



# HARI & GAUTHAM ASSOCIATES

## Chartered Accountants

H.O. : Plot No. 55, H.No. 24-3-48/1A, "Hari Hara Nilayam" Vimaladevi Nagar, Vishunpuri Extension, Malkajgiri - 500 047.  
Dist. Medchal - Malkajgiri, Telangana State. Cell : 98662 72380, 94909 35528

B.O. : 3-2-56/5/1. Rajiv Gunj, Khammam - 507 003. Phone : 08742-228232 E-mail : gauthamkumar.jain@rediffmail.com hjsarma61@yahoo.com

S.O. : Plot No. 8, H.No. 5-3-39, Jeera Compund, Adjacent to Syndicate Bank, Jeera Branch,  
Secunderabad - 500 003. Telangana State. Phone : 040-27534527,

### Auditors' Report

#### TO THE MEMBERS OF IP INDIA FOUNDATION

#### Report on the Financial Statements

We have audited the accompanying financial statements of **IP INDIA FOUNDATION** ("the Company") which comprise the Balance Sheet as at March 31, 2019, the Statement of Income and Expenditure and the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

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

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and Cash Flow of the Company. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

#### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, 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.



## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
- b) in the case of the Statement of Income and Expenditure, of the surplus of the Company for year ended on that date;
- c) in the case of the Cash Flow Statement, of the Cash flow for the year ended on that date.

## Report on Other Requirements

1. The Companies (Auditor's Report) Order, 2015 (CARO) issued by the Central Government in terms of Section 143 of the Companies Act, 2013 is not applicable to the Company in terms of Clause 1(2)(iii) of the Order.
2. As required by Section 143(3) of the Act 2013, we report that:
  - a) We have 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 and Statement of Income and Expenditure and the Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company.
  - d) In our opinion, the Balance Sheet and Statement of Income and Expenditure and the Cash Flow Statement comply with the Accounting Standards referred to in Section 129(1) of the Companies Act, 2013.
  - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Companies Act, 2013.

For Hari & Gautham Associates  
Chartered Accountants  
(Firm Registration No. 008379S)

*H. Jagannadha Sarma*

Hari Jagannadha Sarma  
Partner  
Membership No. 205239



April 29, 2019



**IP INDIA FOUNDATION**  
**BALANCE SHEET AS AT MARCH 31, 2019**

(in ₹)

PARTICULARS	Notes	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
<b>EQUITY &amp; LIABILITIES</b>			
Share capital	3	5,00,000	5,00,000
Reserves and surplus	4	46,15,489	25,40,886
<b>EARMARKED FUNDS</b>			
Other Earmarked Fund	5	75,000	75,000
<b>CURRENT LIABILITIES</b>			
Trade Payables	6	31,500	31,500
Other Payables		-	-
<b>TOTAL</b>		<b>52,21,989</b>	<b>31,47,386</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Investments	7	15,75,000	75,000
Bank Balances	8	35,83,489	30,43,076
Other Current Assets	9	63,500	29,310
<b>TOTAL</b>		<b>52,21,989</b>	<b>31,47,386</b>

Significant overview & Significant accounting policies

1 & 2

See accompanying notes forming part of the financial statements

In terms of our report attached

For Hari & Gautham Associates  
Chartered Accountants

*H. Jagannadha Sarma*  
Hari Jagannadha Sarma  
Partner

For IP India Foundation

*Donald P. Devlin*

Donald P. Devlin  
Chairman

*C. Prabhakar*

C. Prabhakar  
Director

Place: Hyderabad  
Date: 29.4.19



Place: Hyderabad  
Date: APRIL 29, 2019



IP INDIA FOUNDATION

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2019

(in ₹)

PARTICULARS	Note	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>INCOME</b>			
Revenue from operations	10	43,21,909	32,45,635
<b>TOTAL INCOME</b>		<b>43,21,909</b>	<b>32,45,635</b>
<b>EXPENDITURE</b>			
Finance costs	11	20	23
Other expenses	12	22,47,286	33,06,387
<b>TOTAL EXPENDITURE</b>		<b>22,47,306</b>	<b>33,06,410</b>
<b>SURPLUS / (DEFICIT) BEFORE TAX FROM OPERATIONS</b>		<b>20,74,603</b>	<b>(60,775)</b>
<b>TAX EXPENSE</b>			
Current tax		-	-
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>		<b>20,74,603</b>	<b>(60,775)</b>
<b>EARNINGS PER SHARE (NOMINAL VALUE OF ₹ 10 PER SHARE)</b>			
Basic and diluted (₹)		41.49	(1.22)

Significant overview & Significant accounting policies

1 & 2

See accompanying notes forming part of the financial statements

In terms of our report attached

For Hari & Gautham Associates  
Chartered Accountants

*H. Jagannadha Sarma*

Hari Jagannadha Sarma  
Partner

For IP India Foundation

*Donald P. Devlin*

Donald P. Devlin  
Chairman

*C. Prabhakar*  
C. Prabhakar  
Director

Place: Hyderabad  
Date: 29.4.19



Place: Hyderabad  
Date: APRIL 29, 2019





IP INDIA FOUNDATION  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(in ₹)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Surplus for the year	20,74,603	(60,775)
Adjustments for:		
Provision for expenses	31,500	32,625
Adjustment for (increase)/decrease in operating assets	(15,65,690)	(21,944)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>5,40,413</b>	<b>(50,094)</b>
Proceeds from issue of equity share capital	-	-
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
Net increase/(decrease) in cash and cash equivalents	5,40,413	(50,094)
Cash and cash equivalents at the beginning of the year	30,43,076	30,93,170
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>35,83,489</b>	<b>30,43,076</b>

See accompanying notes forming part of the financial statements

In terms of our report attached

For Hari & Gautham Associates  
Chartered Accountants

*H. Jagannadha Sarma*

Hari Jagannadha Sarma  
Partner



Place: Hyderabad  
Date: 29.4.19

For IP India Foundation

*Donald P. Devlin*

Donald P. Devlin  
Chairman

*C. Prabhakar*

C. Prabhakar  
Director

Place: Hyderabad  
Date: APRIL 29, 2019



## **IP INDIA FOUNDATION**

**(Subsidiary of International Paper APPM Limited)**

### **Notes on accounts**

**(All amounts in Rs. except share data and unless otherwise stated)**

#### **01. Company overview**

IP India Foundation ("the Company") was incorporated in India on June 20, 2013 as a private limited company under section 25 of the Companies Act, 1956. The Company is a wholly-owned subsidiary of International Paper APPM Limited (Holding Company) and managed by Board of Directors nominated by the Holding Company.

The primary focus of the Company is to promote education, health and wellness and community engagement around manufacturing facilities and farm forestry areas of holding company.

#### **02. Significant accounting policies**

##### **2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, as amended and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on the accrual basis under the historical cost convention.

##### **2.2 Use of estimates**

The preparation of the financial statements requires the management to make estimates and assumption considered in the reported amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reporting period. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ from these estimates and the differences between the actual results and estimates are recognized in the periods in which the results are known/materialize.

##### **2.3 Cash and cash equivalents**

Cash and cash equivalents for the purposes of Cash flow Statement comprise of balance in Savings Bank account.

##### **2.4 Cash flow statement**

Cash flows are reported using indirect method whereby cash flows from operating activities of the Company are identified and reported.

##### **2.5 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must also be met before revenue is recognized:

- (a) Voluntary contributions are accounted on the date of receipt. All voluntary contributions received during the year are towards the objectives of the Company.

## IP INDIA FOUNDATION

(Subsidiary of International Paper APPM Limited)

### Notes on accounts

(All amounts in Rs. except share data and unless otherwise stated)

#### 2.6 Earnings per share

Basic earnings per share are computed by dividing the surplus / (deficit) after tax by weighted average number of equity shares outstanding during the year.

#### 2.7 Provisions and contingencies

A provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and determined based on the best estimate required to settle the obligation as at Balance Sheet date.

#### 2.8 Segment Information

Since the Foundation is a non-profitable organization, segment reporting is not applicable as per Accounting Standard 17 on 'Segment Reporting' as notified under the Companies (Accounting Standards) Rules, 2006.

#### 2.9 Earnings per share

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Net surplus /(deficit) after tax (Rs.)	2,074,603	(60,775)
(b) Weighted average number of equity shares (Nos.)	50,000	50,000
(c) Basic and diluted earnings per share (a)/(b) (Rs.)	41.49	(1.22)
(d) Nominal value per share (Rs.)	10.00	10.00

#### 2.10 Related party disclosure

As per the Accounting Standard 18 on 'Related Party Disclosure' as notified by the Companies (Accounting Standards) Rules 2006, the related parties of the Company are as follows.

Relationship:

##### **Holding Company (100%)**

International Paper APPM Limited (formerly known as The Andhra Pradesh Paper Mills Limited)

##### **Group Company**

International Paper (India) Private Limited

## 03 Share capital

(in ₹)

PARTICULARS	AS AT MARCH 31, 2019		AS AT MARCH 31, 2018	
	Number	₹	Number	₹
<b>AUTHORISED</b>				
Equity shares of ₹ 10 each	50,000	5,00,000	50,000	5,00,000
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>				
Equity shares of 50,000 @ ₹ 10 each	50,000	5,00,000	50,000	5,00,000
(Of the above share 49,990 shares held by Holding company namely International Paper APPM Limited and 10 equity shares held by Mr. Donald P. Devlin, nominee of of holding company)				
<b>TOTAL</b>	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>

(a) Reconciliation of the number of shares and amount outstanding as at the beginning and end of the year.

PARTICULARS	AS AT MARCH 31, 2019		AS AT MARCH 31, 2018	
	Number	₹	Number	₹
Shares issued in July 2013 during Incorporation	50,000	5,00,000	50,000	5,00,000
Changes during the year	-	-	-	-
<b>Outstanding as at end of the year</b>	<b>50,000</b>	<b>5,00,000</b>	<b>50,000</b>	<b>5,00,000</b>

(b). Terms/ rights attached to equity shares

The Foundation has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share and rank pari passu. As per Clause X of Memorandum of Association (MoA) of the Company, If upon the winding up or dissolution of the Foundation there remains, after the satisfaction of all the debts and liabilities, any property whatsoever, the sum shall not be distributed amongst the members of the Foundation but shall be given or transferred to such other company having objects similar to the object of this Foundation, to be determined by the members of the company at or before the time of dissolution or in default thereof by the High Court of Judicature that has or may acquire jurisdiction in the matter.

## 04 Reserves and surplus

(in ₹)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Surplus in the Statement of Income and Expenditure		
Opening balance	25,40,886	26,01,661
Surplus/(Deficit) for the year	20,74,603	(60,775)
<b>TOTAL</b>	<b>46,15,489</b>	<b>25,40,886</b>

## 05 Earmarked Funds

(in ₹)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Amount received towards Earmarked funds from T.D Thomas	75,000	75,000
<b>TOTAL</b>	<b>75,000</b>	<b>75,000</b>



**06 Trade payables**

(in ₹)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Provision for Expenses (Audit fee for financial year 2018-19)	31,500	31,500
<b>TOTAL</b>	<b>31,500</b>	<b>31,500</b>

(a) No amount is payable to "Suppliers" registered under Micro, Small and Medium Enterprises Development Act, 2006.

No interest has been paid/ payable by the Foundation during the year to the "Suppliers" covered under Micro, Small and Medium Enterprises Development Act, 2006.

**07 Investments**

(in ₹)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Amount Invested in Fixed Deposit	15,75,000	75,000
<b>TOTAL</b>	<b>15,75,000</b>	<b>75,000</b>

**08 Cash and bank balances**

(in ₹)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Balances with banks: - In Savings account	35,83,489	30,43,076
<b>TOTAL</b>	<b>35,83,489</b>	<b>30,43,076</b>

**09 Other current assets**

(in ₹)

PARTICULARS	AS AT MARCH 31, 2019	AS AT MARCH 31, 2018
Preliminary and formation expenses	-	-
Interest income receivable	63,500	29,310
<b>TOTAL</b>	<b>63,500</b>	<b>29,310</b>

10 Revenue from operations

(in ₹)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Voluntary contribution [see note (a) ]	42,00,480	31,33,690
Interest income	1,21,429	1,11,945
<b>TOTAL</b>	<b>43,21,909</b>	<b>32,45,635</b>

(a) Voluntary contributions include grants received from International Paper APPM Limited, Holding Company and International Paper (India) Private Limited, Group Company and donations received from employees of holding company.

11 Finance costs

(in ₹)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank and finance charges	20	23
<b>TOTAL</b>	<b>20</b>	<b>23</b>

12 Other expenses

(in ₹)

PARTICULARS	For the year ended March 31, 2019	For the year ended March 31, 2018
CSR activities expenses	21,57,111	30,87,890
Professional fees	40,486	1,74,432
Rates and taxes	18,189	9,088
Advertisement expenses	-	2,352
Audit fee	31,500	32,625
<b>TOTAL</b>	<b>22,47,286</b>	<b>33,06,387</b>

13. Previous year's figures have been regrouped/reclassified wherever necessary to correspond with the current year's classification/disclosures.

In terms of our report attached

For Hari & Gautham Associates  
Chartered Accountants

*H. Jagannadha Sharma*

Hari Jagannadha Sharma  
Partner



Place: Hyderabad  
Date: 29.4.19

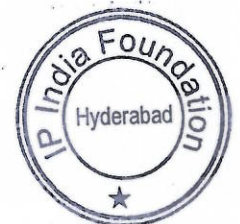
For IP India Foundation

*Donald P. Devlin*

Donald P. Devlin  
Chairman

*C. Prabhakar*

C. Prabhakar  
Director



Place: Hyderabad  
Date: APRIL 29, 2019