USD 38,000,000 has been prepaid in November 2014.

## Unsecured Loans:

## a) Loan from related party:

- USD 162,000,000 Loan taken from Ballarpur Internaional Graphic Paper Holdings B.V @interest of 9.9% per annum. (Previous Year: USD 162,000,000) which is repayale as follows:

i) Loan of USD 67 mn is repayable on any call date in whole and no in part upon givinnng not less than 30 nor more han 60 days notice to the lender. Call date means the first call date, the second call date or any interest payment date after the second call date. The first call date is 11th August 2016 and second call date is 11th August 2021.

ii) Loan of USD 95 mn is repayable in full on the termination date. Termination date as per the agreement is the date falling 10 years after and including the first utilization date being the date on which the relevant loan was made i.e., 11th August 2011.

**B-5 OTHER CURRENT LIABILITIES:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Interest accrued but not due on borrowings	2,42,76,718	36,55,278
Interest Payable ( Related Party)	1,15,95,96,975	38,23,50,411
Statutory dues payable	4,26,85,119	4,08,92,146
Due to related Parties	3,80,89,021	29,89,03,828
Other payables	1,96,81,872	1,64,19,489
(Other Payables include Legal, Professional, provision for expenses etc.)		
<b>TOTAL</b>	<b>1,28,43,29,705</b>	<b>74,22,21,152</b>



**B-6 NON CURRENT INVESTMENTS:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Investment in subsidiaries	31,56,65,31,458	27,96,47,64,784
<b>Total</b>	<b>31,56,65,31,458</b>	<b>27,96,47,64,784</b>
a) Long Term-Trade (Unquoted) Subsidiaries, at cost Sabah Forest Industries SDN BHD Current Period/ Year: 752,532,412 Class A ordinary shares of RM1.00 each and 8,833,324,120 Class B ordinary shares of RM0.10 each respectively & 146,000,000 deferred shares of RM1.00 each (Previous Year: 752,532,412 Class A ordinary shares of RM1.00 each and 7,525,324,120 Class B ordinary shares of RM0.10 each respectively & 146,000,000 deferred shares of RM1.00 each)	18,84,69,38,208	15,65,34,39,483
b) Bilt Graphic Paper Products Limited 30,000,000 Compulsorily Convertible Debenture of INR 100/- each ( Previous Year 50,000,000 Compulsorily Convertible Debenture of INR 100/- each)	3,00,00,00,000	3,00,00,00,000
c) BILT Graphic Paper Products Limited 550,000,000 fully paid Equity Shares of Rs.10/- each	9,71,95,93,250	9,31,13,25,301

**B-7 LONG TERM LOANS AND ADVANCES:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Loans and advances to related parties	5,95,44,86,000	5,70,43,70,000
<b>Total</b>	<b>5,95,44,86,000</b>	<b>5,70,43,70,000</b>
a) USD 95,000,000 ECB loan given to Bilt Graphic Paper Products Limited @ interest of 7.68% per annum. (Previous Year : USD 95,000,000)		

**B-8 OTHER NON CURRENT ASSETS:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Unamortized Expenses	10,81,84,195	15,19,52,277
Withholding tax recoverable	80,13,17,609	70,81,18,243
<b>Total</b>	<b>90,95,01,804</b>	<b>86,00,70,520</b>

**B-9 CASH AND BANK BALANCE :**

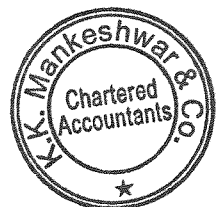
	31.03.2015	30.06.2014
	Rs.	Rs.
Cash & cash equivalents		
Balances with banks	88,19,435	79,53,038
- In current accounts	6,88,10,791	6,65,20,206
Money in transit	7,76,30,226	7,44,73,244
Other bank balance	3,54,13,522	5,04,38,640
Debt Service Reserve Account	3,54,13,522	5,04,38,640
<b>TOTAL</b>	<b>11,30,43,748</b>	<b>12,49,11,884</b>

**B-10 SHORT TERM LOANS AND ADVANCES:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Unsecured, considered good		
Loans and advances (Related Parties)	75,84,85,395	80,98,72,652
Other advances	1,51,23,221	1,87,727
<b>TOTAL</b>	<b>77,36,08,616</b>	<b>81,00,60,379</b>

**B-11 OTHER CURRENT ASSETS:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Current portion of unamortized expenses	8,49,08,593	13,21,18,831
Interest receivable from related party	6,35,06,315	17,76,49,041
<b>TOTAL</b>	<b>14,84,14,908</b>	<b>30,97,67,872</b>



**B-12 REVENUE FROM OPERATIONS:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Interest	611,094,859	807,708,154
<b>TOTAL</b>	<b>611,094,859</b>	<b>807,708,154</b>

**B-13 OTHER INCOME:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Dividend Income	381,687,126	351,660,123
Gain on foreign currency fluctuations	-	3,135,207
Other non operating income (net of expenses directly attributable to such income)	18,595,905	-
<b>TOTAL</b>	<b>400,283,031</b>	<b>354,795,330</b>

**B-14 FINANCE COSTS:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Interest expenses	843,462,076	1,191,021,448
Other borrowing costs	101,699,098	202,797,179
Net loss / (gain) in foreign currency transaction and translation	4,047,504	-
<b>TOTAL</b>	<b>949,208,678</b>	<b>1,393,818,627</b>

**B-15 OTHER EXPENSES:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Office & other expenses	732,762	-
Bank charges	2,801,803	421,677
Legal and professional charges	6,546,479	5,323,177
Directors sitting fees	242,862	-
<b>TOTAL</b>	<b>10,323,906</b>	<b>5,744,854</b>

**B-16 EARNING PER SHARE:**

	31.03.2015	30.06.2014
	Rs.	Rs.
Basic and Diluted Profit after Tax (In Rupees)	51,845,306	(237,059,997)
Weighted Average number of Ordinary Share	125,192,483	125,192,483
Basic and Diluted EPS in Rupees	0.41	(1.89)

**Ordinary Share Details (No's)**

Issued on November 13, 2006	18,000	18,000
Issued on March 13, 2007	93,689,199	93,689,199
Issued on March 18, 2008	25,225,659	25,225,659
Issued on June 29, 2011	6,259,625	6,259,625
Outstanding as at the end of the period/ year	125,192,483	125,192,483

**B-17 Information on Related Parties as required by Accounting Standard-AS 18 "Related Party Disclosures":****1) List of Related Parties**

BILT Paper BV (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)  
 Ballarpur International Holdings B.V.  
 Ballarpur Industries Limited  
 BILT Graphic Paper Products Limited  
 Ballarpur Speciality Paper Holdings B.V.  
 Avantha International Assets B.V.  
 Avantha International Holdings B.V.  
 TAF Asset 2 B.V.

Holding Company  
 Subsidiary of ultimate Holding Company  
 Ultimate Holding Company  
 Subsidiary  
 Subsidiary of ultimate Holding Company  
 Other Related Parties\*  
 Other Related Parties\*  
 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

**(b) Details of transaction with related parties**

(Financial transactions have been carried out in the ordinary course of business and/or in discharge of contract obligation)



S No	Particulars	31.03.2015	30.06.2014
1	Loan balance from related parties (to) Paper B.V. (formerly known as Ballarpur International Graphical Paper Holdings B.V.)	10,15,30,65,600	1,77,76,57,000
2	Loan given to related parties (to) Paper B.V. (formerly known as)	1,95,44,86,000	2,01,41,71,000
3	Interest Income (to) Paper B.V. (formerly known as)	61,10,94,859	80,17,58,500
4	Dividend Income (to) Paper B.V. (formerly known as)	38,10,87,175	1,10,00,175
5	Interest Expenses (to) Paper B.V. (formerly known as)	76,17,77,675	89,15,74,000
6	Interest Receivables (to) Paper B.V. (formerly known as)	6,15,06,111	7,76,15,000
7	<b>Advances Receivable</b> (to) Paper B.V. (formerly known as) Ballarpur International Graphical Paper Holdings B.V. Luban Paper Industries Sdn. Bhd. Ballarpur Specialty Paper Holdings PVT. Aventia International Asset B.V. Aventia International Holdings B.V. IAR Asset PVT.	71,92,87,777 1,38,98,723 58,99,781 10,88,117 42,586 7,77,907	71,12,50,298 2,95,97,000 8,76,740 10,41,411 41,007 7,18,114
8	Interest Payables (to) Paper B.V. (formerly known as)	1,15,88,86,974	88,74,10,000
9	<b>Advances Payable</b> (to) Paper B.V. (formerly known as)	1,68,84,181 18,75,895	26,75,57,000 11,95,700

**8.18 CONTINGENT ASSETS AND OTHER CONTINGENT LIABILITIES**

- There are no contingent assets and liabilities which have not been provided for in the balance sheet.
- 8.19 The company has no employees and hence no provision for wages related social security or pension charges during the period under review.
- 8.20 INCOME TAXES**
- Due to current forward losses, no provision for income tax has been made. Also, it is uncertain whether the company will realize the taxable profits in the future as determined by management.
- 8.21 The tax audit report under the Merit, Small and Medium Enterprises (Income Tax) Act, 2006 (The Income Tax Act) applied payments due at the end of the year and at the end of the year. No tax is payable for the year 2014-15.
- 8.22 The primary objective of the company is to invest in the business segments.
- 8.23 The financial statements prepared in accordance with the Companies Act, 2013 are not applicable to the company.
- 8.24 The financial statements have been prepared in accordance with the provisions of the current year's financial statements.
- 8.25 The financial statements are for a period of 4 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

BALLARPUR PAPER HOLDING B.V.

ABHAY UPADHYE  
Chartered  
Member of No. 1383 of  
C.I. Chartered Accountants  
K.K. MANKESHWAR & CO  
Chartered Accountants  
101, Ring Road,  
Mumbai - 400 001



Director  
*[Signature]*  
Director  
*[Signature]*  
J.H. Beetsma  
Managing Director  
*[Signature]*

S.No.	Particulars	31.03.2015	30.06.2014
a)	<b>Loan balance from related parties</b> BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	10,15,39,65,600	9,72,74,52,000
b)	<b>Loan given to related parties</b> BILT Graphic Paper Products Ltd	5,95,44,86,000	5,70,43,70,000
c)	<b>Interest Income</b> BILT Graphic Paper Products Ltd.	61,10,94,859	80,77,08,154
d)	<b>Dividend Income</b> BILT Graphic Paper Products Ltd.	38,16,87,126	35,16,60,123
e)	<b>Interest Expenses</b> BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	74,77,27,671	99,43,28,395
f)	<b>Interest Receivables</b> BILT Graphic Paper Products Ltd.	6,35,06,315	17,76,49,041
g)	<b>Advances Receivable</b> BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.) Sabah Forest Industries Sdn. Bhd. Ballarpur Speciality Paper Holdings B.V. Avantha International Asset B.V. Avantha International Holdings B.V. TAF Asset 2 B.V.	71,92,87,277 3,08,94,723 68,99,785 10,88,117 87,586 2,27,907	77,32,51,254 2,95,97,001 56,79,745 10,42,411 83,907 2,18,334
h)	<b>Interest Payables</b> BILT Paper B.V. (Formerly known as Ballarpur International Graphic Paper Holdings B.V.)	1,15,95,96,974	38,23,50,411
i)	<b>Advances Payable</b> Ballarpur International Holdings B.V. Ballarpur Industries Ltd.	3,66,83,181 14,05,840	29,75,57,040 13,46,788

**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** The company has no employees and hence incurred no wages, related social security or pension charges during the period under review

**B-20 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-21** Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Development Act")-delayed payments due as at the end of the 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-22** The company operates only in one business segment viz Investment Company. Accordingly there are no reportable business segments.

**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.

**B-25** Current 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

BALLARPUR PAPER HOLDING B.V.

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



*[Handwritten Signature]*  
Director

Director

Gurgaon, dated the  
May 26, 2015