

JKP/SH/2022

12th August 2022

Electronic Filing

Department of Corporate Services/Listing
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400 001

National Stock Exchange of India Ltd.
“Exchange Plaza” Bandra-Kurla Complex,
Bandra (E),
Mumbai – 400 051

Scrip Code No. 532162

Symbol: JKPAPER
Series : EQ

Dear Sir/Madam,

Re: **Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Annual Report for the Financial Year 2021-22**

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the Financial Year 2021-22, along with the Notice of 61st Annual General Meeting scheduled to be held on Tuesday, 6th September 2022 at 12:30 P.M. IST at Registered Office of the Company at P.O. Central Pulp Mills – 394660, Fort Songadh, Distt. Tapi, Gujarat, which are being despatched/sent to the members by the permitted modes. The Annual Report is also uploaded on the website of the Company at www.jkpaper.com.

Submitted for your kind reference and records.

Thanking you

Yours faithfully
For JK Paper Limited



(Deepak Gupta)
Company Secretary

Encl: a/a

Cc: National Securities Depository Ltd. (E-mail: manish.sharma@nsdl.co.in)
Central Depository Services (India) Ltd. (E-mail: GreenInitiative@cdslindia.com)
MCS Share Transfer Agent Ltd. (E-mail: admin@mcsregistrars.com)



ANNUAL REPORT 2021-22

**WINNING IN
UNCERTAIN TIMES**



JK PAPER LTD.

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Corporate information

Board of Directors

Bharat Hari Singhania

Chairman

Harsh Pati Singhania

Vice Chairman & Managing Director

Arun Bharat Ram

Deepa Gopalan Wadhwa

Dhirendra Kumar

M.H. Dalmia

R.V. Kanoria

Sandip Somany

Shailendra Swarup

S.K. Roongta

Vinita Singhania

A.S. Mehta

President & Director

Offices

Registered Office

P.O. Central Pulp Mills - 394 660

Fort Songadh

Distt. Tapi (Gujarat)

Administrative Office

Nehru House,

4, Bahadur Shah Zafar Marg

New Delhi - 110 002

Bankers

State Bank of India

Axis Bank

IDBI Bank

Indusind Bank

ICICI Bank

Plants

JK Paper Mills (Unit JKPM),

Jaykaypur - 765 017,

Rayagada (Odisha)

Central Pulp Mills (Unit CPM),

P. O. Central Pulp Mills 394 660,

Fort Songadh, Distt. Tapi (Gujarat)

Step Down Subsidiary

The Sirpur Paper Mills Limited (SPML)

Sirpur, Kaghaznagar, Komarambheem,

Asifabad - 504296, Telangana

Company Website

www.jkpaper.com

Auditors

Lodha & Co.,

Chartered Accountants

Company Secretary

Deepak Gupta



Chairman's statement

Just as the global economy was showing signs of a turnaround following a 2-year long hiatus due to COVID pandemic, it was hit by fresh snarls in the form of the Russia-Ukraine war and renewed lockdowns in China. Most advanced economies that had returned to their pre-pandemic levels are beginning to experience a slowdown (Europe and Japan) or outright contraction (USA), raising concerns over another global downturn. This comes at a time when the world is already engulfed in a rising inflationary pressure that has been exacerbated by constraints on the global supply chains due to the war and halt in activities in some parts of China.

Central Banks, particularly in the advanced economies where inflation reached a once-in-a-generation high, are under heightened pressure to rein in prices by ushering tight monetary policies in the form of rate hikes and tapering of asset purchase programmes. This led to a big surge in capital outflows from the emerging markets, including India where outflows in the last 8 months were 2-3 times the amount that moved out of India in the comparable period during the Global Financial Crisis of 2008. The difficult external balance of payments situation and higher interest rates overseas is exerting further pressure on the Rupee that is at an all-time low against the US Dollar. Only strong RBI's intervention has prevented further slippage in the Rupee that resulted in a reduction in forex reserves compared to peak level. There seems to be a reversal of globalisation

where the war in Europe is accelerating the fragmentation of the world into rival economic blocs as countries are putting up trade barriers to alleviate shortages and raising the price of food and other products.

Emerging economies, some of which are still to return to the pre-COVID level are faced with fresh concerns especially net importing countries, including India, who is heavily dependent on imports for energy (oil, gas and coal) and food (edible oils). Spiralling global debt amidst escalating borrowing costs due to monetary tightening test the ability of borrowers to refinance all that debt, especially in the emerging economies. Surging price along with heightened uncertainty is likely to have an impact on consumer demand, which has just about managed to reach pre-pandemic levels and remain under pressure. The Indian Government, faced with an adverse fiscal balance, will have less space to undertake capex spending, which was budgeted to reach a record high in this fiscal. This could have an adverse impact and continue to influence in the near term India's overall economic growth and consequently the paper industry.

Despite the hurdles, your company managed to tide over these challenges and declared its highest ever Sales, EBITDA and PAT during the year. Stock markets rewarded this performance in the form of a higher share price. The Board also considered a higher dividend for the year 2021-22.

The Company's inherent strengths of its people, brand, customer centricity, high operating efficiencies and the continued plantation expansion in nearby areas combined to make this performance possible. Your Company continues to outperform its peers and maintain its leadership position in several segments.

Maintaining our rich heritage of community engagement, the Company undertook several community-supporting initiatives covering education, healthcare and rural infrastructural development. Our engagement extended to farmers, youth and women in the villages around its plants. The Company incurred ₹ 10.44 crore in CSR activities in 2021-22. In recognition of the sustained efforts, your company was conferred with the CSR Team Award 2020-21 in the Category CSR & Community Development Initiatives by Odissa CSR forum.

Despite headwinds, the Indian economy is poised to be the fastest growing major economy in the world. JK Paper is well placed to sustain its growth with enhanced profitability.

Your continued support over the years has given us strength and I look forward to the same as we make the most of the opportunities on offer and make it rewarding for all of us.

Bharat Hari Singhania



Vice Chairman & Managing Director's statement

As the Indian economy was gradually reviving from the COVID-19 disruption, geopolitical tensions raised fresh concerns. Consumer sentiment was already affected by surging inflationary pressure, while a jump in oil and gas prices have added costs for the industry. China's strict 'zero-COVID strategy' has put constraints on the global supply chain, leading to steep input price increases. As businesses pass on the rising costs, consumer's purchasing power and demand are being further diminished.

The impact of the pandemic on the operations of the Company was largely confined to the beginning of the year when we went through the second wave of COVID 19. This was followed by the war in Ukraine and lockdowns in China that disrupted supplies and inflated costs. JK Paper managed to surge ahead with a consolidated turnover of over ₹ 4,165 crore, and EBITDA ₹ 1023.09 crore (up 45.9 %) and PAT ₹ 511.09 crore (up 58.6 %) compared to the previous year 2020-21. This was achieved by sustain excellence in moderated manufacturing costs, enhanced operating efficiencies and higher sales realisation.

I am happy to report that our capacity expansion project of Virgin Packaging Board (VFB) at Unit CPM commenced commercial production in January this year. The project was completed at a cost of about ₹ 1950 crore with a marginal delay and slightly higher project cost, which was creditable given the frequent disruptions due to COVID during the last two years. This was possible due to continuous monitoring, good co-ordination with various suppliers, effective off-site supervision by key equipment suppliers, and efficient teamwork. With this addition, the Company's total capacity for Packaging Boards is 270,000 TPA. This will

result in substantial increase in market share.

It is a matter of satisfaction to report that despite COVID - related disruptions, operations at The Sirpur Paper Mills Limited, a subsidiary showed growth with a steady increase in capacity utilisation during 2021-22. The upgradation in product quality was well accepted in the market.

To diversify into the corrugated packaging segment, we started a green field project at the Hi-Tech Cycle Valley, Ludhiana, through JKPL Packaging Products Limited, a wholly owned subsidiary formed for this purpose. With an approved project cost of ₹ 170 crore, it is likely to go on stream by the end of this fiscal. This segment is growing at double-digit rates due to rise in demand for sustainable packaging and the changing patterns of logistics. Your Company hopes to benefit from its expertise in manufacturing and its longstanding commitment to value-addition.

The Company continued to play an industry-leading role in encouraging social forestry in the areas surrounding its manufacturing facilities. This has enabled us to procure a substantial part of raw material from within a 200 km radius of our manufacturing units. During the year, a further plantation on 44,500 acres. (including SPML) was done.

At JK Paper, we are committed towards sustainability. This responsibility is enshrined in our environment-social-governance (ESG) commitment. Our focus has always remained in investing towards modern technologies and practices that empower us to manufacture products without harming the ecology that is within the guidelines outlined by the regulatory authorities.

We believe that one of the most effective environment practices is to produce more from less. This has a cascading impact in the form of reducing energy intensity and reducing greenhouse gas emission while graduating to cleaner processes and resources. The Company is also committed to a zero transfer of waste to landfills. Water consumption has come down from 38.18 cubic metres per ton of paper produced in 2017-18 to 30.42 cubic metres per ton in 2021-22, while power consumption was declined from 1015 KWH per ton of production to 948 KWH per ton. Coal consumption has also decreased from 0.88 per ton of output in 2017-18 to 0.72 per ton of output in 2021-22. This depicts our commitment towards being a responsible corporate citizen.

It has been our steady thinking that the modern machines alone are not enough for better productivity and higher quality. We need a talented and dedicated workforce, who can innovate to make best possible

products for the customers. Towards this we continuously nurture our human capital through trainings and various employee engagement activities. As a result, the Company reported lower attrition against a higher industry average in 2021-22.

The CSR footprint of the Company exceeded 800 villages in the four States of Odisha, Gujarat, Rajasthan and Uttar Pradesh, touching more than 4 lakh individuals and 60,000 households. The diversity of interventions ranges from Farmer Producer Organisation, Women Self- Help Groups, Water Harvesting, Soil Conservation, Youth Enterprises, Community Health, Disaster relief, Digital Literacy amongst others.

JK Paper not only has been continuously upgrading its current quality of products but also introducing new products understanding the latent needs of the customers, for example introduction of JK Copier Plus (India's first Anti-Microbial Office Paper) and Anti-Fungal Board for Pharma and Cosmetic sector are aimed towards rising hygiene concerns.

With educational institutions and offices gradually opening up towards the end of the year, the demand for the Company's writing and printing papers improved, resulting in higher realisations. This along with growth enablers like expansion of organised retail, demand for better quality packaging and rising preference for ready-to-eat food, augurs well for the Indian Paper Industry in the medium-to-long term.

Government's policy support also remains integral, as it has committed to bring in legislative changes to promote agro forestry and private forestry.

In the face of growing challenges in the business environment, we will continue to rise higher to address them and meet the expectations of all our stakeholders. I am sure that with your continued support, the Company will continue to win even in uncertain times.

Harsh Pati Singhania



Winning in uncertain times

The last two years have been among the most challenging for the Indian paper industry.

Following the extended closure of educational institutions and offices, demand for writing & printing paper and office paper remained muted, affecting industry profitability.

The cost of pulp turned volatile on account of logistics bottleneck, increased freight costs and decline in shipping container availability.

There was a premium on the need to keep the Company's manufacturing capacities fully utilised, helping amortisation of fixed costs effectively.

At JK Paper, we did not merely survive these challenging times; we resolved to win instead.

We strengthened our competitiveness during market cycles; we broad-based our presence across packaging board; we secured our raw material through proximate procurement; we strengthened our treasury operations.

The result: the Company reported peak revenues and profits during the year under review, validating its success in turbulent markets.

JK Paper Limited is among the largest paper manufacturers in India.

The Company is respected for its scale, scope and sustainability across market cycles.

The Company is preferred for its diversified products range delivering complete solutions to demanding customers.

The Company is renowned for its commitment to high standards of environment performance and product quality.

The result is that the Company has emerged as a benchmark for holistic excellence within its sector.



Ethical foundation

Vision

To be a dynamic benchmark and leader in the Indian paper industry

Mission

To be a world-class company, creating shareholder value by achieving growth and leadership through:

- JK brand equity
- Customer obsession
- Technological innovation
- Cost-competitiveness
- Environmental and social care



Group background

JK Organisation is among the most respected industrial conglomerates in India with a legacy of more than 100 years. The Group has established leadership across segments like paper, automotive tyres, cement, V-belts, oil seals and textiles.



Management

JK Paper is an integral part of the JK Organisation. The group commenced its paper journey in 1938 following the manufacture of straw boards and set up its first paper manufacturing unit, JKPM, Odisha. The Company is headed by Mr. Bharat Hari Singhania (Chairman), Mr. Harsh Pati Singhania (Vice-Chairman and Managing Director) and managed by Mr. A.S. Mehta (President and Director), supported by of experienced professionals and subject matter experts.



Respect

JK Paper leverages nearly six decades of industry experience to emerge among the largest Indian wood-based paper companies. The Company is a market leader in segments like office paper, writing & printing, packaging board and coated paper.



Manufacturing competence

The Company's state-of-the-art manufacturing units in three locations has enhanced proximity to wood and other resources as well as consumption markets. The manufacturing units comprise:

- Unit JKPM in Rayagada, Odisha (installed capacity 315000 TPA)
- Unit CPM in Songadh, Gujarat (installed capacity 310000 TPA)
- Sirpur Paper Mills in Kagaznagar, Telangana (installed capacity 136000 TPA)



Products and brands

The Company offers an assortment of products that include office paper, writing and printing paper, packaging board and specialty paper. The Company offers a range of products backed by premiere brands like JK Copier, JK Easy Copier, JK Copier Plus, JK Excel Bond, JK SS Maplitho (SHB), JK Cote, JK Ultima and JK Endure, among others. The JK Paper brand is admired for best in-class features and service.



Employees

JK Paper is one of the largest employers in India's paper industry; the Company employed 2778 permanent employees as on March 31, 2022. The average employee age of 35.5 years represents a balance of youth and experience.



Awards and recognition

- Unit JKPM won the Platinum Award at the first Industry4.0 Awards & Conference organised by FICCI under the overall digital transformation category
- JK Paper won the CSR Gold Award from a leading Odisha media group Sambad under Corporate Excellence Award – 2022.
- JKPM bagged two winner awards for the Best Safety Awards from Ministry of Labour & Employment (Govt of India) under the National Safety Awards 2018 in November 2021.
- Won CSR Team award 2020-21 in the category CSR & Community Development by Odisha CSR forum in October 2021.
- 7 Unit JKPM teams received Excellence and Par Excellence Awards in the 35th National Convention on quality concepts organised by the Quality Council Forum of India in December 2021.
- Unit JKPM received the 22nd National Award for Excellence in Energy Management from CII in September, 2021.
- Unit CPM received The Best Employer Brand Award from Gujarat Best Employer Brands Awards in September 2021.
- Sparsh Social Foundation was conferred "Outstanding Achievement in Social Welfare Award" 2019-20 & 2020-21 for both the years from South Gujarat Chamber of Commerce and Industries (SGCCI).



Presence

JK Paper enjoys a global presence across more than 60 countries. These countries include US, UK, Bangladesh, Singapore, Malaysia, African and the Middle East countries. The brand is internationally respected for its superior quality and price-value proposition.



Certifications

The Company's compliance with stringent quality and environment management norms is validated through ISO 9001 and ISO 14001 certifications. The ISO 45001 and FSC certification validates the Company's health, safety and sustainable procurement potential.



Listing

The Company is listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company's market capitalisation was ₹ 5153 crore as on March 31, 2022.

Commenced the manufacture of straw boards

1938

Installed the first paper machine at Unit JKPM (Odisha)

1962

Acquired the Unit CPM (Gujarat)

1992



Our journey over the years

2005

Launched a coating plant at Unit JKPM

2007

Established a superior packaging board plant at Unit CPM (Gujarat)

Set up a state-of-the-art fibre line and paper manufacturing machine at Unit JKPM (Odisha)

2013

Acquired Sirpur Paper Mills in Telangana (1,36,000 metric tonnes per annum)

2018

Certified and ranked among 100 Great Place to Work companies in India

2019

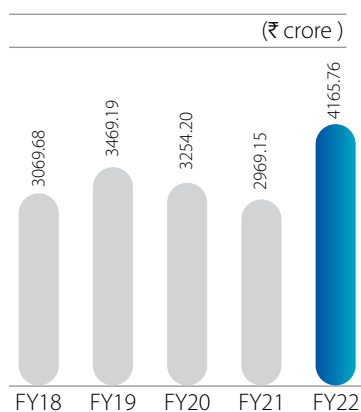
2020-2021

Commenced construction and erection of new packaging board line and pulp mill at Unit CPM

2022

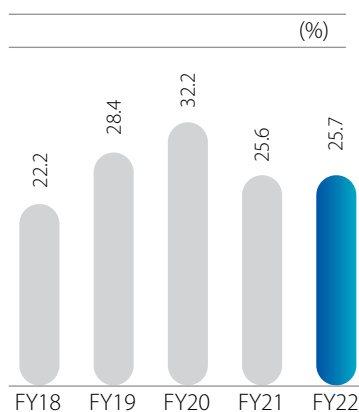
Commenced the commercial production of new integrated packaging line at Unit CPM.

How we won in turbulent times



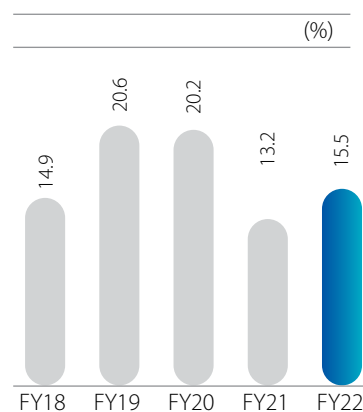
Revenues

Aggregate sales enhanced 40.3 % to ₹ 4165.76 crore in 2021-22 on account of brand acceptance, robust portfolio and wide distribution network.



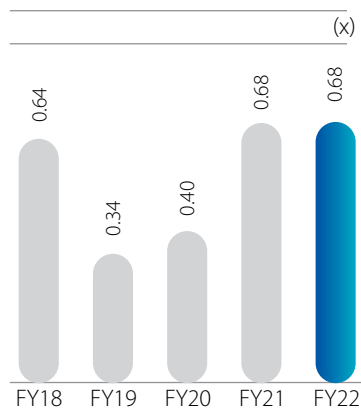
EBITDA margin

The Company reported a 10 bps growth in EBITDA margin in 2021-22 following accelerated product offtake, superior product mix, value-added products and increased operating efficiency (leading to lower costs).

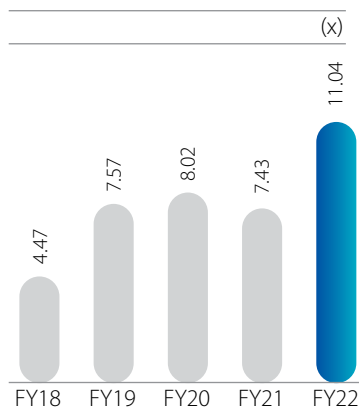


ROCE

The Company enhanced capital efficiency through enhanced capacity utilisation, shrinking receivables cycle, remunerative product niches and value-added products.

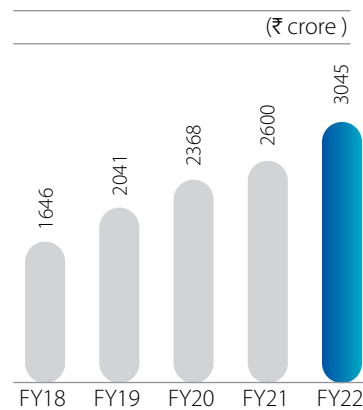


Net debt-equity ratio



Interest cover

The Company's declining debt and rising cash flows strengthened its interest cover and liquidity.



Net worth

The Company's increased surplus enhanced net worth every single year in the last few years.

At JK Paper, we believe that success is the ability to enhance prosperity for all stakeholders

By the measure, your company reported its best year in existence



How we enhanced value for our Stakeholders

Lenders	Shareholders	Community
Serviced debt on schedule	Enhanced value through profit, dividend and market capitalisation	Touched more lives through relevant social engagement
231.61	2539	10.35
₹ crore, debt repaid, 2020-21	₹ crore, market capitalisation, March 31, 2021	₹ crore, CSR spending, 2020-21
318.44	5153	10.44
₹ crore, debt repaid, 2021-22	₹ crore, market capitalisation, March 31, 2022	₹ crore, CSR spending, 2021-22

How we enhanced integrated value for all stakeholders in 2021-22



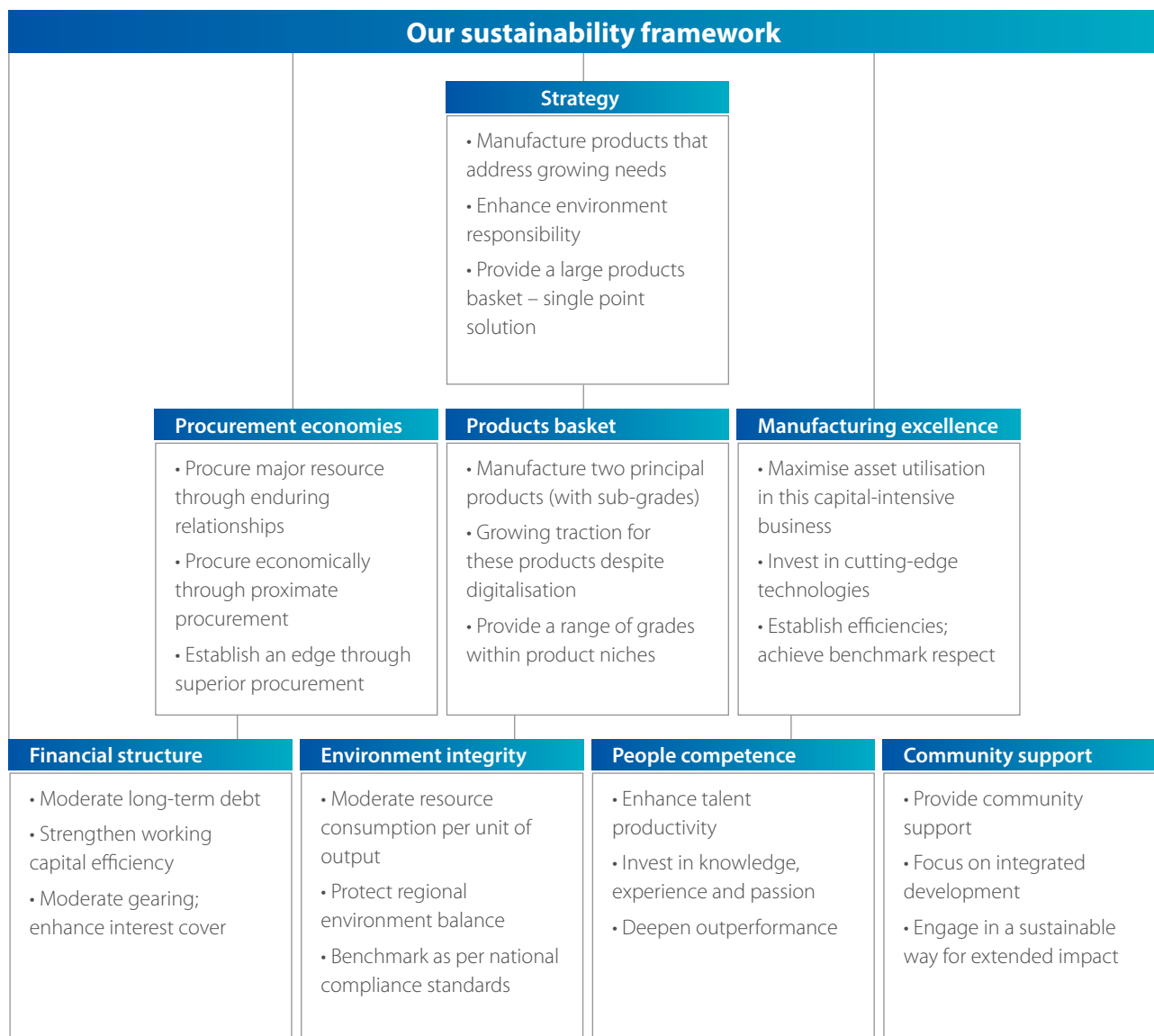


Overview

The definition of success in today's world is the ability to enhance value for all the stakeholders in a sustainable manner. This priority is accompanied by a need to communicate this through the Integrated Reporting format. This format comprises diverse reporting strands (financial, management commentary, governance and remuneration, social responsibility and sustainability reporting). The outcome is a statement that indicates holistic value creation for shareholders, financial institutions, employees, customers, suppliers, business partners, local communities, legislators, regulators and policy makers.

Our strategy

Strategic focus	Procurement relationships	Manufacturing excellence	Talent competence	Distribution breadth	Brand and customer experience	Environment commitment	Community engagement
Key facilitators	<p>The Company has focused on strengthening its capacity to procure as much of quality raw material from as close s possible around the most attractive price-value proposition</p> <p>The Company played an industry-leading role in encouraging social forestry in the hinterlands of its manufacturing facilities</p> <p>The Company procured 65 % of wood resource from within 200km radius of its two manufacturing plants in 2021-22 from more than ~ 6500 farmers</p> <p>The Company moderated logistics costs, accessed superior raw material and enhanced end product quality and consistency</p>	<p>The Company invested in cutting-edge equipment and technologies coupled with focused research & development</p> <p>The Company moderated manufacturing costs, enhanced operating efficiencies and improved product quality</p> <p>The Company reported high asset utilisation, deepening cost leadership and return on gross block</p>	<p>The Company recruited subject matter experts</p> <p>The Company deepened training and project empowerment to enhance competence</p> <p>The Company reported an attrition of 8% against a higher industry average in 2021-22</p> <p>The Company reported higher per person productivity in 2021-22</p>	<p>The Company widened its presence across the national land mass</p> <p>The Company's products are available, accessible and affordable</p> <p>Anytime product available makes it possible for customers to moderate holding inventory for long periods, strengthening working capital efficiency</p> <p>The Company has engaged deeper with trade partners resulting in a quicker liquidation of inventory</p> <p>The Company's distribution network comprised 387 trade partners at the close of 2021-22</p>	<p>The Company's brand among customers stands for a peace of mind</p> <p>The Company provides a single-stop product solution - writing & printing, coated, office paper and packaging board</p> <p>The Company delivered on-time and in-full, enhancing an any time dependability</p> <p>The Company extended into direct marketing, enhancing its value chain and graduating the consumer relationship to a different level</p>	<p>The Company strengthened its environmental integrity</p> <p>The Company's operations were benchmarked with the most demanding environment compliances</p> <p>The Company's operations were never censured for non-compliance or transgression</p> <p>The Company has emerged as wood- and carbon-positive</p> <p>The Company made forward-looking investments in effluent and sewage treatment</p> <p>The Company delivered among the lowest water and power consumption benchmarks in India's wood-based paper sector</p>	<p>The Company undertook community-supporting initiatives</p> <p>The Company's engagement extended to farmers, youth and women in the villages around its plants</p> <p>The Company's engagements covered education, healthcare and rural infrastructural development.</p> <p>The Company incurred ₹10.44 crore in CSR activities in 2021-22 directly benefitting more than 4 lakh people</p>
Material issues resolved	Predictable quantum and quality of resource availability, enhancing corporate stability	State-of-the art technology resulting in superior operating efficiency	Better engagement with employees resulting in higher productivity	Deeper engagement with trade partners, making it possible to liquidate inventory with speed	Enhanced customer assurance with the Company's brand evolving into a trust mark	Greater environment sustainability across the Company's operations, enhancing stakeholder confidence	Improvement in livelihood of communities and increased prosperity.
Capitals effected	Financial, manufactured and social	Manufactured, intellectual and financial	Intellectual and human	Intellectual, manufactured and social	Intellectual, manufactured and social	Social, natural and manufactured	Social and natural



How we strengthen stakeholder value

Defined capitals

Financial capital: The financial resources are aggregated from investors, promoters, banks and financial institutions through debt, net worth and accruals.

Manufactured capital: The Company's assets, technologies and equipment form its manufactured capital. The logistics for the transfer

of raw materials and finished products are an inherent part of its manufacturing capability

Human capital: The Company's management, employees and contractual workers effectively constitute its workforce.

Intellectual capital: The Company focuses on cost

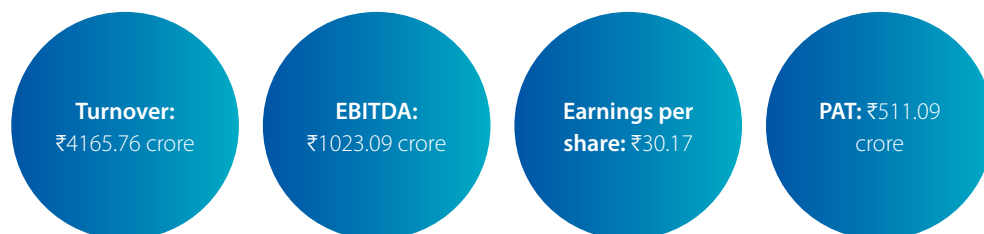
optimisation and operational efficiency, drawn from deep proprietary knowledge

Natural capital: The Company focuses on plantation in creating raw material sources and procure with responsibly without impacting the environment.

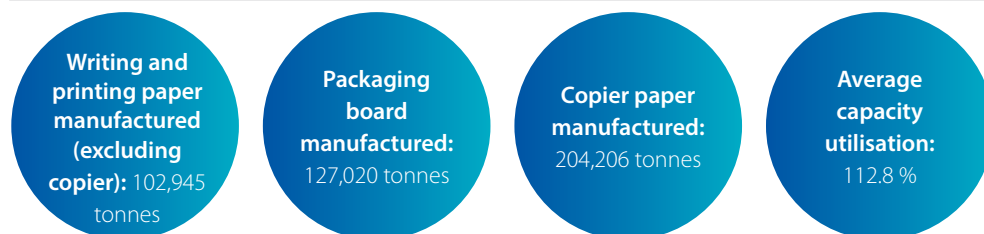
Social capital: The Company's engagements with the communities and partners (vendors, suppliers and customers) stimulate its role as a responsible corporate statesman.

Value that we created, 2021-22

Financial capital



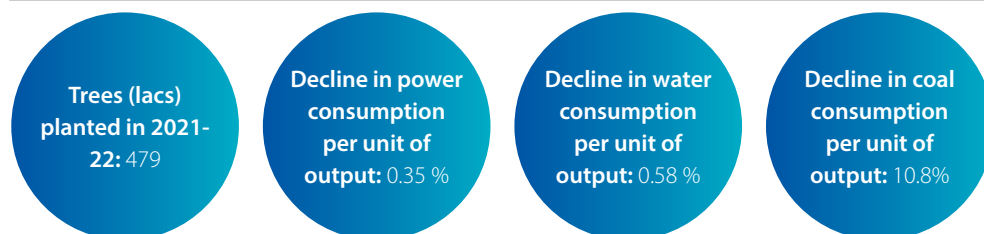
Manufacturing capital



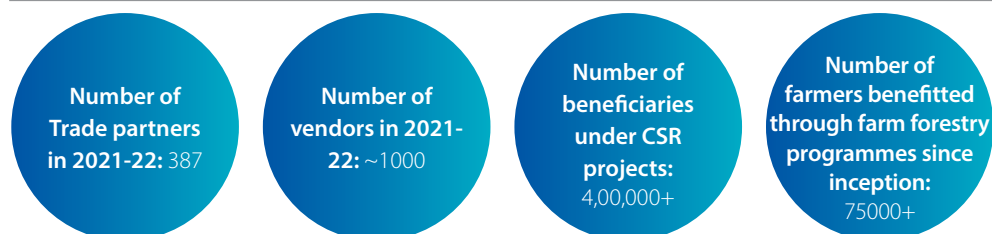
Human capital



Natural capital



Social and Relationship capital



Market appreciation



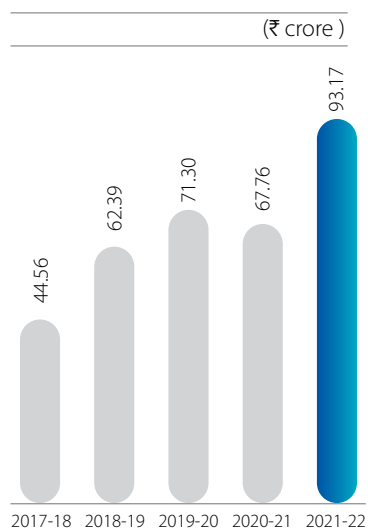
Relative outperformance

How JK Paper's equity price (CAGR) performed vis-à-vis the BSE Sensitive Index

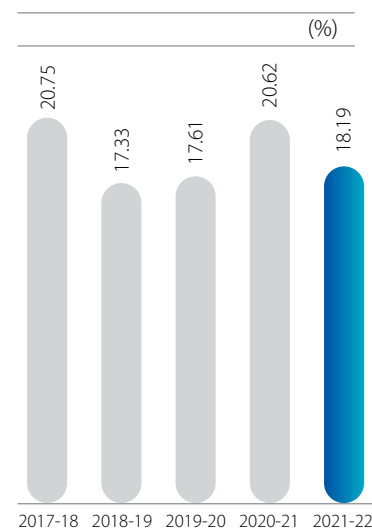
	1 year	3 years	5 years	10 years
Stock price	102.9%	28.6%	26.3%	23.9%
Sensex	18.3%	14.8%	14.6%	12.9%

Dividend payout

JK Paper has announced dividends for last five years and company paid an aggregate ₹ 339.18 crore in dividend across the ten years ending 2021-22.



Dividend payout excluding taxes



Dividend payout ratio

Our commitment

ESG: The foundation of our sustainable commitment



Overview

At JK Paper, we consider ourselves as responsible trustees of the world, environment, people and sentient beings. This responsibility is enshrined in our environment-social-governance (ESG) commitment. This commitment entails that we address the needs of all stakeholders and enhance value for each, reinforcing our commitment as a responsible corporate citizen.

Our environmental commitment

addresses the pressing need of our times. We consume resources that are safe for the environment or not deplete the ecological balance, utilise optimal fossil fuels, recycle all the waste that is generated, moderate our carbon footprint and build resistance to climate change.

Our social commitment draws attention to success drivers that are enduring in nature. We make a proactive investment in talent, relationships (customer and vendors)

and social responsibility. The quality of these relationships sustains business momentum without needing to reinvent any wheel.

Our governance commitment draws attention to

how we will do business, attracting like-minded stakeholders and addressing stakeholder expectations. As a part of our governance commitment we have explained our strategic clarity, highlighted the role of prudent risk management, articulated codes and values we live within our business,

drawn attention to our Board composition and underlined our alignment with UNGC principles, among others.

This interplay – environment, social and governance – represents an effective driver of our corporate longevity, resilience in the face of downturns, ability to rebound with speed and generate long-term sustainability that enhances value for all our stakeholders.

Environment

At a fundamental level, the Company's operations are aligned with United Nations' principles to responsible manufacturing and environmental sustainability covering Human Rights, Labour interests, Environment responsibility and Anti-Corruption initiatives.

There is a growing premium on decoupling growth from carbonisation, the essence of sustainable manufacture. At JK Paper, we have invested in advanced

priorities, technologies and practices that empower us to manufacture products without harming the ecology and generate waste that is within the demanding guidelines outlined by the regulatory authorities. The bottomline at our company is that we will do everything within our control to be a responsible corporate citizen that presents no threat to the environment either through product or practice.

We believe that one of the most effective environment practices is to produce more

from less. This has a cascading impact: to reduce energy intensity and greenhouse gas emission intensity while graduating to cleaner processes and resources. The Company is also working towards a zero transfer of waste to landfills and zero effluents discharge. This has been derived through research, investment, checks and balances as well as documented action. We have adopted an Environmental Management System aligned around regulatory and cultural references, the basis for demanding target setting.

Manufacturing responsibly, profitably and sustainably

How we deepened our environment conservation commitment



Overview

Paper manufacturing is an environmentally sensitive business that warrants the highest responsibility standard.

On the one hand, the business consumes

wood from trees, which highlights the need to preserve the ecological balance while addressing society's need for more paper.

On the other hand, the business consumes large quantities of water and

power (which again depends on finite fossil fuels), which have an impact on a region's ecological balance.

There is growing awareness that companies (including those manufacturing) should be appraised holistically, largely by their declining environment footprint. This puts a premium on the ability to aggregate corporate intent, knowledge, investment and Balance Sheet integrity to create a long-term platform that moderates resource consumption.

JK Paper has made forward-looking investments in initiatives directed to moderate the consumption of finite resources. Its Triple Bottomline Approach reconciles the need to maximise profits, address the needs of employees and other stakeholders with environment integrity.

That the Company prioritises environment integrity has been validated by the Company's first-moving investments in environment-friendly technologies. The Company was the first in its sector to receive the ISO 14001 Environment Management Certification in 1998, 'Greenest Paper Mill' Award of CSE in 1999 and among the two leading paper mills getting the Three Leaves Award from CSE in 2004. The Company was also awarded winner for the Best Pollution Control Excellence Award for Implementing Effective Pollution Control Measures

and adopting good environmental management practices during 2019 by Odisha Pollution Control Board. The Company was certified for ISO 45001: 2018 (Occupational Health and Safety Management System) and achieved the prestigious Energy Management System and Energy Conservation Efficiency awards from CII, Hyderabad, in 2020.

In a forward-looking approach, the Company launched a plantation programme in 1990 in Odisha. The objective of this programme was to augment raw material resources in the mill's catchment area, moderating its conventional dependence on forest-based raw material while improving farmer income. The result is that the Company procures a majority of its resource from within a 200 km radius in Odisha and neighbouring districts of Andhra Pradesh with more than 23500 acres of plantation area being developed in 2021-22.

In 2013, the Unit JKPM commissioned the continuous cooking process and double stage oxygen delignification with elemental chlorine-free bleaching, the most environment friendly pulping technology. This investment comprises a new evaporator plant, single new recovery boiler operating, modern re-causticising plant, new 300 TPD lime kiln plant, new coal fired boiler, new turbines and PCC plant. The Company augmented its existing effluents treatment plant with a

new primary clariflocculator, extended diffused aeration basin, new secondary clarifier, activated sludge process with cooling tower. Besides, a comprehensive Environment Management System reduce environment impact while improving health and safety for employees and community.

Following the sizable expansion in 2013-14, the Company made the following investments to enhance its environment commitment:

- Commissioned a sewage treatment plant (3000 M3 capacity) to treat domestic effluents from the employees' colony, 2015.
- Commissioned a pet coke plant in the lime kiln unit, replacing producer gas and partly furnace oil, 2015.
- Installed a pioneering methanol plant (8 TPD) to collect stripper off-gas from the evaporator to feed the stripping section of the methanol column.
- Commissioned a 3.4 MW back pressure turbine to utilise excess steam.
- Commissioned 12 rainwater harvesting pits, 2020.

The outcomes: resource consumption and waste degeneration declined while regulatory compliance strengthened and certifications (ISO 9001, ISO 14001, ISO 45001 and FSC certification) enhanced respect.

Strengths

Integrated: The Company's integrated business model (pulp and paper) has translated into superior resource consumption efficiency

Utilisation: The Company moderated the consumption of finite natural

resources, moderating cost and environment footprint

Positioning: The Company is a wood-positive company in a resource-intensive sector, the result of responsible plantation investments

Respect: The Company is compliant

with regulatory standards while its operating resource consumption standards area amongst the most stringent in the sector

Investment: The Company made forward-looking investments in equipment and infrastructure that moderated effluents and emissions



Highlights, 2021-22

- The Company received the prestigious energy management system and energy conservation efficiency award from CII, Hyderabad
- The Company obtained a 'No Increase in Pollution Load Certificate' to enhance pulp production from 230,000 TPA to 250,000 TPA and increase paper capacity from 320,000 TPA to 350,000 TPA from Odisha State Pollution Control Board
- The Company moderated water, steam, coal and power consumption per ton of paper produced
- The Company moderated fly ash generation by increasing the firing of biomass in the coal-fired boiler with coal.
- The Company conducted training, quiz, review meetings, rally, seminar, poster competition and get-togethers to enhance awareness.
- The Company replaced conventional equipment with modern equipment, old process with new, captive consumption of hazardous byproducts, replacement of cost resources and enhanced recycling.

Outlook, 2022-23

The Company plans to enhance the treatment of coloured effluents and increase the utilisation of treated effluent for irrigation. It will prioritise strategic initiatives and continue to do what it has always done: protect for the future and build trust.



State-of-art effluent treatment plant (Activated sludge process with cooling towers)

JKPM upgraded its effluent treatment plant with an advanced activated sludge system comprising a cooling tower with the objective to improve effluents quality. The optimum temperature will catalyse micro-organism growth, which consumes pollutants. This ETP was the first in India's paper Industry in 2002 (expanded in 2013).

Our environment responsibility report card

Moderated water intake

The Company retained its position among the most responsible water-consuming paper companies in India

	2002-03	2010-11	2015-16	2020-21	2021-22
Water consumption (cubic metres per tonne of paper produced)	112.14	79.40	44.16	30.60	30.42

Optimum coal intake

The Company moderated its coal consumption following investments and initiatives.

	2002-03	2010-11	2015-16	2020-21	2021-22
Coal consumption (in tones per tonne of production)	1.42	1.49	0.85	0.81	0.72

Optimum power intake

The Company moderated its power consumption per unit of end product output.

	2002-03	2010-11	2015-16	2020-21	2021-22
Power consumption (in KWH per tonne of production)	1448	1180	1039	952	948

Emissions

Unit JKPM

AAQ emissions	PM10 (µg/m3)	PM-2.5 (µg/m3)	Liquid waste recycling	m3/day
Norms	100 (µg/m3)	60 (µg/m3)	2019-2020	16424
2019-2020	42.37	27.15	2020-2021	16724
2020-2021	44.05	26.75	2021-2022	16948
2021-2022	44.32	23.57		

Effluents generation	m3	Remarks
2019-2020	724204	
2020-2021	606089	Less Production due to COVID
2021-2022	669643	

Unit CPM

AAQ emissions	PM10 (µg/m3)	PM-2.5 (µg/m3)	Remarks
Norms	100 (µg/m3)	60 (µg/m3)	
2019-2020	50.13	22.56	Modernisation and expansion plan was from 2019-2021 end.
2020-2021	52.14	24.24	
2021-2022	58.31	28.71	

Effluent generation	M3/Year	Remarks	Liquid waste recycling	m3/day
2019-2020	5390088		2019-2020	7500
2020-2021	5046812		2020-2021	8200
2021-2022	8480698	Existing + New Plant ; hence higher effluent generation.	2021-2022	8000

Our social initiatives

Business sustainability is reinforced through a complement of enduring stakeholder relationships, enhancing stability and corporate longevity.

Employees: At JK Paper, our employee engagement was marked by talent investments (recruitment, retention and training), safety, dignity and empowerment. Training was delivered through virtual means (average 9.5 courses per participant). Training partnerships were forged with

institutions like MDI Murshidabad and CII. Employees took up live projects to enhance business excellence using digital initiatives.

Customers and vendors: The Company continued to invest in a stable eco-system of vendors (capital equipment providers and trade

partners, deriving a large proportion of revenues from primary customers of ten years or more.

Community: The Company engaged with the community around its manufacturing locations, enhancing their wellbeing and prosperity.

Our governance commitment

At JK Paper, our governance platform enhances organisational predictability and stability, building corresponding

expectations from stakeholders. Our strategic direction is influenced by our Board of Directors, who comprise individuals of standing. Our Board members possess a rich bandwidth of industrial and commercial experience;

they engage with our executives to ascertain prevailing ground realities. We provide an environment where our Directors can deliberate impartially.

Our sustainability report card

Comprehensive effect

JK Paper
wood-positive
company since
2021

Unit JKPM & Unit
CPM carbon-
positive declared by
CII-2021 Report

Manufacturing competence

Index of asset
utilisation

2017-18
100

2018-19
103

2019-20
106

2020-21
98

2021-22
107

Financial robustness

240
bps, reduction in
debt cost since
2017-18

Distribution network

11
%, enhancement
in number of
distributors

Brand and customer capital

36
% growth in
revenues since
2017-18

Environment integrity

20.33
% decline in water
consumption per
tonne of paper
since 2017-18

18.19
% drop in coal
consumption per
tonne of paper
since 2017-18

Community support

441.03
% enhancement in
CSR expenditure
since 2017-18

75
% increase in lives
touched since
2017-18

How we strengthened our financial competitiveness to emerge as an outlier

Overview

In a funds-intensive business, financial robustness lubricates all the other business arms, strengthening sustainability. JK Paper has consistently reinforced its sustainability through prudent capex, access to low-priced and multi-year debt, increased use of accruals, value-addition and improved terms of trade.

During the last year, there was a global inflation surge, marked by an increase

in the cost of coal, wood, imported pulp and chemicals. There were challenges related to supply chain and logistics management. The Indian currency remained volatile currency with increasing interest rate scenarios. There were unforeseen market situations and increased working capital load during the first half of the last financial year

During the last year, the Company leveraged its existing cash flows and treasury advantage to address external

stakeholder needs. The Company continued to operate largely out of accruals with a low drawal against working capital sanctions. The Company was protected on account of its integration, making it easier to absorb cost increases. The Company strengthened operating efficiencies to absorb inflation impact. The Company graduated to a higher credit-rating, possibly the only such instance in India's paper industry during this challenging phase.

Strengths

Credit rating: JK Paper maintained its long-term credit rating with CRISIL and India Ratings of AA – (minus)/ Stable in spite of the pandemic impact on operations, delay in the packaging board project at Unit CPM and additional debt taken for the project. The Company continued to enjoy the highest A1+ credit rating for its short-term debt.

Funding lines: The Company mobilised debt funds of ₹ 1448 crore for the new project at Unit CPM. The debt was a mixture of domestic debt and foreign currency to capitalise on lower overseas fund costs.

Debt tenure: The Company's average long-term debt repayment tenure continued to provide repayment comfort.

It also provided the Company with a positive asset-liability mismatch between project payback and the repayment tenure.

Gearing: The Company's gearing of 40% as on March 31, 2022 reflected a relatively under-borrowed position in a capital-intensive sector, creating a borrowing room in case needed.

Debt cost: The Company focused on repricing rupee loans in line with its AA-/ Stable rating; the Company's working capital loan cost was among the lowest in the sector. The Company made use of derivatives and other financial instruments to optimise its borrowing cost; it responded with innovative structures to cover its forex risk and entered different kinds of interest swap products following close monitoring.

Treasury gains: The Company's cash and cash equivalent funds over of ₹600 crore as on March 31, 2022 made it possible to generate attractive treasury returns. To generate a better return on liquid treasury funds over short-term working capital borrowings, the Company invested in instruments that assured liquidity over superior returns. Despite this priority, the Company generated returns higher than its working capital cost

Cost management: The Company invested in short payback projects; total costs (ex-interest and tax) declined as a percentage of revenues to among the lowest in India's wood-based paper sector

Receivable cycle: The Company's receivables cycle was 20 days of turnover equivalent in 2021-22, the best in the sector

Highlights, 2021-22

- Turnover increased from ₹2969.15 crore to ₹4165.76 crore ; EBITDA strengthened from ₹701.41 crore to ₹1023.09 crore ; PAT increased from ₹322.19 crore to ₹511.09 crore EBITDA margin was 25.7% compared with 25.6% in the previous year

- The Company commissioned its 170,000 TPA packaging board expansion at Unit CPM without cost overruns beyond provided contingencies.

- There was an overall increase in debt but the Company repaid ₹318.44 crore of its past debt including ₹96 crore of

an additional loan ahead of schedule; Net Debt/EBITDA improved from 2.5x in 2020-21 to 2.0x in 2021-22

- An increase in working capital requirement in the first quarter of 2021-22 following the pandemic outbreak was countered by using low cost financing instruments (commercial paper, buyer's credit and Rupee export credit.

- There was an increase in production capacity from 5,91,000 MT to 7,61,000 MT following commercial production commissioning of the packaging board plant at Unit CPM (including subsidiary Sirpur Paper Mills Ltd.)

- The Company maintained its long-term credit rating of AA-/Stable from CRISIL and India Ratings inspite of increased debt and marginal delay in commissioning the packaging board expansion.

- The Company countered an increase in the cost of key inputs following improved efficiencies and realisations

- The Company retained its wood-positive status through proximate access to raw material higher than the Company's capacity to consume. The farm forestry programme generated carbon credits for farmers that was remitted to their accounts.

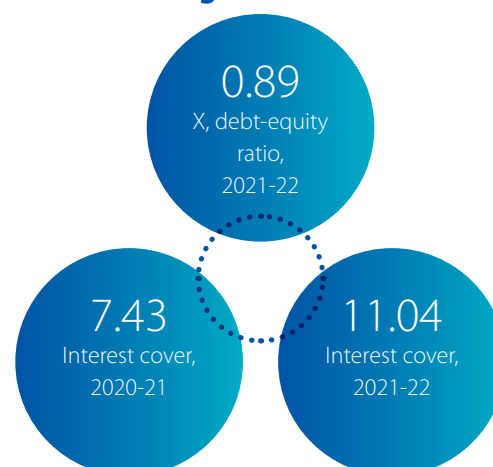
Outlook, 2022-23

The Company intends to ramp manufacturing capacity at its expanded packaging boards unit. The accruals are expected to further improve the debt-EBIDTA ratio. With the educational institutions and offices re-opening, the Company expects a better performance of its writing and printing and office paper segment. The global inflation impact on commodity prices remains a matter of concern. The Company intends to deleverage its Balance Sheet further, strengthening liquidity.

The financing of our ₹1950 crore packaging board expansion

The project cost for the expansion was less than that for a greenfield plant of similar capacity by about ₹15,000 per tonne. The project was financed by debt at about 7% cost per annum to be repaid across 12 years (three-year moratorium). The actual cost of these funds during the period prior to capitalisation was less than 5% due to gains in foreign exchange and lower borrowing cost.

Big numbers



How we enhanced talent productivity in a challenging year



Overview

At JK Paper, employees are our most effective competitiveness driver. The Company invests in talent – recruitment, training, orientation and empowerment - to deepen competitiveness.

During 2021-22, the third wave of COVID-19 continued to impact lives. The Company lived its ethic of caring for people, protecting employees, their families and society to the extent possible. The Company organised enhanced an awareness about guidelines and

protective measures. It engaged in counseling and psychological support; it conducted vaccination drives for employees and responded with a hybrid working model to moderate office attendance and corresponding risk.

Strengths

Brand equity: The Company enjoys a strong brand equity as a prominent, fair and career-strengthening employer

Digitisation: The Company invested in digital tools that empowered employees, enhancing their efficiency

Trusted: The Company was the only one among Indian paper companies to

have been placed within the top 25 of the Employee Trust Index

Balance: The Company's permanent employee strength was 2778 on March 31, 2022 with an average age of 35.5 years; retention rate 92% in 2021-22.

Technology: The Company established cloud-based HRIS, deepening its engagement with

employees and facilitating 'HR On-The-Go' access anytime anywhere.

Knowledge-driven: The Company's cross-functional learning forum (Kitabon ki aur) helped share learnings; the Company provided an online reference library

Highlights, 2021-22

- The Company's Centre of Excellence catalysed digital initiatives including the digitisation of HR processes
- The Company's capacity building was facilitated by instructor-led training and e-learning.
- The Company's skill development

addressed business needs and targets; blended learning and level-based training addressed employee training. Training sessions on digital awareness, analytical tools, behavioural training, sales training, business excellence and customer orientation were conducted for middle and junior employees.

- Coaching and mentoring was

undertaken for leadership capability development.

- Succession planning helped build a leadership pipeline.
- Online learning platform named e-gyan (with Skillsoft) addressed employee training; instructor-led training was conducted online

Outlook

The Company will invest in initiatives to enhance productivity, employer branding, gender diversity and capability building through advanced learning, digital transformation and succession planning.

Big numbers

2778

Total permanent employees as on March 31, 2022

35.5

Years, average employee age as on March 31, 2022

92

% of employees retained as of 2021-22

How we sustained our manufacturing excellence in 2021-22



Overview

In a capital-intensive paper manufacturing business, there is a premium on maximising capacity utilisation, operating efficiencies and environment integrity.

JK Paper is respected for manufacturing scale (among the largest in the sector), high asset utilisation, output quality and consistency and cost leadership, making the Company an industry benchmark. The Company's Odisha paper manufacturing machines were rated among the five most competitive in Asia and possibly the most competitive for its capacity in the continent. The Company's operations were also benchmarked with World Bank standards related to environment norms, biodiversity, cumulative impact assessment and critical habitat standards.

The Company reported an asset utilisation of 112.8% (ex-Sirpur Paper Mills) during the period under review) compared with 102.6% for the previous financial year. This asset utilisation was higher than the sectorial average.

The integrated nature of operations made it possible for the Company to capitalise on a sharp improvement in pulp and paper prices from the second half of the financial year while absorbing cost increases on account of its operational integration.

The manufacturing segment was affected by lack of sustainable access to raw

materials. The raw materials plantation segment encountered challenges due to an absence of structured policies that would encourage commercial planting. The business continued to be affected by the fact that it is perceived as environment unfriendly. There was a growing emphasis on stringent pollution control norms that made compliances increasingly demanding. A scarcity of coal and timely supply of imported chemicals (lime, coating clay and specialty chemicals) due to delayed shipments and non-availability of shipping containers affected the supply chain. A steep increase in input costs challenged business viability. The digital revolution translated into a potential reduction in paper consumption. Uneconomical plant capacities and technology obsolescence threatened the sector. Plant locations in remote areas made it difficult to attract talent; non-availability of skilled workmen was a challenge. There was a growing customer expectation of quality standards. There was competition for raw material sourcing from the plywood/Particleboard sector in Gujarat impacting raw material cost.

Achievements

The Company developed and marketed new products, seeding new demand. The Company shifted to the use of alternative fuels wherever feasible. The availability of indigenous lime moderated costs and imports; availability of coating clay

reduced consumption and the Company developed alternative vendors for coating binders.

The Company invested in the best technologies, effluent management, enhanced recycling, and re-utilisation of treated effluents. It focused on cost management through process optimisation and cost reduction by following TPM and Six Sigma lean processes. There was an increased focus on accessing plantation wood from within a radius of 200-300 kms, strengthening resource availability and capacity utilisation. There was a shift to the manufacture of food packaging products, medical specialty paper, corrugated packaging board and personal hygiene paper products. The Company enhanced the production of proprietary pulp (from wood sourced from nearby areas) that moderated imports. A focus on defects elimination and reduction of defect frequency enhanced output quality. The prospect of enhanced wood availability from nearby areas was explored through clonal plantations. Plant infrastructure was enhanced (in Sirpur especially). The Company enhanced plant safety through the interplay of inspections, audits (British Safety Council) and certifications.

Manufacturing strengths

Culture: The Company deepened its culture of manufacturing excellence through tools like TPM, Operational Excellence, benchmarking, Lean Practices, HR initiatives and gender diversity. The result was a continuous improvement in productivity, raw material consumption efficiency and cost leadership.

Plantation access: The Company increased subabul wood and clonal pulpwood access within a 300

km radius, strengthening capacity utilisation.

Digitalisation: Digital controls and statistical analysis strengthened manufacturing controls. Technological upgradation at unit JKPM and unit CPM. The capacity addition at JKPM and investment in a new packaging board plant at Unit CPM comprised cutting-edge technology.

Planning: The Company's Strategic Business Plan translated into timely decision-making.

Responsiveness: The Company focused on market needs with a customised approach, accelerating product offtake, strengthening the brand and enhancing realisations – a change from price-driven commodity concept to consumer-driven approach and change from a wholesaler-driven approach to direct customer access.

Pioneer: The Company was the first India's paper sector to utilise many high technology applications.

Strengths

Unit JKPM

- The plant is among the largest in India's paper sector ; accounted for 315,000 TPA of manufacturing capacity in 2021-22; the plant accounted for 62% of the Company's overall manufacturing capacity.
- The plant manufactured 303632 tonnes during the year under review (285118 tonnes in the previous year); capacity utilisation in 2021-22 was 110.3% (102% in the previous year).
- The plant continued to build a sustainable raw material bank, planting 25-30% more than it harvested each year.
- The plant's pollution control norms are below the threshold regulatory limit and one of the best in the industry; the plant consumed wood dust and rice husk in its boiler to replace fossil fuels.
- The plant introduced new technologies in its operations.

Unit CPM

- The plant is amongst the largest in the packaging board sector in India; its accounted for 38% of the Company's manufacturing capacity in 2021-22.
- The plant manufactured 187579 tonnes during the year under review (142396 tonnes in the previous year); capacity utilisation was 116.5% (110.2% in the previous year).
- The plant's output accounted for 38.2% of the Company's production volume during 2021-22 (33.3% in 2020-21).
- The plant's digital investments strengthened productivity improvement and cost reduction in Phase 1; overall equipment effectiveness (OEE) increased accompanied by lower wastage, enhanced plant availability, capacity debottlenecking, speed increase and reduction in furnish.

SMPL

- The plant focused on the production of coloured paper high quality maplito and copier products.
- The plant comprises four refurbished machines producing paper ranging from 44 to 400 GSM.
- The plant has 4 machines accounted for 136000 TPA of the manufacturing capacity in 2021-22.
- The plant manufactured 97401 tonnes during the year under review, compared with 44975 tonnes in the previous year; capacity utilisation in 2021-22 was 72%.
- The plant is proximate to railway line connected to all parts of the country, coal mines, commercial wood plantations and a large South Indian market.

Outlook, 2022-23

The Company intends to achieve over 100% capacity utilisation in its newly established Board project at Unit CPM and higher cost efficiency. The demand outlook is favourable following the reopening of educational institutions and offices as well as the sustained buoyancy

in the paperboard segment. The Russia-Ukraine war has made international paper supplies erratic, enhancing prospects for the Indian paper industry. The Company expects to sweat its paperboard capacity expansion during the current financial year. The Company's drive from and digital automation will enhance analytics and informed decision making. The Company

intends to develop Eucalyptus /Subabul / Casuarina /Acacia clones as raw material for higher wood productivity, better pulping, short rotation growth and high yield. The Company commissioned a new power plant at Sirpur paper (130TPH FBC Boiler and 20MW Turbine) which helped achieve 100% captive power generation and improved equipment reliability.

Our competence

Unit JKPM

- Copier paper for exports
- JK Bond
- OGR paper in lower GSM
- Ecosip papers
- Coated cup stock in lower GSM

Unit CPM

- MICR cheque paper
- Liquid Packaging Board
- Anti-fungal Board
- Aqueous Coated Board
- Ledger Paper

Unit SMPL

- Absorbent kraft and greeting cards
- Ledger paper
- Easydraw
- Carry bag
- Sparkle

Big numbers

Capacity enhancement

The Company is a major player in India's organised paper manufacturing sector (excluding SPML).

	2009-10	2014-15	2019-20	2020-21	2021-22
Aggregate installed capacity (in Lac tonnes)	2.40	4.55	4.55	4.55	6.25

Efficient capacity utilisation

The Company focused on increased asset utilisation, customer service and ability to amortise fixed costs (excluding SPML).

	2009-10	2014-15	2019-20	2020-21	2021-22
Average capacity utilisation (in %)	114.1	91.0	111.1	102.6	112.8

Production

The Company delivered production growth, strengthening its market presence and competitiveness.

	2009-10	2014-15	2019-20	2020-21	2021-22
Aggregate production (tonnes)	253152	395673	477627	427514	491211

How Sirpur Paper operations contributed to our growth, 2021-22

The Company is a step-down subsidiary.

The Company marketed all its products through JK Paper.

Capacity utilisation improved from 33.1% in 2020-21 to 71.6% in the 2021-22.

The plant's competitiveness was enhanced following the

commissioning of the power block.

Some products generated premium; the plant contributed to the Company's bottomline.

How a successful procurement function represents the heart of our sustainability



Overview

Even as India is among the largest agricultural nations, it is wood fiber deficient. Wood demand is consistently increasing, marked by a premium for wood-based industries to enhance resource security.

Our procurement strategy

Until a decade ago, JK Paper procured wood from as far as 1200 kilometers,

incurring a high logistics cost in addition to the need to inventories to beat cost increases and counter supply erraticism. The Company embarked on a long-term shift by encouraging farmers proximate to its Odisha plant to adopt agro-forestry. The Company focused on fast growing hardwood species (eucalyptus, subabul and casuarina among others).

The Company's agro forestry initiative

has emerged as a game-changer. The percentage of resources procured by the Company from the farm forestry initiative has enhanced rapidly. The Company's plantation area extends across 5.10 lakh acres (including SPML) of Gujarat, Maharashtra, Chhattisgarh, Madhya Pradesh, Andhra Pradesh and Odisha. The initiative has enhanced rural livelihoods benefiting farmers and reduced delivered wood cost for the Company.

Strengths

Clonal base: The Company invested in state-of-the-art clonal production centers that delivered quality planting

material to farmers. The Company's short-rotation clones improved farm productivity by more than 50% in five years.

Engagement: The Company increased its farmer coverage and direct procurement.

Challenges and responses

During the year under review, the Company's unit CPM in Gujarat encountered unprecedented competition

from wood-based industries (ply mills, particleboard and poles) for wood resource, enhancing wood costs.

The Company procured wood from

different states. The plantation team developed short rotation subabul clones (2-2.5 years) and engaged in a subabul drive in Gujarat and Maharashtra to keep raw material cost at lower level.

Highlights, 2021-22

- The Company procured 99.4% wood from farmers worth ₹600 crore.
- The Company procured around 65% of its wood requirements from within 200 km from its mills.
- The Company added more than 7700 farmers to its supplier base, a total of

about 75000 farmers (including SPML).

- The farmers associated with the Company planted more than 5.10 lakh acres of land in 20 years.
- The Company enhanced focus on clonal production, moderating seedling plantations. Planted clone

area enhanced from 45% to more than 77% in seven years.

- The Company's FSC FM coverage stood at 33772 Ha (about 10000 Ha under certification process).

Outlook, 2022-23

The Company intends to increase its plantation cover by about 20,000 Ha and develop short rotation clones, marked also by superior productivity, pulp yield and disease resistance.

Tree plantation

The Company planted around 479 lakh trees during 2021-22.

	2017-18	2018-19	2019-20	2020-21	2021-22
in lakhs	490	414	476	438	479

Clonal plantation coverage

The Company consistently increased clonal plantation coverage.

	2017-18	2018-19	2019-20	2020-21	2021-22
in %	64	63	67	74	77

Our FSC® certification

JKPL is certified for FSC® COC/CW and FSC®- COC/FM Certificates, which validates that the Company procures wood from responsible forests and well-managed group plantations. This ascertains that only legally harvested wood is utilised to manufacture paper and paper products.

The products from forests are responsibly managed to cater to the socio-economic and ecological

requirements of the present and forthcoming generations. The Company achieved the forest management, Chain of Custody Certificates. At present, the Company is poised to produce FSC® COC Certified products viz; FSC® 100%, FSC® -mix in its writing, printing, copier, bond papers, coated and uncoated paper segments.

JKPL is dedicated to procure only

the familiar wood from all known and legal sources in a sustainable basis. During 2021-22, the Company obtained 100% raw material from all sustainable sources into two categories i.e. FSC® 100% wood from its "Well Managed Group Plantations" and verified controlled wood through suppliers from Odisha, Andhra Pradesh, Telangana, Chhattisgarh, Gujarat, Maharashtra and Madhya Pradesh.

Challenges and responses

There was a threat of discounting during a weak market environment

The Company emphasised the power of its brand (complete peace of mind) that protected it from discounted sales.

The Company was completely dependent on the Indian market for sales, and risk in the event of an extended downturn.

The Company increased exports in 2021-22, addressing product demand in over 60 countries (12% of revenues).

The Company was affected by the underperformance of its writing & printing paper segment.

The Company focused on widening commercial non-educational applications such as paper straw (JK EcoSip), soap Paper (JK Stiffner) and other food grade applications.

The Company needed to develop a market for its packaging board expansion.

The Company worked closely with existing packaging board customers to account for a larger share of their wallet and strengthen the distribution channel where it did not had its presence.

The Company was required to market additional volumes generated by the acquired Sirpur Paper Mills.

The output quality and strengthening of the Sirpur brand enhanced offtake from this plant during the year under review.

The year was marked by volatile pulp realisations

The Company leveraged the integrated nature of its operations (pulp and paper manufacture) to enhance integrated competitiveness.

Strengths

Recall: The Company leverages the rich multi-decade legacy of the JK Organisation, marked by trust, customer-centricity and integrity. The Company is positioned as a responsible paper company engaged in active agro/social farm forestry.

Range: The Company enjoys the respect for being able to provide one-stop solutions on account of a large range of writing and printing paper, office paper, packaging board & specialty grade of papers enhancing the value for trade partners.

Leadership: The Company is respected as a market leader in the product segments of its presence, marked by superior paper quality and realisations. The Company is a market leader in the office paper segment and one of only two companies manufacturing coated paper in India. The Company is the first in the Indian paper industry to venture into retail

model, addressing the needs of major photocopying and stationery outlets.

Breadth: The Company transformed a complete erstwhile dependence on trade partners into a retail-centric presence, enhancing consumer engagement and market understanding. The Company's distribution footprint covers 21 States and 4 Union territories there is no inventory accumulation at the close of the year under review. The Company's distribution network comprises about 400 trade partners (wholesalers, retail distributors and direct parties) and more than 4000 dealers, supported by 14 depots and two Quick Service Centers. Today, it covers a large number of jobbers and stationery outlets across the country.

Service: The Company strengthened its service proposition through the ability to provide the right paper product across the right grade, grammage, lustre and other technical

requirements, strengthening the Company's brand around dependability.

Exports: The Company enjoys an existence over 60 countries comprising quality-demanding markets like the USA, Europe, Middle East, Asia and Africa.

Outsourcing: The Company is engaged in select product outsourcing (chromo one side-coated, maplitho uncoated wood-free, copier grade paper and packaging board, among other grades), strengthening its respect as a one-stop solutions provider.

Service mangement: The Company invested in Salesforce automation software to develop a better understanding of its secondary sales.

Responsible: The Company reinforced its credentials through the wood and carbon-positive status coupled with its brand-enhancing FSC certification.

Highlights, 2021-22

- The Company generated 40% growth in revenues during the year, which was higher than the national GDP growth of 8.7%. The Company widened its distribution network following the addition of 30 trade partners in the 2021-22. The Company promoted itself around responsibility for the use of social media (on Earth Day, Environment Day, International Forest Day etc.). It designed awareness campaigns to position paper as a sustainable alternative to plastic-based solutions, which was endorsed by the environmentalist Sonam Wangchuk

(the corresponding campaign video on Environment Day generated over 3 Million video views) The Earth Day campaign video was seen by more than 2.5 Million people with an engagement of over 19%).

- The Company conducted the third season of Auther Awards (in collaboration with Times of India) to empower women authors. The Company received 1300+ entries, comprising Jhumpa Lahiri, Kishwar Desai, Ghazala Wahab, Divya Dutta and Kareena Kapoor Khan. In three years,

this award has provided opportunities to over 3000 authors and 1200 debut authors.

- The Company launched JIA (JK Paper Intelligent Assistant), an AI-based chatbot to help customers browse catalogues, order products, resolve queries and enhance corporate awareness.

- The Company restructured its loyalty programme called Super Sitare to enhance engagement with resellers, wholesalers and retail distributors.

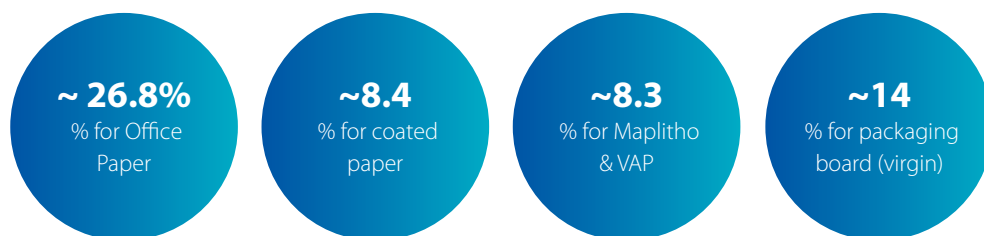
Outlook, 2022-23

The Company commenced commercial production of its packaging board plant 1,70,000 TPA at the unit CPM in January 2022. The Company intends to widen its product mix following the introduction of products like liquid packaging, cigarette

board, anti-fungal board and aqueous coated boards. The Company intends to launch a 360-degree digital campaign around the concept of sustainability, strengthening corporate and sectorial respect. Campaigns to promote products like JK Copier plus (Antimicrobial) and

JK Pac Fresh will be launched on digital media. The Company is exercising demand sensing and forecasting driven through its digital initiatives. The Company intends to launch more Quick Service Centers for packaging board dealers.

Our market shares, 2021-22



Big numbers



How JKPL empowered customers over the years

DISTRIBUTORS

	2017-18	2018-19	2019-20	2020-21	2021-22
Trade partners	208	229	320	357	387

At JK Paper, we assisted partners in our growth journey



Prateek Pershad,
Pershad Marketing,
New Delhi

“In the past two years, there was a scarcity of paper stock in India but there was a growing demand from government departments, hospitals and laboratories. JK Paper serviced us with large volumes. Whatever leads JK Paper received for paper sales, it passed on to us. During the pandemic peak, we got a lead from Apollo Hospital for 100 paper boxes but dispatch was difficult without government permission. JK Paper executives visited the hospital, got us the approvals and we serviced the order.”



Dharmesh Mehta,
Shailja Papers, New
Delhi

“Around four years ago, we were buying around 500 tons of Packaging board from JK Paper. At a sales conference in Goa, I told Mr Harshpati Singhania that I was willing to do three times the sales throughput I was managing. Within the first four months of the packaging board capacity expansion, we have almost reached 900 tons. The increase transpired on account of a supporting management that empowers dealers to grow.”



Bhavesh Shah,
TK Ruby, Mumbai

“Our business with JK Paper in 1998 was around ₹ 10 crore. Today, the volume is 20 times. This has grown consistently for one reason: superior service. There was a consignment for a customer who was engaged in stationery manufacturing and export. Its US-based customer was asking for paper, but the shipment was delayed because of issues at some mill. JK Paper responded with speed and flexibility and that helped us win the order.”



Rahul Todi,
AK Trading, Kolkata

“I started business with JK Paper when I was a small player in 2016. The Company supported by providing material on time. There was a printer with an order of about 200 tonnes in April 2022. I informed about my requirement to the Company. Despite paper scarcity a loaded order book, JK Paper fulfilled its commitment by delivering on schedule.”



“We were JK Paper distributors for more than 30 years in Bangalore. Because we performed well, the Company allowed us to enter Tamil Nadu, Telangana and Andhra Pradesh across other product categories and the result is that we now cover the whole of South India.”

Deepak Mittal,
Mittal Paper, Hyderabad

JK Paper and its focus on community development





Overview

At JK Paper, our corporate social responsibility (CSR) aspires to create socially harmonious and financially viable communities. The Company strives towards inclusive growth for the marginalised, reflected in a prudent leverage of natural social capital for long-term development. JK Paper enjoys a CSR presence across 819 villages, catering the needs of more than 4,57,000 people. The Company's CSR presence covers Gujarat, Uttar Pradesh, Rajasthan and Odisha.

JK Paper is dedicated to improving living standards of communities and societies comprising healthcare, education, women empowerment and livelihood generation initiatives. These are woven around 13 of 17 United Nations Sustainable Development Goals. The Company's approach reconciles optimum resource use, enhanced community impact, skill development, environmental issues and women's empowerment.

Year	2019-20	2020-21	2021-22
Villages	240	600	819
Households	32000	52000	60,000
Population	137000	400000	4,58,000

Our CSR partners

- Sparsh Social Foundation
- Bharatiya Yuva Shakti Trust
- Aga Khan Rural Support Programme
- Foundation for Promotion of Sports and Games

Women's empowerment



JK Paper embarked on women empowerment initiatives comprising training and capacity building, financial linkages and infrastructure cum market support. The comprehensive ecosystem ensures that women are not only supported during the courses but also empowered through SHG linkages and bank loans.

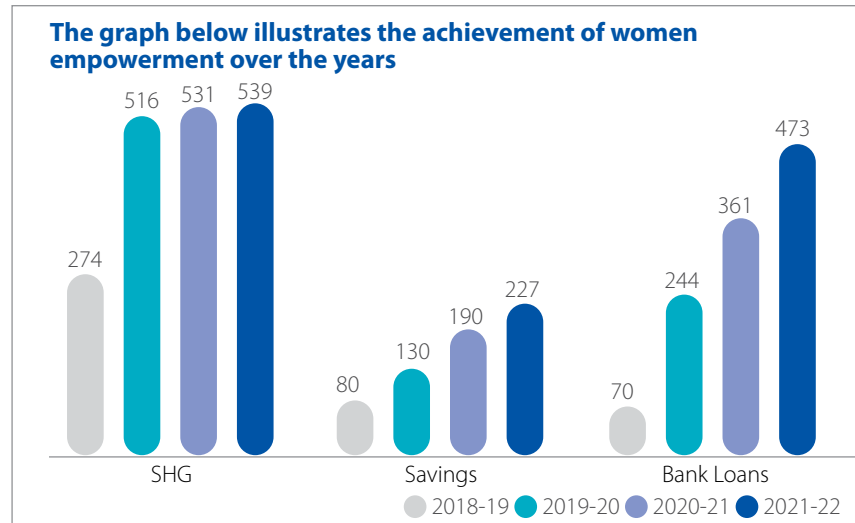
Highlights, 2021-22

- The Company helped 5612 tribal women from 178 peripheral villages to form 539 self-help groups. Twenty self-help groups comprising more than 678 women were linked to the producer group.
- The Company provided infrastructure support to 900 women, skill and capacity building training to 173 women and market support to 1095 women by engaging them with 106 Group-based enterprises.
- The Company empowered self-help groups with training on saving-credit and book keeping. Savings of self-help groups enhanced by more than 75% to ₹227 lakh compared to 2020-21.
- The Company supported self-help groups to obtain bank loans amounting to ₹473 lakhs in 2021-22 as against ₹362 lakhs in 2020-21.

- 173 out of 189 tribal girls were trained in sewing and tailoring to start their business, earning in the range of ₹5000-6000/month.
- Collective enterprises (broom collection, processing, binding and marketing; mushroom cultivation; siali leaf plate manufacturing; bamboo art and craft products; organic food processing and packaging; animal husbandry and tailoring) emerged as sustainable livelihood opportunities.

- The Company ensured that around 53% women were covered under Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBSY) and Pradhan Mantri Jeevan Suraksha Yojana (PMJSY).
- Rural Mart, Rayagada, was initiated to strengthen sales of SHG produce; since November 2020, it reported a turnover of ₹21 lakhs and profit of ₹2.65 lakhs.

The graph below illustrates the achievement of women empowerment over the years



In the above diagram, total 539 SHG's are formed in the year 2021-22, where the saving of SHGs has increased to ₹227 Lakhs and bank loan up to ₹473 Lakhs

Sustainable farming



To increase farmer incomes and awareness about scientific farming techniques, JK Paper collaborated with government agencies, research organisations and farm sector professionals. The farm-based livelihood interventions were undertaken with the aim to 'more than double farmer incomes', which helped farmers with better seed and agricultural methods with irrigation, to increase yields and generate round-the-year output.

Highlights, 2021-22

- The Company assisted the formation of four FPOs, 88 farmer clubs and 186 farmer interest groups, covering more than 11,843 farmers across 168 villages in Odisha and Gujarat.
- The Company installed 12 Group-based solar irrigation facilities, lifting 7.2 lakh litres of water per day and irrigating 360 acres for 306 farmers in Rayagada. Solar pumping, integrated with drip irrigation, benefiting 89 farmers and irrigating 53.50 acres in Rayagada, resulted in an eight-fold growth in farmer income.
- The Company provided seed and capacity support to enable the production of 21,801 quintals of organic vegetables and fruit worth ₹3.59 crore.
- Some 511 farmer resource centres reached 100 villages, offering continuous support to 2000 farmers through 49 meetings to enhance access to finance, resources and markets.
- The Company initiated a mushroom spawn unit to support mushroom production in 100 farmer clubs, 60 youth clubs and 500 self-help groups.
- The Company trained 1695 farmers in sustainable practices through 107 capacity building interventions. The Company trained 968 farmers in allied agri activities.
- The Company supported 310 farmers with laser spray irrigation production and 450 farmers with vermicomposting production.
- The Company provided five farming interventions including trellis cultivation for vegetables, mushroom cultivation and turmeric cultivation.
- Rural Mart, Rayagada, established a market linkage with NABARD, reported to generate trade of ₹5-7 lakh per day. Since inauguration, the mart hosted weekly markets with up to 3000 buyers and sellers transacting across 40 villages.

	Farmer clubs	FPO	Farmer interest groups
Groups	88	4	186
Farmers	8003	1060	2782

Youth engagement



JKPL intends to empower, mentor and guide the youth through skill development programs and entrepreneurship initiatives in Odisha and Gujarat. The Company engaged in various youth development projects through Bharatiya Yuva Shakti Trust, youth for SDGs with youth clubs and balika mandals, youth volunteerism with Nehru Yuva Kendra Sangathan, digital education through digital centres, career counselling and youth producer groups.

Highlights, 2021-22

- JK Paper mobilised 928 boys to form 33 youth clubs and 659 girls to form 28 balika mandals.

- The Company counselled 1400+ youth for placement-linked skill training and 257 youths were tagged for skill training and placement.
- A team of designers from NIFT, Bhubaneswar, trained 25 girls as bamboo jewellery design production artisans (given 'artisan' status by the government). These girls received ₹2.04 lakh from Odisha Rural Development and Marketing Society.
- Some 6500 square feet land was provided free by the district administration for establishing a Common Facility Center for bamboo-based activities.
- District Skill Committee, Rayagada,

provisioned ₹1 crore for 300 girl artisans from 17 villages in cluster-based production. The trade generated an income of over ₹1 Lakh for the girls.

- JK Paper planned advanced training for girls to produce 15,000 to 20,000 jewellery items per annum.
- The Company established 10 digital learning centres.
- The Company imparted soft skill and capacity building for 3604 rural youth from 28 peripheral villages. Some 4285 youth appeared for external assessment on Information Technology and received completion certificate.

Cumulative overview of Youth Entrepreneurship Development Programme (YEDP) through Bharatiya Yuva Shakti Trust

	Youth club and balika mandal	Youth producer group	Youth entrepreneurship
Groups	61	1	265
Youths	1587	25	1593

Year	Outreach	Counselled	Entrepreneurs trained	Enterprise support	Loan mobilisation (in lakhs)
2019-20	21310	4804	1691	156	261
2020-21	28425	6948	2191	236	453
2021-22	36795	9667	2909	363	700

Community healthcare

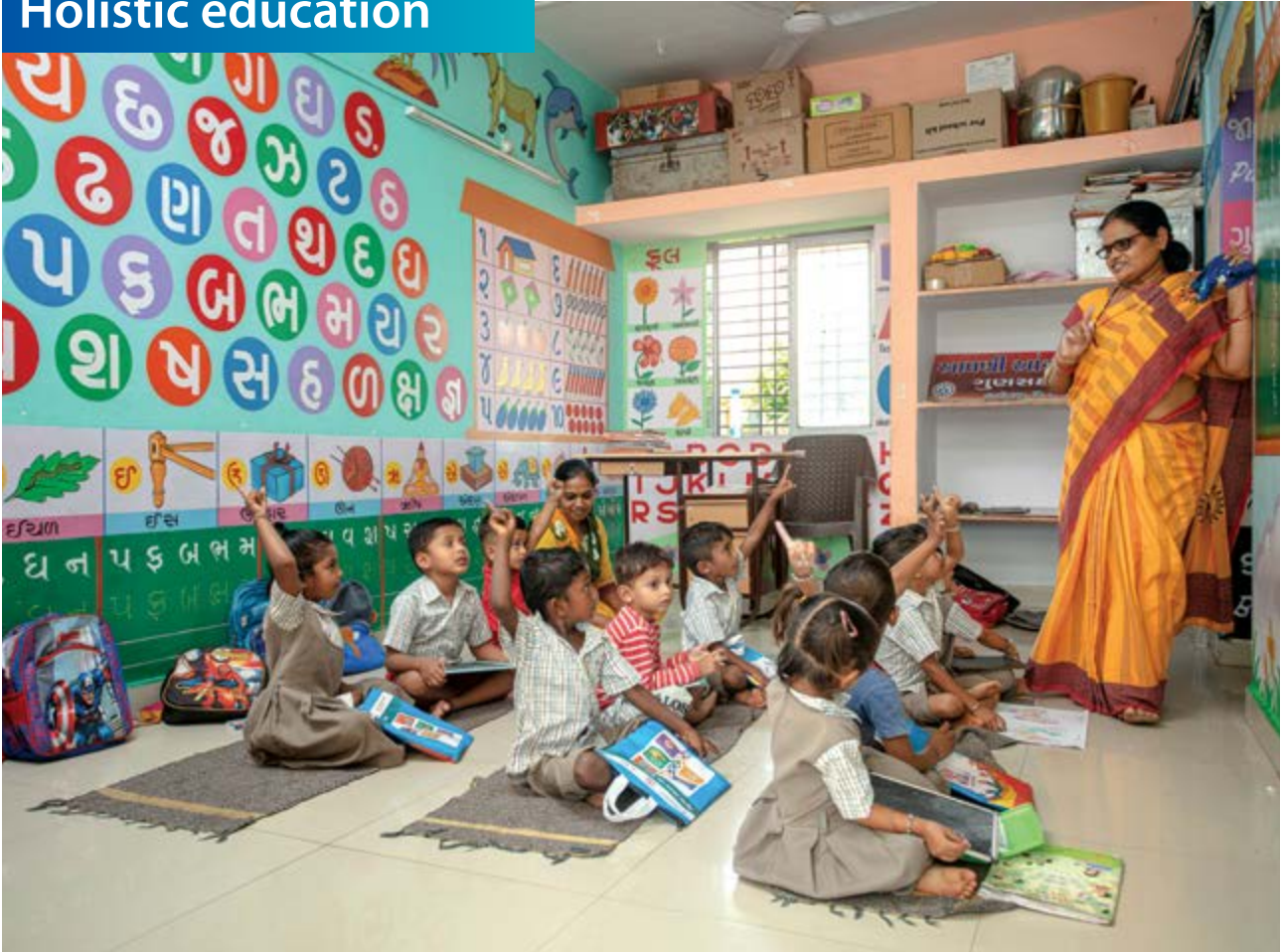


The Company works with partners who offer quality primary health care services to underserved communities comprising more than 16,000 marginalised people in Odisha and Gujarat. The Company's health care engagement is present in remote villages where health care access has been weak or non-existent. The Company's operating approach establishes health care capacity of local communities, improving government infrastructure and training health workers to service distinctive community needs. The Company provided preventive and curative health services concentrating on malnutrition and infant mortality.

Highlights, 2021-22

- JK Paper organised 189 medical camps that covered 11429 patients from 61 villages in Tapi.
- The Company organised 16 health camps in Rayagada, providing treatment and free medicines to 1418 patients.
- The Company undertook regular treatment and genetic counselling of 1900 patients in 58 villages of Tapi.
- The Company created 11 model anganwadis in Tapi for early learning experiences, infrastructure development and improved nutrition.
- Some 500 households in Tapi were supported for establishing a nutrition garden, catering to the nutritional needs of children and mothers.
- Some 21 Eye screening camps were organised in Rayagada; 493 individuals were screened for surgery (253 patients referred to the eye hospital and 65 cataract surgeries undertaken).
- Organised 14 cataract screening camps in Tapi; screened 360 patients for eye related issues, 67 cataract surgeries were undertaken.

Holistic education



The Company designed programmes to mitigate student challenges during the pandemic. The Company provided quality education by setting up schools and developing a curriculum for children with special needs.

Highlights, 2021-22

- The Company initiated a 'green' campus programme in partnership with Climate Reality Project, USA. The programme focused on five parameters (air, water, biodiversity, energy and waste management). Some 27 Rayagada schools were registered under this programme, adopting changes to address the five parameters defined. Some 3186 teachers were trained on climate change and SDG.
- The Company equipped Nutan Gyanvardhini School (for children with special needs) with a physiotherapy center for children and senior citizens. Some 234 children with special needs were enrolled.
- The district administration sanctioned ₹3.15 lakh to Nutan Gyanvardhini for 2021-22. The Planning and Monitoring Committee sanctioned a plan for a new physiotherapy room with solar electrification. A new building for the creation of a hostel was allotted to NGV by the district administration.

Rural infrastructure



The Company believes that inclusive and sustainable development coupled with innovation and infrastructure can generate employment and income.

Highlights, 2021-22

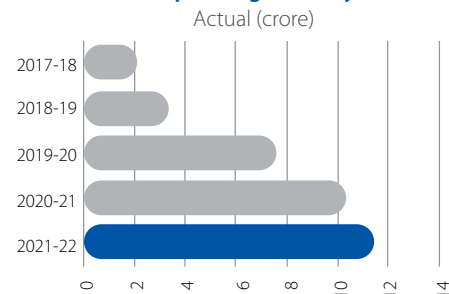
- Provided drinking water support to four villages in Tapi, reaching out to 2666 households with a population of more than 10,000. The pipeline was extended to a new village in Tapi.

- The Company developed community parking area with a focus on road safety.

- The layout and design of craft/artisan centre was finalised in Tapi.

- The Company constructed a community toilet; one common facility centre was handed to the Gram Panchayats and was accessible to 2371 households.

Our CSR spending for five years



Watershed development



The Company is mitigating the challenge related to water management through water resource development in irrigated areas and encouraging the adoption of sustainable agricultural practices leading to increased productivity, income and resilience.

Highlights, 2021-22

- 393 acres were covered in the watershed development programme, benefiting 1,906 farmers.
- Various activities were undertaken in 12 villages under the water resources development programme, including 32 boribandhs, two gravity irrigation schemes, two solar irrigation schemes

and two small size farm ponds for water recharge. Around 240 farmers will benefit across 271 irrigated acres of land.

- In boribandhs, temporary structures comprising sand-filled gunny bags were built across the stream to harness base flows for irrigation. Some 32 boribandhs were erected in eight villages, benefitting 157 farmers across 178 irrigated acres of land.
- A 'green' innovative solution (renewable energy) replaced diesel-powered irrigation with renewable energy in two Songadh villages. Powering traditional fossil fuel-based pumps with solar energy reduced carbon emissions. Two

community-based solar lift irrigation systems were installed close to water streams.

- Two gravity-based irrigation systems were set up in Songadh block villages. Two clusters with 40 acres belonging to 36 farmers of two villages are expected to benefit.
- Farm bunding was undertaken on 80 acres under the soil and water conservation programme benefitting 58 farmers across four villages. Land leveling on 22 acres benefited 50 farmers across six Songadh taluka villages. A 4497 RMT deep contour trench for water recharge benefited 14 farmers across three villages.

Case studies

Dambro Pulaka dropped out of college for financial reasons. Sparsh Social Foundation helped him pursue his dream of singing and music editing. Today, he runs a YouTube channel with over 600,000 views and innumerable subscribers. The channel is managed from the digital learning centre assisted by JK Paper.

Semanti Pedenti

is a tribal girl from Augur village, Rayagada district. She is the President of Angur Balika Mandal. After pursuing her training, she volunteered to teach rural children. She is now a confident young girl driven by the prospect of bringing significant change among tribal girls.

COVID-19 support



The Company ensured that employees followed hygiene and social distancing. Factory personnel were provided face masks, sanitisers, staggered shifts, access control and thermal screening.

Dedicated teams discussed, coordinated and collaborated daily to pool resources, medical emergencies, medical references and fund requirements of admitted

patients.

Basic lifesaving medical equipment (two ventilators and 10 oxygen concentrators) were procured; a 30-bed oxygen Covid care centre was established in Singhania Public School.

A mass campaign within tribal communities enhanced vaccination

awareness across 58 villages; the JKPM and CPM plants covered 100,000 population.

Collaboration with the district health department and registration of the occupational health centre as a vaccination centre helped employees and family members getting vaccinated.

Sunduru Himirika,

a 62-year-old farmer of Sarabu Pitesh (Kolnara Block) is an inspiration. Previously, he had three acres within a 700 metre from his village - 1.5 acres in upland and medium tracts. He covered 1.5 acre upland with solar irrigation. Farmers were motivated to diversify their crops (cotton to vegetable and fruit). He now cultivates pointed gourd, banana and vegetables and generating three times the benefit over cotton cultivation.

Sina Himirika,

lives with his family in Sarabu Pitesh village in Rayagada district. During the previous year, he cultivated two acres with cotton but did not generate a desirable profit. He worked as a manual labourer to make up for the shortfall. Following the intervention of JK Paper, he is engaged in multi-cropping through out the year and expecting to generate three times the income he derived from cotton.

Management discussion and analysis



Global economic overview

The global economy grew an estimated 5.9% in 2021 compared to a de-growth of 3.3% in 2020. This improvement was largely due to an accelerated vaccination rollout across 4.4 Billion people or around 56% of the global population (single dose). There was also a revival in economic activities based on catch-up consumption.

During the year under review, global economic activity witnessed a revival as commodity prices touched peak levels. Inflation was at its highest in several decades, especially in the advanced economies. This was catalysed by a run up

in commodity prices. Some emerging and developing economies were positioned to withdraw policy support to contain inflation.

As the world was steadily reviving from the Covid-19 disruption, the Russian invasion of Ukraine raised global economic concerns. Surging inflationary pressure coupled with a record increase in food prices, affected consumer sentiment. The jump in oil and gas prices adversely impacted costs for industry and moderate consumer real income. China's strict 'zero-COVID strategy', after the country was affected by a fresh wave of infections, led to restrictions that affected the global supply chain and consumer demand.

Outlook

The global economic growth of 5.9% in 2021 could moderate to 3.6% following the Russia-Ukraine crisis. A growth slowdown is already visible in China and inflation in the US, Europe and UK reached multi-decade highs. This could lead to currency depreciation and net FPI outflows from emerging economies. The changing monetary policy and slowdown in China are expected to increase post-Covid challenges. As countries evolve from the Covid-19 recession with higher public debt and increased interest rates by central banks, further support in the form of fiscal stimuli could be less forthcoming.

Regional growth (%)	2021	2020
Global	5.9	(3.3)
Advanced economies	5.0	(4.9)
Emerging and developing economies	6.3	(2.4)

(Source: IMF, World Bank, UNCTAD)

Performance of major economies

United States: The country reported GDP growth of 5.7% in 2021 compared to a de-growth of 3.4% in 2020, following the government's investment of trillions of dollars in COVID relief.

China: The country's GDP grew 8.1% in 2021 compared to 2.3% in 2020 despite it

being the epicentre of novel coronavirus.

United Kingdom: The country's GDP grew 7.5% in 2021 compared to a 9.9% de-growth in 2020.

Japan: The country reported growth of 1.7% in 2021 following a contraction in the previous year.

Germany: The country reported a GDP growth of 2.9% in 2021 compared to a decline of 4.9% in 2020. (Source: World Bank, IMF, Business Standard, Times of India)

Indian economic overview

The Indian economy reported a smart recovery in 2021-22, its GDP rebounding from a de-growth of 6.6% in 2020-21 to a growth of 8.7% in 2021-22. By the close of 2021-22, India was among the six largest global economies, its economic growth rate being the fastest among major economies, its population of 1.40 Billion making it the second most populous in the world and its rural under-consumed population arguably the largest in the world.

The Indian economy was affected by the second wave of the pandemic that affected growth towards the fag end of the previous financial year and across the first quarter of the financial year under review. The result is that after a growth of 1.6% in the last quarter of 2020-21, the Indian economy grew 20.1% in the first quarter of 2021-22 due to smaller economic base during the corresponding

period of the previous year.

India's monsoon was abundant in 2021 as the country received 99.32% of a normal monsoon. Moreover, based on the spatial and temporal distribution of the 2021 monsoon rainfall, the agricultural gross value added (GVA) growth in 2021-22 is anticipated to be 3-3.5%. The country's manufacturing sector grew an estimated 12.5%, mining and quarrying by 14.3%, construction by 10.7% and electricity, gas and water supply by 8.5% in 2021-22.

There were positive features of the Indian economy during the year under review.

India attracted the highest annual FDI inflow of US\$ 83.57 Billion in 2021-22, a validation of global investing confidence in India's growth story. The government approved 100% FDI for insurance intermediaries and increased FDI limit in the insurance sector from 49% to 74% in

Union Budget 2021-22.

The Indian government launched a four-year ₹6 lakh crore asset monetisation plan (roads and highways, pipelines, power transmission lines, telecom towers, railways station re-development, private trains, tracks, goods sheds, dedicated freight corridor, railways stadiums, airports, projects in major ports, coal mining projects, mineral mining blocks, national stadia, redevelopment of colonies and hospitality assets).

The declining Covid-19 threat, coupled with resumption in economic activity, especially in services sector and high industrial capacity utilisation, put the Indian economy on a stronger-than-expected recovery path. The Ukraine-Russia conflict represents an interruption, moderating growth and enhancing inflation. India's growing reliance on the import of petroleum products (~85%

of total demand) and edible oil (60%), whose prices could remain high, is expected to increase inflation by 120 bps and moderate growth by at least 60 bps. Increased forex outgo is expected to limit planned capital spending by the Government. The overall consumer demand that barely reached pre-pandemic levels could be affected by a squeeze on household real incomes and spending capacity. This is expected to postpone private investment. Moreover, high commodity costs could affect manufacturing and infrastructure sectors, the key contributors to growth and job creation.

In 2021, India was the largest recipient of global remittances. The country received US\$ 87 Billion during 2021, with the US being the largest source (20%). India's foreign exchange reserves stood at an all-time high of US\$ 642.45 Billion as on

September 3, 2021, crossing US\$ 600 Billion in forex reserves for the first time.

India's currency weakened 3.59% from ₹73.28 to ₹75.91 to a US dollar through 2021-22. The consumer price index (CPI) of India stood at an estimated 5.3% in 2021-22. India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of 2021-22 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy. The country recorded all-time highest GST collections in April 2022 (₹1.68 lakh crore), 20% higher than the corresponding period in 2021.

India received positive FPIs worth ₹51,000 crore in 2021 as the country ranked fifth among the world's top leading stock markets with a market capitalisation of US\$ 3.21 trillion in March 2022.

The fiscal deficit was estimated at ₹15.91 trillion for the year ending March 31, 2022 on account of higher government expenditure during the year under review.

India's per capita income was estimated to have increased 16.28% from ₹1.29 lakh in 2020-21 to ₹1.50 lakh in 2021-22 following a relaxation in lockdowns and increased vaccine rollout.

India's tax collections increased to a record ₹27.07 lakh crore in 2021-22 compared with a budget estimate of ₹22.17 lakh crore. While direct taxes increased 49%, indirect tax collections increased 30%. The tax-to-GDP ratio jumped from 10.3% in 2020-21 to 11.7% in 2021-22, the highest since 1999.

Indian economic reforms and Budget 2022-23 provisions

At a time of trade disruption, supply chain resilience has taken precedence over cost optimisation. This was already visible after the new tariff regimes following the US-China trade war and the pandemic. Any prospect of reverting to old ways was put to rest by the Russia-Ukraine war. Governments and businesses have intended to localise sourcing.

The Budget 2022-23 seeks to lay the foundation of the Indian economy over the 'Amrit Kaal' period of the next 25 years leading to 100 years of independence in 2047. The government is emphasising

the role of PM Gati Shakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments.

The capital expenditure target of the Indian government expanded by 35.4% from ₹5.54 lakh crore to ₹7.50 lakh crore. The effective capital expenditure for 2022-23 is seen at ₹10.7 lakh crore. An outlay of ₹5.25 lakh crore was made to the Ministry of Defence, which is 13.31% of the total budget outlay. A boost was provided to India's electric vehicle policy 'Scheme

for Faster Adoption and Manufacturing of (Hybrid and) Electric Vehicle in India'. An announcement of nearly ₹20,000 crore was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for 2022-23 for the national highways network. To boost the agricultural sector, an allocation of ₹2.37 lakh crore was made towards the procurement of wheat and paddy under MSP operations. An outlay of ₹1.97 lakh crore was announced for the Production Linked Incentive (PLI) schemes across 14 sectors.

Key Government initiatives

- The Government launched Production Linked Incentive (PLI) scheme to encourage the AtmaNirbhar Bharat momentum.
- The Government launched PM Gati Shakti, the national master plan for

- multi-modal connectivity to plug gaps in infrastructure, facilitating last mile connectivity and moderate travel time.
- The Government unveiled a four-year National Monetisation Pipeline (NMP) valued at ₹6 lakh crore.

- The Government is contributing to increase its R&D focus in sunrise opportunities like artificial intelligence, geospatial systems and drones, semiconductor and its eco-system, space economy, genomics, pharmaceuticals,

green energy and clean mobility systems.

- The Government launched Pradhan Mantri Atmanirbhar Swasth Bharat Yojana in addition to the National Health Mission with the aim of reinforcing healthcare

infrastructure across the country.

- The Government plans to expand the 'one class-one television channel' program of PM e-VIDYA from 12 to 200 TV channels. The Government is set to

establish a digital university to provide world-class quality universal education with personalised learning experience at their doorsteps.

Outlook

India's medium-term optimism is derived from the fact that three down cycles – long-term, medium-term and short-term – could well be reversing at the same time. The long-term downtrend, as a result of nonperforming assets, scams and overcapacity could be over; the medium-term downtrend that was caused by the ILFS crisis, collapse of select banks and weakening NBFCs could well be over; the short-term downtrend on account of the pandemic has weakened following the acceleration of the vaccine rollout.

There is a possibility of each of these downtrends having played out, which could well lead to a multi-year revival in capital investments. Some ₹399 lakh crore worth of investments are expected to be made in the wind and solar infrastructure, energy storage and grid expansion.

The Indian economy is projected to grow by 8% in 2022-23, buoyed by tailwinds of consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine leading to a revival in economic activity.

Across the next three years, capital expenditure in core sectors - cement,

metal, oil refining and power - should be about ₹5 trillion. Besides, the government's production linked incentives (PLI)-led capex should generate an incremental ₹1.4 trillion in sectors like consumer durables, pharmaceuticals and automobiles.

Global paper and packaging industry overview

The global paper and packaging board market size was estimated at US\$ 189.3 Billion in 2022 and forecasted to reach US\$ 224.7 Billion by 2028, a 2.9% CAGR.

In volume terms, the global paper and packaging board market is expected to have grown by 2.3% in 2021 compared to a de-growth of 5% in 2020. The printing and writing paper segment is expected to have grown 2% in 2021 compared to a de-growth of 16% in 2020. The packaging board segment is expected to have grown 6-8% in 2021 compared to zero growth in 2020. The tissue paper segment is expected to have grown 1-2% in 2021 compared to 5-6% growth in 2020.

The growing retail and e-commerce industries, coupled with the growing demand for environment-friendly packaging products, are likely to emerge as key factors catalysing market growth.

With growth in online shopping, the requirement for secondary and tertiary paper packaging products has grown considerably coupled with a growing consciousness around sustainable packaging.

Products in various segments starting from electronics, food, beverage and cosmetics are packaged using paper. A growing consumer consciousness related to sustainable packaging coupled with stringent regulations imposed by environmental protection agencies with respect to the usage of environment friendly packaging products is not catalysing the growth of this paper packaging segment.

Various developed and emerging countries are promoting the use of paper-based products as an alternative to plastic. To retain nutrient content and protect food quality, food manufacturing organisations are adopting food-grade paper packaging products. Other factors, including product innovation to improve product functionality and produce visually appealing variants are expected to drive paper based packaging growth.

Indian paper and packaging industry overview

The Indian packaging industry is expected to report a CAGR growth of 5-6% between 2022 to 2027. Packaging is a fast-growing industry catalysed by rising disposable income, growing consumer awareness and rise in processed food

offtake.

In volume terms, the Indian paper and packaging board market is expected to have grown by 13% in 2021-22 compared to a de-growth of 17% in 2020-21. The printing and writing paper segment is

expected to have grown by 23% in 2021-22 compared to a de-growth of 34% in 2020-21. The packaging board segment is expected to have grown by 31% in 2021-22 compared to a contraction of 20% in 2020-21. The coated paper segment

is expected to have grown by 28% in 2021-22 as against a contraction of 39% in 2020-21.

During the COVID-19 pandemic, the Indian e-commerce industry recorded appreciable growth in the volume of online orders following restrictions on the movement of people and a shutdown of physical stores. Indians are increasingly buying groceries, food items and daily essentials online in addition to merchandise, warranting sustainable packaging solutions. Following the second wave of Covid-19, the demand for paper and paper-based packaging witnessed a significant upswing on the back of an economic rebound and re-opening of offices and educational institutions. The proposed ban on single use plastic promises further fuel growth through the paper-based substitution.

Pulp prices

Pulp prices strengthened by about 30-40% during the year under review. The delivered cost of pulp and paper increased on account of a rise in fuel and freight costs as well as a decline in containers availability.

Paper mills also encountered major coal supply disruption following the decision of the Government of India to accord a priority to power plants, in addition to increased coal costs. Coal prices were also impacted by Indonesia's decision to curb coal exports and the Russia-Ukraine war. (Source: Print Week)

Packaging sector drivers

- Rising population, increasing incomes, changing lifestyles and general economic growth are driving packaging demand. A rise in the Indian middle-income group, expansion of organised retail, growth in exports and India's rising e-commerce sector are catalysing packaging segment growth.
- The packaging market is expanding due to investments in food processing, personal care, pharmaceuticals as well as the food & beverage industries. Growing investments in food processing, personal

care, and pharmaceutical end-user industries have created opportunities for packaging market expansion.

- Growing exports validate the growing demand for packaging formats, including corrugated boxes (Source: CARE rating)

SWOT analysis of the Indian paper and packaging industry

Strengths

- The packaging board segment is growing attractively
- Wide variety of paper is produced
- Incomes of plantation farmers have increased
- Modern and State of the art manufacturing plant
- There is increased recyclability of waste paper

Weaknesses

- Many economically unviable plants
- Many plants are funded through large debt
- There is a growing requirement of scale to survive

Threats

- Costs of raw materials have increased
- There is growing competition from imports
- Digitalisation is affecting paper demand
- Intermittent lockdowns due to the pandemic are affecting demand
- Higher energy cost imparting competitiveness

Opportunities

- Attractive demand headroom from a lower per capita consumption perspective
- Growing consumption of packaging paper/board in food and pharma sector
- Greater hygiene awareness following the pandemic
- Growing demand from downstream sectors (kraft, corrugation, duplex)
- Innovative product creation possibilities
- Progressive ban on single-use plastic to

widen the market

Demand drivers

Urbanisation: The population of India is anticipated to rise to 1.52 Billion by 2036, enhancing the urban population share from 34% in 2020 to an estimated 39% in 2036, strengthening paper offtake.

Young population: The median population of India of 28.7 years is lower than the global average of 31.0. This young population is expected to drive writing and printing paper demand by students and packaging paper through increased e-commerce penetration.

Rising literacy: India's literacy rate of 75% is on the rise, strengthening the offtake of writing & printing paper and in turn packaging paper (through products offtake).

Corporate activity: Economic development and globalisation improved corporate activity and paper consumption.

Packaging demand: Although the COVID-19 pandemic caused a paper demand decline in general, the packaging board market strengthened following product consumption growth

E-commerce growth: The Indian e-commerce industry is expected to grow 21.5% in 2022 on account of higher internet and smartphone penetration.

Health and hygiene: The demand for medical grade tissue increased, strengthening demand.

Rising population, increasing incomes, changing lifestyles and general economic growth are driving packaging demand. A rise in the Indian middle-income group, expansion of organised retail, growth in exports and India's rising e-commerce sector are catalysing packaging segment growth.

Uncoated writing-printing and specialty papers:

JK Paper is a leader in the office paper segment on account of its superior quality and brand visibility. The Company possesses a diversified portfolio in the uncoated writing and printing segments of specialty paper, addressing the needs of publishers, print houses and corporates.

Highlights, 2021-22

The Company sold 3.88 Lac MT of Uncoated W&P and Speciality paper (including exports) in 2021-22

It exported 0.58 Lac MT of copier and office paper in 2021-22.

It widened and deepened its distribution footprint while increasing its market presence.

Packaging boards: The packaging board market of India is increasing rapidly following growing demand from the FMCG, food and beverage, pharmaceutical and textile sectors. JK Paper offers a range of high-end coated packaging boards, producing packaging board at its Unit CPM in Gujarat, close to key consumption markets. The Company developed varieties following R&D outlay and investments in advanced technologies.

The Company commissioned a new packaging board plant on January 14, 2022. The plant began running at over 90% capacity within a short time. The new packaging board plant is expected to operate at close to 100% capacity by the end of 2022-23.

Highlights, 2021-22

Sold 1.48 Lac MT of packaging boards (including exports) in 2021-22

Exported 0.13 Lac MT of packaging board in 2021-22

Coated papers: Coated paper is a niche segment with over 60% demand addressed by global players. Only two Indian companies manufacture coated paper, JK Paper being one. The Company provides customised products, finding application in magazines, books, brochures, posters and wedding cards, among others.

The Coated Paper prices were higher compared to previous year due to global demand supply scenario along with the global pulp prices. Various coated paper suppliers were impacted because of the global pulp prices as they were not integrated manufacturers. Therefore, their costs have been higher in relation to the coated paper prices

which benefitted JK Paper.

Highlights, 2021-22

Sold 0.64 Lac MT of coated paper in 2021-22

Corrugated boxes: During the year under review, the Company decided to enter into the corrugated business through its subsidiary, JKPL Packaging

Products Ltd. and its first project will be at Ludhiana which will be a green site. The plant is expected to get commissioned by end of 2022. The plant is expected to

contribute to a turnover of ₹150-160 crore once it is operational and reaches good capacity utilization.

Demand for the Company's products and market prices

Demand and realisations

The demand for writing & printing paper segment (21% of the Company's 2021-22 revenues) remained volatile. During the first quarter of the year under review, there was a significant demand decline due to the emergence of the second pandemic wave. The market stabilised by Q3 of 2021-22, marked by demand revival following government initiatives to normalise educational delivery. During the last quarter of the year under review, demand moderated due to the third pandemic wave but the Company's

business was not impacted. A sharp increase in input costs pushed higher realisations over the previous year.

The office paper segment (42% of the Company's revenues in 2021-22) comprised value-added products. Demand fluctuated during the second and third pandemic waves. The first quarter of the financial year was weak on account of low market demand (operational around 40%) due to a closure of offices, schools and colleges on account of the second and third

pandemic waves. Demand revived during the second quarter as educational institutions and commercial activity resumed. There was a moderate demand decline between November 2021 and mid-January 2022 due to the festival season and the third pandemic wave, compensated by a strong fourth quarter offtake. The Company outperformed and gained market share on account of its diverse portfolio, extensive distribution and pan-India footprint.

The coated paper segment (around 10%

of the Company's 2021-22 revenues) was largely dependent on commercial printing. The Company successfully marketed its targeted volumes on account of a focused approach towards government tenders and extensive

printer reach. Realisations remained attractive due to low imports, high shipping freight and higher global pulp prices.

The virgin packaging board segment (about 24 % of the Company's 2021-22

revenues) operated at 100% capacity utilisation. Virgin board realisations strengthened following an increase in input costs. A high demand of cup stock from the food and pharma sector strengthened packaging board offtake.

Developments at the Sirpur Paper Mills Ltd.

Acquisition and capital expenditure: Sirpur Paper Mills Ltd. (SPML) was acquired in 2018-19 under the Insolvency and Bankruptcy Code (IBC). Your Company was one of the earliest successful applicants under IBC. Your Company through its subsidiary settled the debts of the financial and operating creditors as ordered by the NCLT and

started revival activities from August 1, 2018. The acquisition was anticipated to provide synergies of a strategically located third site nearer to the raw material sources with closer access to coal and plenty of water.

The total project cost of SPML is over ₹900 crore, including the value settled with

bankers, additional capital expenditure for new boiler and turbine, and cost of refurbishing the existing machines. The new energy-efficient 130 tons per hour high pressure boiler and 20 MW high pressure turbine along with utilities capitalised during the first quarter of 2021-22 after the completion of trial runs.

OPERATIONS

Production: After the challenging COVID impact in 2020-21, the year under review proved satisfying. Following the commissioning of 130 TPH high pressure boiler and 20 MW turbine, there was a focus on stabilising operations at the Sirpur unit. The unit achieved a capacity utilisation of 75.3% during the last quarter of 2021-22, which improved to 83.4% in May 2022.

Raw materials: Wood is a major input for integrated pulp and paper mills. Sirpur promoted large-scale farm forestry plantation activities in its catchment areas for sustainable fiber supply. The unit established a high-tech clonal production nursery with capacity of 100 lakh clones per annum. To ensure stable quality raw material, the Sirpur unit provided quality planting material to farmers at subsidised

costs in addition to free technical knowhow.

During 2021-22, the Sirpur unit covered more than 5500 Acres under farm forestry plantations with 1521 farmers within 150 Km radius of the mill. A sustained plantations thrust will provide the Company with secured raw material and strengthen the ecological balance.

Functional review

Raw material management: The Company invested in developing plantations around the mill to ensure sustainable raw material supply. The Company is extensively engaged with farmers within a 200-kilometre-radius of its manufacturing facilities to adopt agroforestry/ farm-forestry with fast growing hardwood species (Eucalyptus, Subabul and Casuarina). At present, the plantation area includes more than 5.10 lakhs acres across Gujarat, Maharashtra, Chhattisgarh, Odisha, Andhra Pradesh and Madhya Pradesh. Plantation during the year was done on over 44500 Acres

(including SPML). On one hand, the Company's farm forestry initiatives increased sustainable livelihoods across rural areas, provided farmers an assured income and developed the prospect of equitable realisation. On the other hand, it created a sustainable source of raw material for the Company. Over the last 10 years, over 75,000 farmers benefitted through the Company's farm forestry. Besides these, it improved green cover in the area and made the Company wood and carbon positive. The Company increased focus on R&D and developed short-rotation clones to increase yields

and improve farm productivity. The Company developed high yielding site-specific clones of Subabul, Casuarina & Eucalyptus, leading to an increase in productivity by more than 50% in the last five years.

Human resources: The Company believes that its human resource is the most critical differentiating competitive advantage. During the year under review, the Company focused on digitising processes, which created the need for new talent with specialised skill sets. The Company's human resource

function played a vital role in selecting the right talent. The Company engaged in skill development of employees to address business requirements through a combination of online and classroom trainings. Employees were offered training sessions on various topics that comprised digital awareness, analytical tools, behavioural training, sales, business excellence, customer orientation, safety, values and codes of conduct. The Company conducted coaching and mentoring sessions for leadership capability development. Succession planning is being implemented to build the talent pipeline.

Procurement: The years 2020-21 and 2021-22 were affected by supply chain disruptions, affecting the availability of raw materials across all sectors, including paper. This enhanced costs, affecting profitability for most players. Pulp and other commodity prices turned inflationary during the year under review as available pulp capacity declined the world over and landed costs increased. JK

Paper was relatively insulated on account of its scale, backward integrated and cost efficiency, reinforcing its cost leadership position. There were major disruption in coal supplies and resulted higher energy cost

Product development: JK Paper possesses a diversified portfolio, marked by leadership in premium office paper, packaging board, security paper and functional grades of paper. To leverage the sentiment against plastic-based food packaging solutions, the Company developed plastic-free paper cups (JK EcoGreen Purefil) and boards (JK EcoGreen Tuff Freeze). The Company aims to put forward a solution to plastic as well as PE coated cups and boards. Due to the rise in food delivery and e-commerce, the Company focused on optimising its portfolio. These options include food wrapping with JK Pac Fresh in various stock keeping unit sizes. Various packaging solutions for pharma & FMCG sector were promoted to provide sustainable alternatives. The Company

undertook a customer-centric approach by actively engaging with customers to understand their needs and engage in relevant product customisation.

JK Paper invested in responsible procurement, social responsibility, environmental sustainability and manufacturing eco-friendliness. With new mandates of FSSAI getting added along with increased emphasis on food grade and food safety packaging, the food packaging industry is undergoing a major paradigm shift from plastic to paper with oil and water resistance aided by moisture and oxygen barrier and heat sealable capabilities. JKPL is attractively placed to benefit, launching new products around value-addition and product differentiation. During the year under review, the Company introduced new products, namely JK Absorbent Kraft paper, JK Antifungal board, JK Copier Plus-Antimicrobial paper, JK Pack Fresh 1 Kg printed roll, JK EcoGreen Purefill, JK EcoGreen Tuff Freeze among others.

Financial overview (₹ crore)

Analysis of the profit and loss statement

Revenues: Revenue increased by 40.3 % from ₹2969.15 crore in 2020-21 to ₹4165.76 crore in 2021-22.

Expenses: Total expenses increased by 39.9 % from ₹2358.34 crore in 2020-21 to ₹3299.30 crore in 2021-22, which includes 10% depreciation increase due to enhanced asset capitalisation. The substantial increase in input costs, coupled with additional volumes impacted an increase.

Analysis of the Balance Sheet

Sources of funds: The capital employed by the Company increased by 42% from ₹2371 crore as on March 31, 2021 to ₹3375 crore as on March 31, 2022

mainly due to capitalisation of the new packaging board plant. Return on capital employed stood at 15.5% in 2021-22 compared to 13.2% in 2020-21 due to higher profitability. The net worth of the Company increased 17% from ₹2600 crore as on March 31, 2021 to ₹3045 crore as on March 31, 2022. Total debt increased 17% to ₹2701 crore as on March 31, 2022 mainly due to debt mobilised for the new packaging board project. The Company's interest cover stood at a comfortable 11.04x in 2021-22 (7.43 x in 2020-21).

Applications of funds

Property, Plant and Equipment (PPE)

PPE (gross) increased 85% from ₹2399 crore as on March 31, 2021 to ₹4429 crore

as on March 31, 2022 mainly due to the capitalisation of the new Packaging Board plant.

Working capital management

Current assets of the Company increased by 39% from ₹1,303.03 crore as on March 31, 2021 to ₹1808.94 crore as on March 31, 2022 despite increasing scale. The current and quick ratios of the Company stood at 1.50 and 1.11 respectively in 2021-22 compared to 1.24 and 0.91, respectively in 2020-21. The finished goods inventory days stood at 11 in 2021- 22 compared to 13 in 2020-21. Gross cash and cash equivalents of the Company stood at ₹629.48 crore as on March 31, 2022.

Financial Results

	2021-22	2020-21
Gross sales	4165.76	2969.15
Net sales	3889.99	2719.38
Profit before interest and depreciation and Tax (EBITDA)	1023.09	701.41
Profit before depreciation and tax (PBDT)	930.44	607.04
Profit before tax (PBT)	761.40	453.42
Profit after tax (PAT)	511.09	322.19

DETAILS OF SIGNIFICANT CHANGES

(i.e. change of 25% or more compared to the immediate previous financial year) Financial Ratios

Sr. No.	Particulars	UOM	2021-22	2020-21	% Change	Definition	Remark for variation
1	Inventory Turnover Ratio	Times	9.58	6.86	39.72%	Sales/ Average Inventory	Primarily on account of increase in Sales
2	Trade Receivable Turnover Ratio	Times	26.25	35.35	-25.73%	Sales/ Average Trade Receivables	Primarily on account of increase in Trade Receivable
3	Trade Payable Turnover Ratio	Times	5.09	3.84	32.45%	Sales/ Average Trade Payables	Primarily on account of decrease in Trade Payables
4	Return On investment - quoted equity shares	%	17.34	109.72	-92.37%		Impact of market dynamics

Risk management

Market risk

Consumer changes due to digitisation could affect demand.

Mitigation

The Company is entering new packaging segments that are moderating its dependence on writing & printing paper. The proportion of revenues from packaging paper and board could increase from 24% in 2021-22 to an estimated 40% when the expansion is fully on stream.

Project execution risk

An extended gestation period during project commissioning could result in time and cost overruns.

Mitigation

The Company developed a stringent project governance framework to moderate time and cost overruns. The Company engaged in timely approvals and coordination with government officials to accelerate the approval of working permits. The result is that the expansion of the packaging board project was commissioned during the last financial year within the budgeted project cost, notwithstanding delays caused by the pandemic.

Compliance risk

A non-compliance with statutory norms could result in penalties and affect the Company's credit rating.

Mitigation

Company has robust compliance assurance tool and mechanism to monitor various compliances. The Company's certifications (ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018) indicate a compliance with modern qualitative, environment and safety norms.

Resource risk

Increased use of water coupled with a substandard water discharge can hamper resource security and respect.

Mitigation

The Company moderated water consumption and improved discharged water quality by implementing superior technologies coupled with efficient effluent recycling and treatment.

Raw material risk

Scarce raw materials like wood, pulp, coal and chemicals can hamper output with profitability

Mitigation

The Company undertook robust farm forestry measures near its manufacturing units, enhancing local wood sourcing that moderated logistics cost. The Company's robust R&D function helped generate high yielding clones (saplings) with a reduced gestation. The Company provided high yielding saplings to farmers with secure buyback options that helped enhance prosperity and raw material security.

Internal control systems and their adequacy

JK Paper has a robust internal control framework, which has been instituted considering the nature, size and risks in the business. The Company's internal control environment ensures efficient conduct of operations, security of assets, prevention and detection of frauds/ errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information. The Company uses SAP—an Enterprise Resource Planning (ERP) software—as its core IT system. The Company has a well-established

independent internal audit function is responsible for providing assurance on compliance with operating systems, internal policies and legal requirements, as well as suggesting improvements to systems and processes. The Company's operating management closely monitors the internal control environment and ensures that the recommendations from audits are effectively implemented. The Audit Committee of the Board monitors performance of the Internal

Audit Function, reviews key findings and provides strategic guidance.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operation include among others, economic conditions affecting demand/ supply and price conditions, variation in prices of raw materials, changes in Government regulations, tax regimes, economic developments and other incidental factors.

Board's Report

To the Members,

The Directors have pleasure in presenting the 61st Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March 2022.

FINANCIAL RESULTS

Particulars	₹ in crore (10 Million)	
	2021-22	2020-21
Revenue from Operations	4165.76	2,969.15
Profit before Finance Costs and Depreciation & Tax (EBITDA)	1023.09	701.41
Profit before Depreciation and Tax (PBDT)	930.44	607.04
Profit After Tax (PAT)	511.09	322.19

DIVIDEND

Your Directors are pleased to recommend a Dividend of ₹5.50 per share (55%) on the Equity Share Capital of ₹169.40 crore for the financial year ended 31st March 2022. The dividend outgo will be ₹93.17 crore. The dividend payout is in accordance with the Dividend Distribution Policy of the Company, subject to deduction of tax at source, as may be applicable.

RESERVES AND APPROPRIATIONS

The amount available for appropriation, including surplus from the year, stood at ₹1515.51 crore. The Directors propose this to be appropriated as under:

Item	₹ in crore (10 Million)	
	2021-22	2020-21
General Reserve	200.00	200.00
Dividend for 2020-21	67.76	-
Surplus carried to Balance Sheet	1247.75	1004.42

PERFORMANCE REVIEW

The operating results of your Company for the financial year 2021-22 has been one of great satisfaction. Despite challenges from 2nd wave of Covid 19 during the early part of the year, supply disruptions and steep input price increases during the year, the Company declared its highest ever Sales, EBIDTA and PAT. The Gross Sales, EBIDTA and PAT were increased by 40%, 46% and 59% respectively compared to 2020-21.

The Company's inherent strengths of its people, brand loyalty, customer centricity, high operating efficiencies and the continued

expansion of its plantation efforts in nearby areas have combined to make this performance possible. Your Company continues to outperform its peers and maintains its leadership position in several of its segments.

The impact of the Pandemic on the operations of the Company was largely confined to the beginning of the year. With the educational institutions and offices gradually opening up towards the end of the year, the demand for the Company's writing and printing papers improved, resulting in higher realizations. The prices of key inputs like Coal, Wood, imported Pulp and certain Chemicals increased sharply during the year. These were largely passed in the market and partially made up by improved operating efficiencies.

The Company operated its SOPs during the entire Pandemic period and worked with the local communities and Government to vaccinate its staff and their families. The Company also lent its services to the local administration in tackling the pandemic and minimize its impact in the neighborhood.

While the Industry scenario both domestic and overseas, the market and demand supply balance and other operating conditions are elaborated in the Management Discussion and Analysis section, the situation regarding supply of Coal and Wood and key inputs like imported pulp and chemicals continue to remain a matter of concern.

NEW PROJECTS AND SUBSIDIARIES

(i) Packaging Board Project at Unit CPM

As reported last year, the Company had embarked upon an expansion of its Virgin Fibre Board (VFB) capacity by 170,000 TPA

at Unit CPM to take advantage of its strong market standing, good growth arising from changes in organised retail and need for more eco-friendly, aesthetic and consumer-friendly packaging. This comprises of a new Board Machine with an integrated pulp mill and related utilities having a capacity of 150,000 TPA. The Board is happy to report that the project commenced its commercial production on 14th January 2022. In spite of frequent disruptions due to covid during the last two years, the total project was completed at a cost of around ₹1950 crore, net of GST.

With this the Company's total capacity for Packaging Boards is 270,000 TPA which gives it an approximate market share of 20%. The board machine has ramped up well and average capacity utilisation in April 2022 was 90%. The products have been accepted well not only in India but in overseas markets as well. The team is focused on optimizing all the operating parameters so as to get the desired quality with optimum yields and full output.

(ii) Progress at The Sirpur Paper Mills Ltd. (SPML)

Since takeover in August 2018, the Company has been investing in upgrading various sections and has replaced the Power systems for better efficiency. The Board is happy to note that the unit has seen steady increase in capacity utilization during the last year. The average capacity utilization for the year 2021-22 was 72%. This is despite Covid related disruptions from time to time.

The quality of products has been upgraded significantly and is well accepted in the market, as observed with the prices of end-products reaching parity with similar products of other leading players.

(iii) Investments in JKPL Packaging Products Ltd. (JKPPPL)

With growing industrialization and e-commerce markets, the corrugated packaging segment is expected to grow at a healthy rate. Your Company has formed a subsidiary – JKPL Packaging Products Limited (JKPPPL) - to diversify into this area. JKPPPL has acquired a green field site at the Hi-Tech Cycle Valley, Ludhiana. Your Board approved an investment of ₹150 crore for this project which is being funded by equity from JKPL and Loans from Domestic banks. As on date all the key contracts for execution of the project have been awarded. The project is planned to go on stream in March 2023.

(iv) Acquisition of Embedded systems and Electro Optics Business

During the year, your Company acquired the Embedded systems and Electro Optics Business of Deepti Electronics and Electro Optics Pvt. Ltd. through a Business Transfer Agreement.

CAPITAL STRUCTURE AND CREDIT RATING

During the year under review, there has been no change in the Authorised and Paid-up share capital of the Company. As on 31st March 2022, the Authorised Share Capital of the Company was ₹500 crore and Paid-up Share Capital was ₹169.40 crore. The Company has issued and allotted 12,500 rated, unlisted, secured, redeemable, non-convertible debentures aggregating to Rs.125 crore on private placement basis.

As reported last year, the Company achieved financial closure for its Packaging Board Project from Indian and foreign banks with a mix of domestic loans, foreign currency loans from both overseas financial institutions and overseas arms of domestic banks, besides internal accruals. This was to optimize the interest costs. The financial risks arising out of these are being managed with a mixture of option and forward contracts, which are reviewed periodically.

In order to optimize cost of working capital funds, the Company continued to raise Commercial Papers (CPs) at competitive rates during the year. Over time with a mixture of CPs, Buyers' and Suppliers' Credit in foreign exchange, Rupee Export Credit and Working Capital Demand Loan, the Company hopes to maintain its cost of working capital borrowing. The Company has met all its financial repayment obligations during the year and also prepaid Rs. 96 crore of loan additionally ahead of its scheduled repayments.

JK Paper maintained its long-term credit ratings with CRISIL and India Ratings of AA – (minus)/Stable in spite of impact of COVID on its operations, delay of Packaging Board Project at Unit CPM and additional debt taken for the project. The Company continues to enjoy the highest A1+ credit rating for its short-term debt.

COMPLIANCE WITH SECRETARIAL STANDARDS

The applicable Secretarial Standards issued under Section 118 of the Companies Act, 2013 ('the Act') have been complied with.

AWARDS AND RECOGNITION

Our commitment towards Safety & Environment, Quality & Operational Excellence and HR practices continue to garner appreciation from various industry chambers and social bodies. Some of the accolades and awards received during the year are as follows:

- CPM received The Best Employer Brand Award from Gujarat Best Employer Brands Awards in Sep 2021.
- JKPM received 22nd National Award for Excellence in Energy Management from CII in Sept 2021.
- 7 Teams of JKPM Unit received excellence and Par Excellence Award in 35th National Convention on Quality Concepts organised by Quality Council forum of India in December 2021.

- d) CSR Team Award 2020-21 in the Category CSR & Community Development Initiatives – awarded by Odisha CSR forum in October 2021.
- e) JKPM bagged 2 winner awards for Best Safety Awards from Ministry of Labour & Employment – Govt of India under the National Safety award 2018 in November 2021.
- f) JK Paper won the CSR Gold Award from a leading Odiya daily newspaper group Sambad under Corporate Excellence Award – 2022.
- g) Unit JKPM won the Platinum Award at the first Industry4.0 Awards & Conference organized by FICCI under the Overall Digital Transformation category.

INDUSTRIAL RELATIONS

Industrial Relations at both units of the Company continued to remain peaceful and cordial throughout the year. We value the long association of our employees including contractors and their workmen to sustain industrial harmony and create a positive work environment. By introducing various new work practices along with automation, we have succeeded in enhancing manpower productivity. We encourage continuous interaction, dialogues and participation of local villagers and other stakeholders in collaborating various social interventions.

ANNUAL RETURN

Pursuant to the provisions of the Act, the Annual Return of the Company is available on the website of the Company and can be accessed at <https://jkpaper.com/wp-content/uploads/2022/05/Annual-Return-2020-21.pdf>

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or securities and investments in terms of the provisions of Section 186 of the Act are given in the financial statements.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2022, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

Form AOC-2 containing details of the material Related Party Transactions entered during the Financial Year 2021-22 as per Policy, is attached as Annexure-1 to this Report and forms part of it.

SEBI vide its Notification dt. 9th November 2021 has amended the provisions relating to Related Party and Related Party Transactions,

effective from 1st April 2022. Accordingly, amended Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions is available on the website of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Shri Harsh Pati Singhania (DIN: 00086742) was re-appointed as Vice Chairman & Managing Director of the Company for a period of five years w.e.f. 1st January 2022 by the Members at the Annual General Meeting (AGM) of the Company held on 31st August 2021 and accordingly will continue to be a Key Managerial Personnel of the Company.

Smt. Deepa Gopalan Wadhwa (DIN: 07862942) was re-appointed as an Independent Director of the Company for second term of five consecutive years w.e.f. 27th June 2022 by the Members at the AGM of the Company held on 31st August 2021. The Board is of the opinion that Smt. Deepa Gopalan Wadhwa has high integrity and relevant experience.

Shri A.S. Mehta (DIN: 00030694) was re-appointed as President & Director of the Company for a period of three years w.e.f. 1st April 2022 by the Members at the AGM of the Company held on 31st August 2021 and accordingly will continue to be a Key Managerial Personnel of the Company.

Shri Sushil Kumar Roongta (DIN: 00309302), retires by rotation and being eligible offers himself for re-appointment at the forthcoming AGM of the Company.

All the Independent Directors of the Company have given requisite declarations that they meet the criteria of independence as provided under the Act and Listing Regulations.

Shri KR. Veerappan has been appointed as the Chief Finance Officer and Whole time Key Managerial Personnel of the Company w.e.f. 14th May 2022 and Shri V. Kumaraswamy had ceased to be the Chief Finance Officer and Whole time Key Managerial Personnel of the Company w.e.f. close of business hours of 13th May 2022.

Except as stated above, there was no other change in Directors and Key Managerial Personnel of the Company of the Company, during the year under review.

INTERNAL CONTROL SYSTEM

The Company has a robust internal control mechanism across all offices, plants and key functions. There is a Corporate Internal Audit team consisting of qualified professionals and system experts. In addition, services of external Audit firms and other specialized agencies are also availed to further strengthen its effectiveness. Regular internal audits are conducted to review the internal control systems and compliance thereof as per the annual audit plan approved by Audit Committee of the Board. The findings of the Audit team are reviewed by the Audit Committee and corrective

actions are initiated, where necessary. In addition, the Company also follows a Compliance monitoring software tool to capture status of all applicable statutory compliances online.

The Company has also developed a set of documented Risk Control Matrices for all major functions and no material reportable weakness was observed during the year.

The Company also has a comprehensive budgetary control system in sync with its Strategic Business Plan. Key performance targets are set for each Plant and product lines. The actual performance against these targets is periodically monitored and corrective actions as needed are initiated.

CORPORATE SOCIAL RESPONSIBILITY

The core of your Company's CSR activity is centered around creation of sustainable livelihood opportunities within the parameters of SDG's and the national developmental priorities- farmers, women, and youth. The CSR footprint of the Company has exceeded 800 villages in states of Odisha, Gujarat, Rajasthan and Uttar Pradesh touching more than 4,00,000 individuals and 60,000 households. The diversity of the interventions ranges from Farmer Producer Organization, Women Self- Help Groups, Water Harvesting, Soil Conservation, Youth Enterprises, Community Health, Disaster relief, Digital Literacy amongst others. Company's CSR interventions have been co-opted by the local authorities and integrated with the overall development programmes. The programmes have been widely reported as model programs in the media and have been visited by important dignitaries from the government and development sector.

The Company has a Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Act. CSR Policy of the Company is displayed on the website of the Company.

Annual Report on the CSR activities undertaken by the Company during the financial year ended 31st March 2022, in the prescribed format, is annexed to this Report as Annexure-2 and forms part of it.

AUDITORS & THEIR REPORTS

(a) Statutory Auditors

In accordance with the provisions of the Act and Rules made thereunder, M/s Lodha & Co., Chartered Accountants, were appointed as Auditors of the Company to hold office from the conclusion of the 56th AGM held in the year 2017 till the conclusion of 61st AGM of the Company to be held in the year 2022. Accordingly, the term of office of said Auditors shall expire at the conclusion of the forthcoming AGM.

In terms of the provisions of Section 139 of the Act and the Rules made thereunder, your Directors have recommended re-appointment of M/s Lodha & Co., Chartered Accountants, as Statutory Auditors of the Company for another term of five

consecutive years from conclusion of the ensuing AGM of the Company till the conclusion of the 66th AGM of the Company to be held in the year 2027, for approval of Members of the Company. M/s Lodha & Co. have given their consent to act as Statutory Auditors of the Company and have further confirmed that their appointment, if made, at the forthcoming AGM shall be in accordance with conditions specified in the Act.

The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed.

(b) Secretarial Auditor

The Board of Directors had appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2021-22. The Report given by him for the said financial year in the prescribed format, pursuant to the provisions of Section 204 of the Act and Regulation 24A of the Listing Regulations, is annexed to this Report as Annexure-3 and forms part of it. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to provisions of Regulation 24A of the Listing Regulations, during the year under review, the Company has one material unlisted subsidiary incorporated in India- The Sirpur Paper Mills Limited (SPML). Secretarial Audit Report of Shri Namo Narain Agarwal, Secretarial Auditor, for FY 2021-22 of SPML in the prescribed format is annexed to this Report as Annexure – 3(i).

(c) Cost Auditors

In accordance with the provisions of Section 148(1) of the Act, the Company has maintained cost accounts and records. The Cost Audit for the financial year ended 31st March 2021 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi and the Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the Cost Records for the financial year ended 31st March 2022, is being conducted by the said firm and the Report will also be filed with the Ministry of Corporate Affairs, Government of India.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations. Further, during the year under review, no applications

were made or no proceedings were pending as at the end of the year under the Insolvency and Bankruptcy Code, 2016.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no material change in the nature of business of the Company.

CONSERVATION OF ENERGY ETC.

The details as required under Section 134(3)(m) of the Act read with the Companies (Accounts) Rules, 2014 is annexed to this Report as Annexure-4 and forms part of it.

PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure-5 and forms part of it. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, also form part of this Board Report. However, in terms of provisions of Section 136 of the Act, the Annual Report for the financial year 2021-22 is being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is also available for inspection at the Registered Office of the Company on working days during working hours.

CORPORATE GOVERNANCE

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Regulation 34 read with Schedule V of the Listing Regulations, Management Discussion and Analysis, Corporate Governance Report and Auditors' Certificate regarding compliance of conditions of Corporate Governance are made part of this Annual Report.

The Corporate Governance Report which forms part of this Annual Report also covers the following:

- a) Particulars of four Board Meetings held during the financial year under review.

- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
- c) Manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- d) Details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- e) Details regarding Risk Management.
- f) Dividend Distribution Policy.
- g) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SUSTAINABILITY AND BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Sustainability and Business Responsibility Report of the Company for the financial year ended 31st March 2022 is given in a separate section and forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the financial year 2021-22 have been prepared in accordance with the Act and applicable Indian Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

A report on the performance and financial position of each of the subsidiaries and joint ventures included in the Consolidated Financial Statements is presented in a separate section in this Annual Report. Please refer to Form AOC-1 annexed to the Financial Statements forming part of the Annual Report.

Pursuant to the provisions of Section 136 of the Act, Standalone audited financial statements, Consolidated audited financial statements along with relevant documents and separate audited financial statements of each of the subsidiaries are available on the website of the Company.

During the financial year under review, JKPL Packaging Products Limited became wholly owned subsidiary of the Company and no other company has become or ceased to be subsidiary, joint venture or associate of the Company.

DEPOSITS

Pursuant to the approval of members by means of a Special Resolution at the AGM held on 27th September 2014, the Company

is accepting deposits from the public and its members, in accordance with the provisions of the Act and Rules made thereunder.

The particulars in respect of the deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2022 is annexed to this Report as Annexure-6 and forms part of it.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Act, your Directors state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;

- (e) the proper internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors acknowledge the unstinted support and cooperation received from the Central Government, State Governments, Stakeholders, participating Financial Institutions and Banks, Customers, Dealers and Suppliers.

The Board wishes to record its highest appreciation of the total commitment, dedication and hard work, put in by every employee and member of the Team JK Paper.

On behalf of the Board of Directors

Place: New Delhi
Date: 13th May, 2022

Bharat Hari Singhania
Chairman

Annexure-1

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: **NIL**
2. Details of material contracts or arrangements or transactions at Arm's length basis:

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	The Sirpur Paper Mills Limited, subsidiary
b)	Nature of contracts/arrangements/ transactions	Purchase of Paper
c)	Duration of the contracts/arrangements/ transactions	FY 2020-21 to FY 2022-23
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	On arm's length basis and in the ordinary course of business: ₹593.12 crore (FY 2021-22).
e)	Date(s) of approval by the Board, if any	Since above Related Party Transactions (RPT) are in the ordinary course of business and on arm's length basis, approval of the Board is not applicable. However, it was approved and reviewed by the Audit Committee from time to time. The said Material RPT was also approved by the Members of the Company at its Annual General Meeting held on 11th September 2020, in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
f)	Amount paid as advances, if any	NIL

On behalf of the Board of Directors

Place: New Delhi
Date: 13th May, 2022

Bharat Hari Singhania
Chairman

Annexure-2

ANNUAL REPORT ON CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31st MARCH 2022

1. Brief outline on CSR Policy of the Company:

The Company has been one of the foremost proponents of inclusive growth and has been undertaking projects for overall development and welfare of the society through its CSR initiatives in areas pertaining to promoting preventive healthcare, education, livelihood intervention, rural development, environmental sustainability and conservation of natural resources, etc.

The Company has framed a CSR Policy as required under Section 135 of the Companies Act 2013 and the Rules made thereunder. The CSR Policy has been posted on the website of the Company.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri Harsh Pati Singhania	Chairman of the Committee, Executive Director	2	2
2.	Shri Shailendra Swarup	Member, Independent Director	2	2
3.	Shri A. S. Mehta	Member, Executive Director	2	2

- Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <https://jkpaper.com/companys-policy/>
- Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). Not Applicable
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: Nil
- Average Net Profit of the Company as per section 135(5); ₹600.25 crore
- (a) Two percent of average net profit of the company as per section 135(5); ₹12.01 crore
- (b) Surplus arising out of the CSR projects or programs; or activities of the previous financial years; Nil
- (c) Amount required to be set off for the financial year, if any; Nil
- (d) Total CSR obligation for the financial year (7a+7b-7c): ₹12.01 crore

8.(a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10.44	1.57	29th April 2022	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the List of activities In Schedule VII to the Act.	Local area (Yes/No)	Location of the project.		Project duration.	Amount allocated for the project (₹ in crore).	Amount spent in the current financial Year (₹ in crore).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in crore).	Mode of Implementation-Direct (Yes/No).	Mode of Implementation-Through implementing Agency	
				State	District						Name	CSR registration number
1.	Promoting Higher Education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	Rajasthan	Jaipur	3 years	4.12	2.55	1.57	Yes	Direct	-
Total							4.12	2.55	1.57			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District			Name	CSR registration number
1.	Community Health Care through eye care, health camps and sickle cell anemia	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Gujarat	Tapi	0.11	No	Sparsh Social Foundation	CSR00004430
2.	Diagnostic and Treatment support to BPL patients through PSRI		No	Delhi	Delhi (NCR)	0.35	Yes	Direct	-
3.	Providing safe drinking water and sanitation facility		Yes	Gujarat	Tapi	0.43	Yes	Direct	-
4.	Providing safe drinking water and sanitation facility		Yes	Gujarat	Tapi	0.04	No	Sparsh Social Foundation	CSR00004430
5.	Providing drum, drip and laser Irrigation facility to communities		Yes	Gujarat	Tapi	1.27	Yes	Direct	-
6.	Providing drum, drip and laser Irrigation facility to communities		Yes	Gujarat	Tapi	0.04	No	Sparsh Social Foundation	CSR00004430
7.	Providing Health Care Support through camps, eye checkups, critical care support etc.		Yes	Odisha	Rayagada	0.31	Yes	Direct	-
8.	Providing safe drinking water and sanitation facility		Yes	Odisha	Rayagada	0.34	Yes	Direct	-

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project		Amount spent for the project (₹ in crore)	Mode of Implementation-Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR registration number
9.	Education for Specially Abled Students	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Odisha	Rayagada	0.03	No	Sparsh Social Foundation	CSR00004430
10.	Promotion of Literacy through scholarship and training		Yes	Odisha	Rayagada	0.29	Yes	Direct	-
11.	Capacity development of youth through skill training		Yes	Odisha	Rayagada	0.17	No	Sparsh Social Foundation	CSR00004430
12.	Promotion of sustainable agriculture and allied activities		Yes	Gujarat	Tapi	0.02	No	Sparsh Social Foundation	CSR00004430
13.	Promoting entrepreneurship development among youth		Yes	Odisha	Rayagada	0.64	No	Bharatiya Yuva Shakti Trust	CSR00001952
14.	Promoting Art and Craft for livelihood		No	Rajasthan	Jaipur	0.13	No	Sparsh Social Foundation	CSR00004430
15.	Women Empowerment through formation of SHGs and promotion of individual/Group Based Enterprises (GBE)		Yes	Gujarat	Tapi	0.01	No	Sparsh Social Foundation	CSR00004430
16.	Activities for promotion of women and children development		Yes	Uttar Pradesh	Gajraula	0.37	No	Sparsh Social Foundation	CSR00004430
17.	Promotion of livelihood activities for women welfare		Yes	Telangana	Kagaznagar	0.12	No	Sparsh Social Foundation	CSR00004430
18.	Empowering Women through formation of SHG group and training		Yes	Odisha	Rayagada	0.27	No	Sparsh Social Foundation	CSR00004430
19.	Promoting self-resilient community through Livelihood Enhancement Projects	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Odisha	Rayagada	0.80	No	Sparsh Social Foundation	CSR00004430
20.	Development activity for environmental sustainability		Yes	Odisha	Rayagada	0.02	No	Sparsh Social Foundation	CSR00004430
21.	Promotion of Environmental sustainability through Climate resilient villages and promotion of clean renewable energy		Yes	Gujarat	Tapi	0.02	No	Sparsh Social Foundation	CSR00004430
22.	Promotion of Environmental sustainability through Climate resilient villages and promotion of clean renewable energy		Yes	Gujarat	Tapi	0.60	No	Aga Khan Rural Support Programme	CSR00004229
23.	Development of resources and services to meet community needs	Rural development projects	Yes	Gujarat	Tapi	0.37	No	Sparsh Social Foundation	CSR00004430
24.	Development of resources and services to meet community needs		Yes	Gujarat	Tapi	0.06	Yes	Direct	-
25.	Promotion of Rural Sports	Training to promote rural sports, nationally recognized sports, paralympic sports and Olympic sports	Yes	Odisha	Rayagada	0.03	Yes	Direct	-
26.	Training to promote paralympic and Olympic sports		Yes	Mumbai	Bandra West S.O.	0.20	No	Foundation for Promotion of Sports and Games	CSR00001100
27.	Promotion of National Recognized Sports		Yes	Odisha	Rayagada	0.01	Yes	Direct	-
28.	Covid 19 response in Rayagada	Response to Natural Emergencies and Calamities	Yes	Odisha	Rayagada	0.08	Yes	Direct	-
29.	Covid 19 response in Tapi		Yes	Gujarat	Tapi	0.29	Yes	Direct	-
30.	Covid 19 response in Tapi		Yes	Gujarat	Tapi	0.03	No	Sparsh Social Foundation	CSR00004430
Total						7.45			

- (d) Amount spent in Administrative Overheads: ₹0.44 crore
(e) Amount spent on Impact Assessment, if applicable: Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹10.44 crore
(g) Excess amount for set off, if any; Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in crore)	Amount spent in the reporting Financial Year (₹ in crore).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in crore)
				Name of the Fund	Amount (in ₹).	Date of transfer.	
1	2020-21	1.05	1.03	Nil			0.02
	Total	1.05	1.03	Nil			0.02

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
S. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (₹ in crore).	Amount spent on the project in the reporting Financial Year (₹ in crore).	Cumulative amount spent at the end of reporting Financial Year. (₹ in crore)	Status of the project Completed /Ongoing.
1	FY 31.03.2021_1	Development of resources and services to meet community needs	2020-21	2 years	0.65	0.46	0.65	Completed
2	FY 31.03.2021_2	Women Empowerment through formation of SHGs and promotion of Group Based Enterprises (GBE)	2020-21	2 years	0.60	0.16	0.60	Completed
3	FY 31.03.2021_3	Agri based livelihood among tribal in aspirational district of India's through FPOS to achieve more than doubling farmers income	2020-21	2 years	0.29	0.13	0.29	Completed
4	FY 31.03.2021_4	Digital Platform for education and skill development	2020-21	2 years	0.53	0.28	0.51	Ongoing
		Total			2.07	1.03	2.05	

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):

Out of budget of ₹ 4.12 crore, earmarked to be spent in FY 2021-22 for promoting higher education, ₹ 1.57 crore could not be spent during FY 2021-22 in view of unforeseen disruptions on account of COVID-19 pandemic and the same has been transferred to unspent CSR account of FY 2021-22 for being spent in future.

Place: New Delhi
Date: 13th May 2022

(A.S. Mehta)
President & Director

(Harsh Pati Singhania)
Chairman, CSR Committee

Annexure-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
JK Paper Limited,
P.O. Central Pulp Mills - 394660
Fort Songadh, Dist. Tapi,
Gujarat

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **JK Paper Limited** (CIN: L21010GJ1960PLC018099) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2022** ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and 2021 (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.
- (vi) Management has identified and confirmed that Indian Forest Act, 1927, as being specifically applicable to the Company, has been complied with.

I have also examined compliance with applicable provisions of the Secretarial Standards I and II issued by the Institute of Company Secretaries of India and the Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There is no change in the composition of the Board of Directors during the period under review.

Adequate Notice is given to all directors at least seven days in advance to schedule the Board Meeting and agenda and detailed notes on agenda are also sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company's Executives and taken on record by the Board of Directors and Audit Committee at their meetings, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, the Company had the following specific events:

1. Commercial production of Company's Packaging Board Plant at Unit CPM, Gujarat was commenced from 14th January, 2022, which increased the capacity from 4.55 lakh TPA to 6.25 lakh TPA.
2. Company approved acquisition of the business of Deepti Electronics & Electro Optics Pvt. Ltd. as a going concern on slump sale basis and investment of ₹150 crore for setting up a new Corrugated Packaging Plant through its wholly owned subsidiary, JKPL Packaging Products Ltd.
3. Company allotted Non-convertible Debentures of ₹125 crore.

4. Commercial Papers issued in different tranches were redeemed on respective maturity dates.

This report is to be read alongwith the following-

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, guidelines and standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The prevailing circumstances in the country on account of COVID-19 have impacted, to some extent, my verification of documents and records of the Company.

Namo Narain Agarwal
Secretarial Auditor

FCS No. 234, CP No. 3331

Place: New Delhi

Date: 9 May, 2022

UDIN: F000234D000287611

Annexure-3(i)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
The Sirpur Paper Mills Limited,
Sirpur, Kaghaznagar,
Distt. Komarambheem,
Asifabad-504296, Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **The Sirpur Paper Mills Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during audit period covering the financial year ended on **31st March, 2022** ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

- (v) Management has identified and confirmed that Indian Forest Act, 1927, as being specifically applicable to the Company, has been complied with.

I have also examined compliance with the applicable clauses of Secretarial Standards on the meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the Audit Period under review, the Company has complied with the provisions of all applicable Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors at least seven days in advance to schedule the Board Meeting and agenda and detailed notes on agenda are also sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the Minutes of the Meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company's Executives and taken on record by the Board of Directors at their meeting(s), there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, the Company had the following specific event:-

Registered Office of the Company was shifted from '5-9-22/1/1, 1st Floor, Adarsh Nagar, Hyderabad-500063, Telangana' to 'Sirpur, Kaghaznagar, Distt. Komarambheem, Asifabad-504296, Telangana' with effect from 1st December 2021, vide Members' special resolution dated 30 November, 2021.

This report is to be read alongwith the following:

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, guidelines and standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. The prevailing circumstances in the country on account of COVID-19 have impacted, to some extent, my verification of documents and records of the Company.

Namo Narain Agarwal
Secretarial Auditor

CP No.3331, FCS No.234

Date: 9 May, 2022

Place: New Delhi

UDIN: F000234D000287422

Annexure-4

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo in terms of Section 134(3)(m) of the Companies Act, 2013, read with Companies (Accounts) Rules, 2014.

A) CONSERVATION OF ENERGY

- i. During the year, several initiatives, as outlined below, have been taken towards energy conservation.

JKPM:

1. Stopped one Chiller Pump of 75 KW by optimizing process and installing a VFD.
2. Installation of LED bulbs in Old Plant Finishing House resulting in power saving.
3. VFD provided for 3 cell cooling tower Fan with close loop resulting in power saving.
4. Through Feed forward control avoided vent valve floating saved significant steam losses.
5. Condensate recovery improved by 2 percentage points.
6. Installation of new refiners and enzymatic refining resulting in power saving.

CPM:

Energy saving by use of VFD, LED lights and installing new Energy efficient motors.

- ii. The capital investment on energy conservation equipments:

The Company has invested ₹ 8.49 crore for energy conservation equipments during the year.

B) RENEWABLE ENERGY

The steps taken by the company for utilizing alternate sources of energy:

Concentrated black liquor contains carbohydrates (Lignin) extracted from wood and sodium salts bonded with carbohydrates from the cooking chemicals added at the digester. Combustion of the organic portion of Black liquor solids produces heat in the recovery boiler, heat is used to produce high pressure steam, which is used to generate electricity in a turbine. Turbine extraction Medium & low pressure steam is used for process heating. Black liquor solids as a fuel has been confirmed as renewable biomass fuel by Ministry of New & Renewable Energy, Government of India. About 20% of the energy requirement at Unit CPM and 57% at Unit JKPM is being met by this renewable source.

C) TECHNOLOGY ABSORPTION

- i. Efforts made towards technology absorption:

1. Installation of new technology Refiners for PM 1 at unit-JKPM.
2. Installed New advanced centri-cleaners in PM1 at unit-JKPM.
3. Installed New Duo Shaker in PM1 at unit-JKPM.
4. Utilizing advanced Machine Learning Algorithms to improve steam generation from Recovery Boiler.
5. Utilizing advanced analytics for optimizing Chemical consumption in bleaching section.
6. Secondary Fiber Treatment was commissioned at unit-CPM.
7. New rewinder commissioned and planning to shift all reel orders to PM-4 at unit- CPM.

- ii. Benefits derived as a result of above efforts:

The initiatives have enabled the Company in terms of product & quality improvement, cost reduction, reduced breakdown, product development and enhance customer satisfaction.

- iii. Expenditure incurred on Research & Development:

During the year, the Company has spent ₹6.04 crore on Research & Development. The company performed various Research & Development activities.

1. During the year, the Company performed various Research & Development activities. Various trials were conducted on the shop floor to upgrade the existing quality of products to meet the customer perception and maintain quality and product leadership.

- A. Introduction of the Anti-microbial Office Paper (JK Copier Plus 75 & 80 Gsm) is the First-of –kind step towards the Health Care, which will help counter effects of virus transmission through multiple Paper usage. This Anti-microbial is particularly beneficial where copier papers are handled by multiple people

or where there is a risk of microbial propagation in hygiene critical environments such as Education Institute / Hospitals / Healthcare / Offices etc.

- B. New varieties of Board Products developed and introduced during the year under review were (a) Antifungal Board and (b) Blue shade.

2. R & D activities in Plantation:

- A. Commercialized new revolutionary Subabul short rotation clone CPM 32 having wood productivity 50-60 M3/Ha/year and bleached yield of 45.09% under 18-24 months rotation cycle. This clone will double the income of the farmers as compared to agriculture crop as per Prime Minister's vision.
- B. New revolutionary Subabul clone CPM 40 having wood productivity 80 M3/Ha/year under trial having 14 months rotation cycle. This clone will replace various cash crops for higher incomes to the farmers.
- C. Commercially released new Eucalyptus clone CPM 85 having wood productivity of 50 M3/Ha/year and bleached yield of 46% under 2 to 2.5 year rotation cycle.

- D. Successfully developed hybrid between Leucaena Leucocephala & Leucaena collinsii which is seedless, psyllid resistant and having higher wood productivity 50 M3/Ha/year. Commercial production initiated.
- E. Developed Eucalyptus, Subabul and Acacia protocol for mass multiplication through tissue culture technology to produce quality plants.

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in crore (10 Million)

(a)	Foreign Exchange earned	410.88
(b)	Foreign Exchange outgo:	
	- CIF Value of Import	1019.55
	- Others	10.86

On behalf of the Board of Directors

Place: New Delhi
Date: 13th May, 2022

Bharat Hari Singhania
Chairman

ANNEXURE – 5

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for FY 2021-22

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company - (a) Non-Executive Directors: Shri Bharat Hari Singhania, Chairman, 46.37; Shri Arun Bharat Ram, 4.80; Shri Dharendra Kumar, 4.43; Smt. Deepa Gopalan Wadhwa, 4.59; Shri M.H. Dalmia, 4.43; Shri R.V. Kanoria, 5.27; Shri Sandip Somany, 4.74; Shri Shailendra Swarup, 4.65; Shri S. K. Roongta, 4.48 and Smt. Vinita Singhania, 4.37 (b) Executive Directors: Shri Harsh Pati Singhania, VC & MD, 633.73; Shri A.S. Mehta, President & Director, 118.41
- B. The percentage increase in remuneration of each Director, Chief Finance Officer, Company Secretary - Shri Bharat Hari Singhania, Chairman, 32.62%; Shri Harsh Pati Singhania, VC & MD, 22.66%; Shri A.S. Mehta, President & Director, 38.61%; Shri Arun Bharat Ram, 1.91%; Shri Dharendra Kumar, 6.22%; Smt. Deepa Gopalan Wadhwa, 11.78%; Shri M.H. Dalmia, 7.67%; Shri R.V. Kanoria, 2.86%; Shri Sandip Somany, 15.34%; Shri Shailendra Swarup, 4.56%; Shri S. K. Roongta, 9.04%; Smt. Vinita Singhania, 11.49%; Shri V. Kumaraswamy, CFO, 11.95% and Shri Deepak Gupta, CS, Not applicable, as was appointed Company Secretary during the financial year 2020-21.
- C. The percentage increase in the median remuneration of employees – 8.01%. The number of permanent employees on the rolls of Company – 2778.
- D. Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2021-22 was 9%. Whereas, during the said year, the remuneration for Managerial Personnel increased by 24.92%. Increase in Managerial remuneration is mainly due to lower base, as there was lower commission and no performance linked incentive was paid in the previous year.
- E. We affirm that the remuneration paid during the financial year 2021-22 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

ANNEXURE – 6

The particulars in respect of the deposits covered under Chapter V of the Companies Act, 2013 for FY 2021-22

- (a) Accepted during the year – ₹ 32.07 crore;
- (b) Remained unclaimed as at the end of the year – ₹ 2.06 crore;
- (c) Default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year – Nil; and
- (d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act – Nil.

On behalf of the Board of Directors

Place: New Delhi
Date: 13th May, 2022

Bharat Hari Singhania
Chairman

Sustainability & Business Responsibility Report

The Directors present the Business Responsibility Report of the Company for the financial year ended 31st March 2022, pursuant to Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate identification number	L21010GJ1960PLC018099
2	Name of the Company	JK Paper Limited
3	Registered address	Registered office: P. O. Central Pulp Mills – 394 660 Fort Songadh, District Tapi, Gujarat Ph.No.: +91-2624-220228/ 220278-80 Fax No.: +91-2624-220138
4	Website	www.jkpaper.com
5	Email address	sharesjkpaper@jkm.com
6	Financial year reported	1st April, 2021 to 31st March, 2022
7	Sector(s) that the Company is engaged in	Manufacturing of Paper and Paper Board falling into NIC 2008 Code - 1701 of Ministry of Statistics and Programme Implementation.
8	Three key products/services manufactured/ provided by the Company	Office Paper Coated & Uncoated Writing and Printing Papers Virgin Packaging Boards
9	Total number of locations where business activity is undertaken by the Company	Rayagada, Odisha, India - Manufacturing location Songadh, Gujarat, India - Manufacturing location Bengaluru, Karnataka, India Kolkata - Regional Office Mumbai - Regional Office Chennai - Regional Office Delhi - Regional and Admin Office
10	Markets served by the Company	The Company has Pan India presence through extensive distribution network of 387 trade partners (Wholesalers, Retailers and Direct Parties), over 4,000 dealers, 14 depots, 4 regional marketing offices and 2 quick service centres. The Company has worldwide footprint with customers in over 60 countries covering America, Middle East, Europe, South-east Asia and Africa.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital	₹169.40 crore																										
2	Total turnover	₹ 4165.76 crore																										
3	Total profit after tax	₹511.09 crore																										
4	Total spending on CSR as percentage of Net Profits	2.04%																										
5	List of the activities in which expenditure in 4 above has been incurred:	<table border="1"> <thead> <tr> <th>Corporate Social Responsibility (CSR) Activity</th> <th>Expenditure (₹ in lac)</th> </tr> </thead> <tbody> <tr> <td>Health</td> <td>207.71</td> </tr> <tr> <td>Women empowerment</td> <td>77.09</td> </tr> <tr> <td>Education</td> <td>320.76</td> </tr> <tr> <td>Art and Craft</td> <td>13.38</td> </tr> <tr> <td>Water and Sanitation</td> <td>81.22</td> </tr> <tr> <td>Farm</td> <td>23.18</td> </tr> <tr> <td>Youth empowerment</td> <td>64.40</td> </tr> <tr> <td>Rural Infrastructure Development</td> <td>50.01</td> </tr> <tr> <td>Covid 19</td> <td>38.96</td> </tr> <tr> <td>Environment</td> <td>143.25</td> </tr> <tr> <td>Sports Promotion</td> <td>23.98</td> </tr> <tr> <td>Total</td> <td>1043.94</td> </tr> </tbody> </table>	Corporate Social Responsibility (CSR) Activity	Expenditure (₹ in lac)	Health	207.71	Women empowerment	77.09	Education	320.76	Art and Craft	13.38	Water and Sanitation	81.22	Farm	23.18	Youth empowerment	64.40	Rural Infrastructure Development	50.01	Covid 19	38.96	Environment	143.25	Sports Promotion	23.98	Total	1043.94
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SECTION C: OTHER INFORMATION

1	Does the Company have any Subsidiary Company/ Companies?	<ol style="list-style-type: none"> Jaykaypur Infrastructure & Housing Ltd. Songadh Infrastructure & Housing Ltd. Enviro Tech Ventures Ltd. JK Paper International (Singapore) Pte. Ltd. The Sirpur Paper Mills Ltd. JKPL Packaging Products Ltd.
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	The Company encourages participation of its subsidiary companies in its group-wide Business Responsibility ("BR") initiatives. Five Indian subsidiary companies are aligned with the Company's BR initiatives.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Presently, entities that the Company does business with do not participate in the BR Initiatives of the Company.

SECTION D: BR INFORMATION

1. Details of Director(s) responsible for BR

a) Details of the Director responsible for implementation of BR policies

1	DIN number	00030694
2	Name	Shri A. S. Mehta
3	Designation	President & Director

b) Details of BR head

1	DIN number	00030694
2	Name	Shri A. S. Mehta
3	Designation	President & Director
4	Contact number	011- 68201100
5	Email id	asmehta@jkm.com

2. Principle-wise (as per NVGs) BR Policy/policies

Principles	Description	Company's Policy
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Conduct, Whistle Blower
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Quality Policy
Principle 3	Businesses should promote the well-being of all employees	HR Policy, SHAW – Prevention of sexual harassment at workplace
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	CSR Policy
Principle 5	Businesses should respect and promote human rights	Code of Conduct, HR Policy, SHAW – Prevention of sexual harassment at workplace
Principle 6	Business should respect, protect and make efforts to restore the environment	Environment Policy
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Code of conduct
Principle 8	Businesses should support inclusive growth and equitable development	CSR Policy
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Quality Policy

Details of compliance (Reply in Y/N)

S. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/ international standards? If yes, specify?	Most of the policies are aligned to various standards like: ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environment Management System), OHSAS 18001:2007 (Occupational Health & Safety Management System)								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/owner/CEO/ appropriate Board Director?*	Y	-	-	Y	-	-	Y	Y	-
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?*	*	-	-	*	-	-	*	*	-
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	**	**	**	**	**	**	**	**	**

*Visit <https://jkpaper.com/companys-policy/>

** The Company has evaluated the Policies internally.

3. Governance related to BR

1. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Company does not have a Committee of Board for dealing with this matter specifically. However, aspects of Business Responsibility are reviewed by various other committees of the Executives/ Board. BR performance of the Company is being continuously assessed by the Senior Executives of the Company.

2. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR report is available at the website of the Company and may be accessed at the link <https://jkpaper.com/aggm/>. The report is published annually with the Annual Report of the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Company is committed to highest standards of corporate governance practices. It forms an integral part of our values, ethics and business practices which is aimed at creating and enhancing long-term value of stakeholders. We practice and promote corporate ethics to enhance transparency in our operations and accountability amongst the stakeholders. Code of Conduct of the Company reflects strong alignment to core values and commitment to maintain the highest standards of said practices in its interface with all stakeholders, society at large and the environment. There lies an element of fiduciary responsibility with the Directors and Senior Management of the Company to maximise the value of shareholders via good business practices and controls.

In order to reaffirm this commitment, the Company has several policies guided by the Code of Conduct that are applicable to the Board, Management as well as all the employees of the Company. We take pride in our 'Quality Policy' which aims at providing customer delight, both internal and external, through our products at comparatively low cost by continuous improvement in processes, productivity, quality and management systems. Finally, we ensure accountability with respect to the said commitment through a vigil mechanism which provides a common platform for associates and employees of the Company to report any suspected frauds,

unethical behaviour, grievances, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company.

The Code of Conduct followed by the Company extends to the Group, Subsidiary companies and Joint Ventures.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Five investor complaints were received during the financial year ended 31st March 2022, all of which were promptly resolved to the satisfaction of the investor concerned. Customer complaints have been covered under Principle 9. No other stakeholder complaints from vendors, dealers etc. were received. All queries were promptly responded to the stakeholder concerned.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

All the products manufactured by the Company viz. paper and board, are manufactured taking into account social and environmental concerns. The Company continues to remain focused on delivering stakeholder value while maintaining ecological balance. Rooted in the concept of sustainable development, the Company aims to deliver products that satisfy customer needs while being durable, resource-efficient as well as economically feasible. Sustainability is embedded into various stages of our product life-cycle, including procurement, manufacturing, transportation, distribution and, finally, the disposal of product by the customer. Responsible and sustainable procurement of fibre is both a key policy and principle at the Company. Manufacturing units of the Company are both FSC-COC (Forest Stewardship Council – Chain of Custody) and FSC-FM (Forest Stewardship Council – Forest Management) certified. The Company takes up plantations under the Forest Stewardship Council Forest management certification programme and this has benefitted the farmers through adoption of better and more sustainable management of plantations. The Company has facilitated plantation of more than 22 crore trees in the last five years. The Company carries extensive research and development to develop short rotation, genetically superior, site specific and disease resistant clones with rotation of about 3 years for the improvement of plantation yields, which results in increased returns to farmers. The Company has also developed revolutionary Subabul short rotations clone that matures in about 2 years and this clone

will help to increase the income of farmers and feed the increased requirement of Unit CPM. We also provide free of cost technical support from planting to its harvesting and training & development to farmers to achieve higher wood yield.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

- (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?

The Company believes that optimizing production efficiency delivers value to customers and minimises environmental impact, therefore driving the Company towards the goal of long-term sustainability.

Raw material: The material intensity (wood consumed per ton of product) of the Company has reduced from 1.55 ADMT/MT in FY 2020-21 to 1.53 ADMT/MT in FY 2021-22.

Energy: The energy intensity (total energy consumed per ton of product) has reduced from 952 Kwh/ MT in FY 2020-21 to 948 Kwh/ MT in FY 2021-22.

Water: Water consumption per ton of product has reduced from 30.60/ MT in FY 2020-21 to 30.42 /MT in FY 2021-22.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Owing to the nature of the product, it is not feasible to identify the reduction during usage by consumers.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?

The Company acknowledges that its supply chain can significantly impact the environment and society at large. To ensure sustainability across the entire value chain, the Company has made responsible sourcing an integral part of its sustainability strategy. Several principles have been adopted and responsible forest management practices are promoted to reap benefits like long-term availability of raw materials for the operations. These efforts lead to absorption of atmospheric carbon, probably much more than what is emitted by the Company's operations.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

During the past few years, the Company has had a multi-

pronged strategy of increasing plantation coverage in the nearby areas thereby enabling local procurement. Furthermore, the Company is engaged in extensive research and development to ensure long-term sustainability of raw materials for operations via responsible sourcing and promoting local procurement. The Company is continuously developing clones for the improvement of plantation yields, which results in increased returns to farmers and better quality of raw material for process. The Company engages with the farmers to increase the overall plantation area and promote agroforestry for better land utilisation. The farmer friendly Gate Purchase initiative offers the farmers remunerative prices and improved logistics movement to ensure higher volume of pulpwood procurement from plantations besides removing middlemen in procurement process.

In addition to above, various awareness programmes, field trainings and on the field demonstrations are being undertaken aiming at building capacity of farmers so that the required cultural operations as per specified package of practices can be understood by farmers and implemented in the field. In addition, audio visual aids like leaflets, pamphlets, videos and practical field demonstrations are used along with focussed group discussions with experienced farmers through village level meetings. Awareness amongst farmers is created by organising their visits to the Company's production and research facilities, demonstration of plantations, plantations of progressive farmers and also to our manufacturing units.

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as 10%).

Waste generated in operations is considered as a potential resource for various other activities by making its best use within the operations through optimisation of existing processes. This has led to increased commitment towards reducing environmental impact of business activities via waste minimisation and re-use. Non-hazardous solid wastes such as bamboo and hard wood dust, screen rejects, fly-ash, lime sludge, and effluent sludge are re-used in various processes. As per CREP guidelines rotary lime kiln is commissioned for recycling of lime sludge. Lime sludge generated from the process is used as raw material to lime kiln to produce Lime. Primary ETP sludge is used to make egg trays and recycled board etc. We ensure that 100% of fly-ash is used to manufacture fly-ash bricks & cement manufacturing and board rejects are entirely recirculated within the board plant. Paper machine effluent is segregated and treated separately in a 20 m diameter clarifier. Clarified effluent is reused in pulp mill and chipper house. Around 95% of this paper machine effluent is reused/ recycled in the process. Wood dust generated during

the process of wood chipping is burnt 100% as fuel along with coal in coal fired boiler.

Principle 3: Businesses should promote the well-being of all employees.

1. Total number of employees: 2778 – permanent employees
2. Total number of employees hired on temporary/contractual/casual basis: 3964
3. Number of permanent women employees: 70
4. Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognised by management?

Collective bargaining agreements exist with trade unions on a local level and these agreements promote the acceptance of responsibility by both parties and the development of a positive health and safety culture.

6. What percentage of your permanent employees is members of this recognised employee association? 45%
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No complaints pertaining to child labour, forced labour, involuntary labour, sexual harassment were reported in the current financial year.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
 - (a) Permanent Employees – 100%
 - (b) Permanent Women Employees – 100%
 - (c) Casual/Temporary/Contractual Employees – Need based
 - (d) Employees with Disabilities – Not Applicable

The skills and knowledge of the Company’s workforce are among its greatest strengths. The Company continues to focus on learning and skill development of its employees, various tools of learning viz. E-gyan portal, an online portal for learning are being run by the Company to enhance the capabilities and knowledge of its employees. The Company believes in multi-pronged approach for training and education of its employees. Maximum learning and development takes place through hands-on involvement and practical experience. A mix of classroom training and online trainings are also utilized for training employees. In FY 2021-22, the Company imparted an average of 35 hours of training per employee which included behavioural, technical and functional trainings. Almost all the employees form part of the Company’s safety and skill upgradation programmes.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the Company mapped its internal and external stakeholders? Yes/No
Yes, the company has identified key stakeholder groups and mapped its internal and external stakeholders. The key categories include (i) Government and regulatory authorities; (ii) Employees; (iii) Consumers; (iv) Suppliers; (v) Investors, Shareholders & Lenders; (vi) Local Community; and (vii) NGOs.
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, the Company has identified the disadvantaged, vulnerable & marginalised stakeholders from the nearby local communities and surrounding villages in the form of contractual employees and marginal farmers.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, the Company values the support of its stakeholders and respects the interest and concerns they have towards the Company. The Company has put in place systems and procedures to identify, prioritise and address the needs and concerns of its stakeholders across businesses and units in a continuous, consistent and systematic manner. It has implemented mechanisms to facilitate effective dialogues with all stakeholders across businesses, identify material concerns and their resolution in an equitable and transparent manner. The Company proactively engages with and responds to those sections in the society that are disadvantaged, vulnerable and marginalized. The Company has a structured CSR programme through which it assesses the needs of local stakeholders and carries out initiatives to address societal needs.

Principle 5: Businesses should respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The Company is committed to protect the human rights of its stakeholders. Human resource is considered as a valuable resource in the organization. Human resource practices of the Company aim at ensuring not only protection but also respect for human rights. Various policies viz. Safety of Women & Prevention of Sexual Harassment at Workplace (SHAW), Prohibition of Child Labour, Code of Conduct, Policy on Preventing Forced Labour, Policy on Discrimination etc.

are in place to ensure protection of Human Rights of the employees and other stakeholders. The Company, within its sphere of influence, promotes the awareness and realisation of human rights across its value chain. To this extent, the Company extends its initiatives to promote human rights to external stakeholders including suppliers and contractors. The Company's approach to manage human rights is aligned with internationally recognised principles and guidelines. It is a constant endeavour to ensure that none of the suppliers engage in employment of child, forced or compulsory labour. The Company strongly prohibits the employment of child, forced or compulsory labour in all its operations.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

In the reporting period, no violations or complaints surfaced and no areas were discovered where any of our operations or suppliers might be found to have significant risk of child labour or forced or compulsory labour or infringed human rights of other stakeholders. No complaint was received pertaining to human rights violation during the past financial year.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/others.

The Company is committed towards environmental protection and has a well-defined corporate environmental policy in place. The policy covers the Company and its employees. The Company encourages its subsidiaries, joint ventures, suppliers and contractors to employ environment friendly measures in their day to day operations.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?

Yes, the Company has taken up several initiatives to address global environmental issues such as climate change, global warming, waste minimisation, effluent reduction, water conservation. The Company has also signed an 'Emission Reduction Purchase Agreement (ERPA)' with the Bio Carbon Fund of the World Bank covering 1,608 Ha of farmland mainly owned by small and marginal farmers associated with JK Paper's plantation programme. This programme provides additional income for participating farmers, besides reducing harmful greenhouse gases and global warming. Necessary efficient

air pollution control / Water Pollution control equipment are installed to control air emissions from the boilers. For further details, refer <https://jkpaper.com/jk-paper-environment/>

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company regularly identify the potential environmental risks and has an elaborate risk management system to inform Board Members about risk assessment and mitigation procedures. The Risk Management Committee meets on regular basis and evaluates the efficacy of the framework relating to risk identification and its mitigation laid down by the Committee.

We have implemented Environmental and Social Management System (ESMS) at both the manufacturing units and integrated it with unit level management system.

At each location, there is a dedicated team within the umbrella of the Environmental, Health & Safety structure that, among other responsibilities, takes care of ensuring compliance to applicable federal, state and local laws related to environmental matters. To assure compliance with all applicable laws and standards, the environmental department regularly interacts with the manufacturing locations and conducts internal audits of all facilities, on a continuous and ongoing basis. In case any of the units receive a notice of violation, environmental release or permit excess, it is promptly communicated to senior management through the incident reporting system and corrective action is taken immediately. Moreover, the Company uses environmental impact assessments, recognized environmental management standards, ISO 9001:2015 (Quality Management System), ISO 14001:2015 (Environmental Management System), OHSAS 18001:2007, ISO 45001:2018 (Occupational Health & Safety Management System) and FSC (Forest Stewardship Council) Certification to sharpen its focus towards achieving sustainability goals. We have also commissioned third party assessment by AECOM for determination of ESMS implementation gaps, if any, towards continuous improvement of our performance.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Yes, the Company has registered one project # 4531 titled "Improving Rural Livelihoods through Carbon Sequestration by Adopting Environment Friendly Technology based Agro-forestry Practices" related to the Clean Development Mechanism under UNFCCC vide registration dated 6th June

2011. The project has successfully paid out carbon revenue twice to participating farmers. Environmental Management Framework (EMF) has been prepared & implemented for the project to ensure sustainability & mitigate any negative impacts of the project.

Further the company implemented a programme to upgrade its facilities for energy efficiency, resource conservation, reduction in water consumption etc. This was facilitated by a USD 3 million loan of IFC Washington under Clean Production initiatives.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, the Company has been undertaking various energy efficiency measures at its manufacturing locations, which includes digital initiatives by making common digitalization platform among all the process. The process optimization of steam consumption, power consumption, chemical parameter results in reduction in loss & improvement in productivity. Non-renewable energy load factor was highest in 2021-22. Power consumption reduction through installation of new voltmet refiner & closed loop temperature base VFD in cooling tower application. Also, the Company ensures 100% conversion of fly ash into fly ash bricks. More details on the same is available at: <https://jkpaper.com/jk-paper-environment/>

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the Company complies with all the Central Pollution Control Board/State Pollution Control Board norms of emission and waste generation. The Company is committed to minimizing its waste as well as emissions. It has initiated various measures across the manufacturing locations to waste minimization and reuse. Also, the Company continues to invest in reducing air emission levels through adoption of cleaner technologies/ fuels, monitoring of combustion efficiencies and investments in pollution control equipment. All these measures ensure that the emissions/waste generated by the Company are within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the FY 2021-22, there were no non-compliances with environmental laws and/or regulations and the Company did not pay any fine towards any case pending from previous years.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is member of the following associations:

- Federation of Indian Chambers of Commerce and Industry (FICCI)
- Indian Paper Manufacturers Association (IPMA)
- International Chamber of Commerce, India (ICC India)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company has always advocated the cause of Good Governance, Administration and Economic reforms. It actively participates and raises its concern on matters of governance, economic reforms and other public policies in public interest at appropriate forums.

The Company continuously advocates the use of alternative fuels, energy conservation and afforestation. For social development projects, the Company partners with Sparsh Social Foundation to seek their participation and involvement in implementing various initiatives. Some of the major programmes undertaken on a continual basis are training of youths in entrepreneurship which enabled them to earn livelihood for themselves and their families.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company has been one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development and livelihood interventions etc. Accordingly, over the years, its programmes have diversified to women empowerment, entrepreneurship sustainable agriculture and climate resistant farm technologies along with modern health care and education. The Company has a CSR Policy in accordance with the provisions of the Companies

Act, 2013 and Rules made thereunder. The CSR Policy has been disclosed on the website of the Company

2. Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/government structures/ any other organisation?

Each of the manufacturing units of the Company has a local CSR team and they can tailor their own approach and initiatives. Social research is used to establish a baseline and assess impact of the programmes on ground. Extensive in-depth interviews and focus groups are conducted to make an assessment of the needs & aspirations of the people. The Company proactively works towards women empowerment via promotion of self-help groups, mobilization of farmer clubs to enhance field productivity & their earnings, catalysing skill development programmes for youth and carrying out infrastructural development projects.

3. Have you done any impact assessment of your initiative?

The Company adopts tools like Participatory Rural Appraisal to involve people in prioritizing their needs and defining type of development initiatives suited to local needs. Villagers give scores to development initiatives, either individually scoring or in small groups and aggregating for the community as a whole. This facilitates a process of democratic prioritization by the entire community, ensuring people's involvement in their own development. This is a very important tool for micro-planning by the Principles for Responsible Investment (PRIs) at village level.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

During the financial year 2021-22, the Company had contributed ₹11.47 crore (including unspent amount of FY (2020-21) to Community Development Projects. Out of this, ₹6.91 crore was incurred directly and balance through implementing agencies.

The details of the community development projects undertaken during the financial year 2021-22 are given in Corporate Social Responsibility Report which forms part of the Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community?

The CSR team at the manufacturing locations regularly interact with the local communities to assess the impact of community development projects undertaken by these units to ensure that the objectives and benefits of these projects are being met.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

During the year, 760 Customer complaints were received out of which over 90% were closed as on 31st March 2022 and those outstanding on that date are under redressal.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)

The Company has an uncompromising commitment to provide best in-class products and ace customer satisfaction. The Company complies with all laws and regulations concerning marketing communications. In line with this, the required information as mandated by law is inscribed on the product label of the Company.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year?

There was no incidence of non-compliance with regulations and voluntary codes concerning product and service information and labelling. Similarly, there was no instance reported for non-compliance with regulations and voluntary codes concerning health and safety impacts of the Company's products and services.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

The Company is focused on delivering value to its customers and, therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers. Last survey was conducted in the year 2019. It was scheduled to be conducted again in the year 2021, but due to COVID-19 pandemic, has been postponed for 3rd quarter of 2022.

Corporate Governance Report

1. **Company's Philosophy on Code of Governance:** Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are:

- Commitment to excellence and customer satisfaction
- Maximizing long term shareholders' value
- Socially valued enterprise and
- Caring for people and environment.

In nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and remaining committed to high standards of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. **Board of Directors:** The Board of Directors consists of twelve Directors as on 31st March 2022, out of which two are Executive Directors and ten are Non-Executive Directors including six Independent Directors. Attendance and other details of the Directors for the financial year ended 31st March 2022 are given below:

Sl. No. ^a	Name of Directors	Category	No. of Board Meetings attended	Whether attended last AGM (31.08.2021)	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Director Ships ^b	Other Committee Memberships ^c	Other Committee Chairmanships ^c
1.	Shri Bharat Hari Singhania, Chairman	Non- Executive Non- Independent	4	Yes	4	1	-
2.	Shri Harsh Pati Singhania, Vice Chairman & Managing Director	Executive	4	Yes	2	-	-
3.	Shri Arun Bharat Ram	Independent	3	No	3	-	-
4.	Smt. Deepa Gopalan Wadhwa	Independent	4	No	7	5	-
5.	Shri Dharendra Kumar	Non- Executive Non- Independent	4	No	5	2	-
6.	Shri M.H. Dalmia	Independent	4	No	-	-	-
7.	Shri R. V. Kanoria	Independent	4	Yes	7	4	1
8.	Shri Sandip Somany	Independent	3	No	4	1	-
9.	Shri Shailendra Swarup	Independent	4	Yes	6	6	1
10.	Shri S.K. Roongta	Non- Executive Non- Independent	4	Yes	8	7	2
11.	Smt. Vinita Singhania	Non- Executive Non-Independent	4	No	5	-	-
12.	Shri A.S. Mehta, President & Director	Executive	4	Yes	6	4	0

The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

a. DIN of the above named Directors in seriatim: 1. DIN: 00041156, 2. DIN: 00086742, 3. DIN: 00694766, 4. DIN: 07862942, 5. DIN: 00153773, 6. DIN: 00009529, 7. DIN: 00003792, 8. DIN: 00053597, 9. DIN: 00167799, 10. DIN: 00309302, 11. DIN: 00042983 and 12. DIN: 00030694.

b. excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

c. only includes Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

The Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

Name of the Listed Entities, where Director is a Director, other than JK Paper Limited:

Name of Director: Name of the Listed Company (Category of Directorship)

Shri Bharat Hari Singhania, Chairman: JK Lakshmi Cement Limited (Ned), JK Tyre & Industries Limited (Ned), JK Agri Genetics Limited (Ned) and Bengal & Assam Company Limited (Ned)

Shri Arun Bharat Ram: SRF Limited (Ed) (ceased from close of business hours on 31.03.2022)

Smt. Deepa Gopalan Wadhwa: J.K. Cement Limited (Ind), Mindtree Limited (Ind), Bengal & Assam Company Limited (Ind), Artemis Medicare Services Limited (Ind), NDR Auto Components Limited (Ind) and Sapphire Foods India Limited (Ind)

Shri Dharendra Kumar: The Scottish Assam (India) Limited (Ned) and Bengal Tea & Fabrics Limited (Ind)

Shri R.V. Kanoria: Kanoria Chemicals & Industries Limited (Ed), Nestle India Limited (Ind) and Ludlow Jute & Specialities Limited (Ned)

Shri Sandip Somany: AGI Greenpac Limited, Formerly Known as HSIL Limited (ED) and Somany Home Innovation Limited (Ned)

Shri Shailendra Swarup: Gujarat Fluorochemicals Limited (Ind), Bengal & Assam Company Limited (Ind), Subros Limited (Ind), Jagran Prakashan Limited (Ind) and Sterling Tools Limited (Ind)

Shri S.K. Roongta: Jubilant Pharmova Limited (Ind), ACC Limited (Ind), Jubilant Ingrevia Limited (Ind), Titagarh Wagons Limited (Ind) and Zuari Global Limited (Ind)

Smt. Vinita Singhania: JK Lakshmi Cement Limited (Ed), Bengal & Assam Company Limited (Ned), HEG Limited (Ned) and Udaipur Cement Works Limited (Ned)

Shri A.S. Mehta, President & Director: Umang Dairies Limited (Ned)

Note: Other Directors do not hold directorship in any other listed Company.

Ed - Executive Director, Ned - Non-Executive Non-Independent Director and Ind - Independent Director

Date and number of Board Meetings held

Four Board Meetings were held during the financial year 2021-22 i.e, on 24th May 2021, 30th July 2021, 27th October 2021 and 8th February 2022.

The Board periodically reviews Compliance Reports of all laws applicable to the Company and has put in place procedure to review steps to be taken by the Company to rectify instances of non-compliances, if any.

The Company already has a Code of Conduct in position for Management Cadre Staff (including Executive Directors). In terms of provisions of Regulation 17(5) of the Listing Regulations and contemporary practices of good corporate governance, the Board has laid down a code of conduct for all Board Members and Senior Management of the Company and the same is available on the website of the Company (www.jkpaper.com). All the Board Members and Senior Management Personnel have affirmed compliance with the said code. This report contains a declaration to this effect signed by Vice Chairman & Managing Director. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to Senior Management.

Shri Bharat Hari Singhania, Chairman and Shri Harsh Pati Singhania, Vice Chairman & Managing Director, are related to each other.

Number of Equity Shares of ₹10/- each of the Company held by the Non-Executive Directors: Shri Bharat Hari Singhania (2,45,600 Equity Shares) and Smt. Vinita Singhania (7,32,350 Equity Shares). The Company does not have any outstanding convertible instruments.

3. Separate Meeting of the Independent Directors

In accordance with the provisions of Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 8th February 2022. Shri Arun Bharat Ram was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting.

4. Familiarisation Programme for Independent Directors

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes for Independent Directors. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is

<https://jkpaper.com/wp-content/uploads/2022/07/FamiliarisationProgrammforIndependentDirectors-3.pdf>

5. Board Skills, Expertise or Competence

The Board of Directors collectively possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales & marketing, operations, corporate governance, education, community service and other disciplines as required in the context of the Company's operations.

The core skills, experience and knowledge of individual Directors are: (a) Shri Bharat Hari Singhania, Shri Harsh Pati Singhania and Smt. Vinita Singhania are business persons and entrepreneurs having requisite skills, experience and knowledge required in the context of the Company's operations; (b) Shri A.S. Mehta and Shri S.K. Roongta - professionals having operational, marketing, financial & industry experience and corporate governance skills; (c) Other Non-Executive Directors of the Company - Shri Arun Bharat Ram, Shri Dharendra Kumar, Shri M.H. Dalmia, Shri R.V. Kanoria and Shri Sandip Somany are businessmen and entrepreneurs having management, financial and corporate governance skills, experience and knowledge; Smt. Deepa Gopalan Wadhwa, former ambassador, has international experience of education and community service; and Shri Shailendra Swarup, Advocate, has skills, experience and knowledge of law & regulatory affairs and community service.

6. Performance Evaluation

As required, Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and Individual Directors (including Independent Directors) in accordance with the provisions of the Act and the Listing Regulations.

Accordingly, the Board of Directors has made formal annual evaluation of its own performance and that of its Committees

and Individual Directors (including Independent Directors) in accordance with the manner specified by the Nomination and Remuneration Committee of Directors.

Performance of the Board was evaluated after seeking inputs from all the Directors on the basis of the criteria such as adequacy of its composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as composition of committees, terms of reference of committees, effectiveness of the committee meetings, participation of members in meetings of the committees, etc.

The Board also carried out evaluation of the performance of individual Directors (including Independent Directors) on the basis of criteria such as attendance and effective participation and contributions at the meetings of the Board and its Committees, exercise of his/her duties with due & reasonable care, skill and diligence, etc.

In a separate meeting of the Independent Directors of the Company, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors of the Company. The Chairman of the Meeting of the Independent Directors apprised the Board about the evaluation carried by it and that the Independent Directors were satisfied in this regard.

7. Audit Committee: The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Section 177 of the Act and Regulation 18 of the Listing Regulations.

Four meetings of the Committee were held during the financial year 2021-22.

The Composition of the Committee and attendance of the Members at the Meetings are as follows:

Name	Position	Category	No. of Meetings attended
Shri R. V. Kanoria	Chairman	Independent Director	4
Shri Arun Bharat Ram	Member	Independent Director	3
Shri Sandip Somany	Member	Independent Director	3
Shri A.S. Mehta	Member	Executive Director	4

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of Members attended
24th May 2021	3
30th July 2021	4
27th October 2021	3
8th February 2022	4

The Committee Meetings were attended by Vice Chairman & Managing Director, Chief Finance Officer, Internal Auditor, Company Secretary and the representatives of Statutory Auditors.

8. Stakeholders' Relationship Committee: The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 20 of the Listing Regulations.

Three meetings of the Committee were held during the financial year 2021-22.

The Composition of the Committee and attendance of the Members at the Meetings are as follows:

Name	Position	Category	No. of Meetings attended
Shri R.V. Kanoria	Chairman	Independent Director	3
Shri Arun Bharat Ram	Member	Independent Director	2
Smt. Deepa Gopalan Wadhwa	Member	Independent Director	3
Shri A.S. Mehta	Member	Executive Director	3

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of Members attended
24th May 2021	3
27th October 2021	4
8th February 2022	4

Shri Deepak Gupta, Company Secretary is the Compliance Officer.

Five investor complaints were received during the financial year ended 31st March 2022, all of which were promptly resolved to the satisfaction of the concerned investors. There are no pending complaints as on 31st March 2022.

9. Risk Management Committee: The Company has an elaborate Risk Management System to inform Board Members about risk assessment and minimization procedures. The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of the Regulation 21 of the Listing Regulations.

Two meetings of the Committee were held during the financial year 2021-22.

The Composition of the Committee and attendance of the Members at the Meetings are as follows:

Name	Position	Category	No. of Meeting attended
Shri R.V. Kanoria	Chairman	Independent Director	2
Shri S.K. Roongta	Member	Non-Executive Non-Independent Director	2
Shri A.S. Mehta	Member	Executive Director	2
Shri V. Kumaraswamy	Member	Chief Finance Officer	2
Shri Partha Biswas	Member	Chief (Marketing & Sales)	2

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of Members attended
30th July 2021	5
18th January 2022	5

10. Corporate Social Responsibility Committee: The Composition and Role of the Committee are in conformity with the provisions of Section 135 of the Act.

Two Meetings of the Committee were held during the financial year 2021-22.

The Composition of the Committee and attendance of the Members at the Meetings are as follows:

Name	Position	Category	No. of Meetings attended
Shri Harsh Pati Singhania	Chairman	Executive Director	2
Shri Shailendra Swarup	Member	Independent Director	2
Shri A.S. Mehta	Member	Executive Director	2

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of Members attended
24th May 2021	3
8th February 2022	3

11. Nomination and Remuneration Committee: The Composition and the “Terms of Reference” of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Two meetings of the Committee were held during the financial year 2021-22.

The Composition of the Committee and attendance of the Members at the Meetings are as follows:

Name	Position	Category	No. of Meetings attended
Shri Arun Bharat Ram	Chairman	Independent Director	1
Shri Bharat Hari Singhania	Member	Non-Executive Non-Independent Director	2
Shri Dharendra Kumar*	Member	Non-Executive Non-Independent Director	1
Shri R.V. Kanoria	Member	Independent Director	1
Shri Sandip Somany	Member	Independent Director	2

*Shri Dharendra Kumar ceased to be Member of the Committee w.e.f. 27th October 2021.

Dates of the meetings and the number of the Members attended are:

Dates of meetings	No. of Members attended
24th May 2021	3
8th February 2022	4

During the financial year 2021-22, attendance of Directors/Members of the Committees in Board/Committee meetings includes participation through Video Conferencing or Other Audio Visual Means. The Company Secretary acts as the Secretary of all the Committees of the Board.

12. Nomination and Remuneration Policy: In accordance with the provisions of the Act and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management of the Company including criteria for determining qualifications, positive attributes, and independence of a Director as well as a policy on Board Diversity. The said policy is available at the website of the Company and the weblink for the same is <https://jkpaper.com/wp-content/uploads/2022/05/Nomination-and-Remuneration-Policy.pdf>. The said policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment of a Director of the Company: (a) Qualifications & Experience (b) Positive attributes like respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as an Independent Director as per the provisions of the Act, Listing Regulations and other applicable laws & regulations and should have the capabilities identified in the description of the role and capabilities required of an independent director as may be prepared by the Committee. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.
- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The evaluation of performance of the Board, its Committees and individual Directors will be carried out by the Board, in the manner specified by the Committee from time to time and in accordance with other applicable provisions of the Act and the Listing Regulations, in this regard.
- (iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning

and board diversity in mind in recommending any new name of Director for appointment to the Board.

- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by Senior Personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

13. Remuneration paid to Directors

A. Executive Directors

Details of Remuneration of Executive Directors for the financial year ended 31st March 2022 are as follows: Shri Harsh Pati Singhania, Vice Chairman & Managing Director- Salary: ₹654 lac, Perquisites, benefits & allowances: ₹451.68 lac, Others (Retiral Benefits etc.): ₹8.33 lac & Commission: ₹1700 lac and Shri A.S. Mehta, President & Director- Salary: ₹159.75 lac, Perquisites, benefits & allowances: ₹274.22 lac, Others (Retiral Benefits etc.): ₹36.82 lac & Commission: ₹55 lac. The tenure of office of the Vice Chairman & Managing Director and President & Director is five years and three years, respectively, from their respective dates of appointment. In the case of Executive Directors, notice period is 6 months. Severance fee for the Vice Chairman & Managing Director is remuneration for the unexpired residue of term or for 3 years, whichever is shorter and for the President & Director, 6 months' salary in lieu of notice period. The Company does not have any Stock Option Scheme.

B. Non-Executive Directors

Details of sitting fees paid by the Company to all Non-Executive Directors for attending the meetings of the Board and/or Committees of Directors (including sitting fee for a separate meeting of Independent Directors), during the financial year 2021-22 are as follows: Shri Bharat Hari Singhania, Chairman: ₹5.90 lac; Shri Arun Bharat Ram: ₹4.30 lac; Smt. Deepa Gopalan Wadhwa: ₹3.40 lac; Shri Dharendra Kumar: ₹2.65 lac; Shri M.H. Dalmia: ₹2.65 lac; Shri R.V. Kanoria: ₹6.40 lac; Shri Sandip Somany: ₹4.05 lac; Shri Shailendra Swarup: ₹3.65 lac;

Shri S.K. Roongta: ₹2.90 lac; and Smt. Vinita Singhania: ₹2.40 lac. In addition to sitting fees, commission of ₹200 lac is payable to Shri Bharat Hari Singhania and ₹17 lac to each of Shri Arun Bharat Ram, Smt. Deepa Gopalan Wadhwa, Shri Dharendra Kumar, Shri M.H. Dalmia, Shri R.V. Kanoria, Shri Sandip Somany, Shri Shailendra Swarup, Shri S.K. Roongta and Smt. Vinita Singhania, in accordance

with the Special Resolution passed by the Members of the Company at the Annual General Meeting held on 31st August 2021.

Non-Executive Directors did not have any other material pecuniary relationship or transactions vis-à-vis the Company during the said financial year.

14. General Body Meetings:

(A) Location and time for last three Annual General Meetings were:

Financial Year	Location	Date	Time
2018-19	Registered Office: P.O. Central Pulp Mills – 394 660, Fort Songadh, Distt. Tapi, Gujarat	23-08-2019	12.30 P.M.
2019-20	Through Video Conferencing (Deemed venue of the meeting: Registered Office of the Company as mentioned above)	11-09-2020	12.30 P.M.
2020-21	Through Video Conferencing (Deemed venue of the meeting: Registered Office of the Company as mentioned above)	31-08-2021	12.30 P.M.

- (B) Special Resolutions (SRs) passed in previous three Annual General Meetings: Seven SRs were passed at the AGM held on 23rd August 2019, Two SRs were passed at the AGM held on 11th September 2020 and Five SRs were passed at the last AGM held on 31st August 2021.
- (C) No Special Resolution was passed through postal ballot during the financial year 2021-22.
- (D) There is no immediate proposal for passing any resolution through postal ballot.
- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None
- (iii) Vigil Mechanism/Whistle Blower Policy: The Board of Directors of the Company at its meeting held on 11th August 2014 has formulated a Vigil Mechanism/Whistle Blower Policy for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

The details of establishment of such mechanism has been also disclosed on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee.

15. DISCLOSURES

- (i) Related Party Transactions: Disclosures on materially significant related party transactions that may have potential conflict with the interests of Company at large: None

Suitable disclosure as required by Indian Accounting Standard (Ind As)-24 on Related Party transactions has been made in the Annual Report.

All the Related Party Transactions are dealt with in accordance with the provisions of the Act and Regulation 23 of the Listing Regulations.

The Company has amended Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions in accordance with the amendments in Regulation 23 of the Listing Regulations. This Policy is available on the website of the Company and the weblink for the same is <https://jkpaper.com/wp-content/uploads/2022/05/Policy-on-Materiality-of-RPT-and-on-dealings-with-RPT.pdf>

- (iv) Prevention of Sexual Harassment of Women at Workplace: The Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up a Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees. During the financial year ended 31st March 2022, no complaint has been filed with ICC with allegation of sexual harassment. Further, there were no

- complaints pending as at the end of the financial year ended 31st March 2022.
- (v) Disclosure of commodity price risks and commodity hedging activities: The Company manages fluctuations in raw material prices through stocking by advance procurement when the prices are perceived to be low and also enters into annual buying contracts as strategic sourcing initiative in order to keep raw material availability and prices under check.
- (vi) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations: During the financial year ended 31st March 2022, the Company has not raised any funds through preferential allotment or qualified institutions placement.
- (vii) A certificate has been issued by Shri Shiv Kumar Gupta, Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.
- (viii) There were no instances where the Board had not accepted any recommendation of any Committees of the Board which is mandatorily required during the financial year ended 31st March 2022.
- (ix) During the financial year ended 31st March 2022, the Company and its subsidiaries, The Sirpur Paper Mills Limited and JKPL Packaging Products Limited have paid total fees of ₹45.53 lac including taxes, to the Statutory Auditors, M/s Lodha & Co., Chartered Accountants, for various services including statutory audit. Further, no fees was paid by any of the subsidiaries or by the Company to any entity in the network firm/network entity of which the Statutory Auditors are part.
- (x) **Subsidiary Companies:** The financial statements, in particular, the investments made by unlisted subsidiary companies, if any, are reviewed by the Audit Committee of the Company.
- The minutes of the Board meetings of unlisted subsidiary companies are placed at the Board meeting of the Company. A statement of all significant transactions and arrangements entered into by unlisted subsidiary companies, if any, are also placed at the Board meeting of the Company.
- The Company has formulated a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the same is disclosed on the Company's Website. The web link for the same is <https://jkpaper.com/wp-content/uploads/2022/05/Policy-for-determining-Material-Subsidiary.pdf>
- During the financial year 2021-22, The Sirpur Paper Mills Limited became material unlisted subsidiary of the Company as per Regulation 16 of the Listing Regulations.
- (xi) **Dividend Distribution Policy:** The Board of Directors of the Company has approved the Dividend Distribution Policy of the Company at its meeting held on 8th May 2019. The same has been posted on website of the Company and web-link of the same is <https://jkpaper.com/wp-content/uploads/2022/05/Dividend-Distribution-Policy.pdf>

16. Means of Communication: Quarterly, half yearly and annual financial results of the Company are generally published in Business Standard newspaper (all editions including Gujarati edition) and are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the website of the Company, www.jkpaper.com

Presentations made to institutional investors or to the analysts, if any, are promptly displayed on the website of the Company.

17. General Shareholders' Information:

(i) Annual General Meeting (AGM) :-	
(a) Date and Time	Tuesday, 6th September 2022 at 12.30 P.M.
Venue	At the Registered Office of the Company i.e. P.O. Central Pulp Mills- 394 660, Fort Songadh, Distt. Tapi, Gujarat or on such other date/time/place or through video conferencing/other permissible audio visual means as may be decided by the Committee of Directors in view of the prevailing COVID-19 pandemic.
(b) A brief resume and other particulars of Director(s) seeking appointment/ re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.	
(ii) Book Closure/ Record date :	Thursday, 25th August 2022 to Tuesday, 6th September 2022 (both days inclusive)
(iii) Dividend Payment Date :	Within three weeks of conclusion of AGM
(iv) Financial Year :	April 1 to March 31
(v) Financial Calendar (tentative) :	Year Ending March 31
Financial Reporting :	
(a) 1 st Quarter ending June 30, 2022	Within 45 days of the end of the quarter or within such time limits as may be permissible.
(b) 2 nd Quarter ending September 30, 2022	
(c) 3 rd Quarter ending December 31, 2022	
(d) Annual and 4 th Quarter ending March 31, 2023	Within 60 days of the end of the 4th quarter or within such time limits as may be permissible.
(e) Annual General Meeting for the financial year ending March 31, 2023	Between June and September 2023

(vi) Names and address of Stock Exchanges (including Stock Code) where equity shares of the Company are listed: The Equity Shares of the Company are listed on the following Stock Exchanges:

BSE Limited (Stock Code-532162) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai – 400 001	National Stock Exchange of India Ltd. (Stock Code – JKPAPER) "Exchange Plaza" Bandra-Kurla Complex, Bandra (East) Mumbai-400 051
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The annual listing fee for the financial year 2022-23 has been paid to both the aforesaid Stock Exchanges.

(vii) Stock Market Price Data:

Month	Stock Market Price on BSE Limited (BSE)		Stock Market Price on National Stock Exchange of India Limited (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
2021				
April	155.40	124.25	155.50	125.20
May	166.45	133.65	166.55	133.40
June	218.35	149.35	218.00	149.50
July	274.10	207.90	274.00	207.65
August	284.80	218.25	284.90	218.10

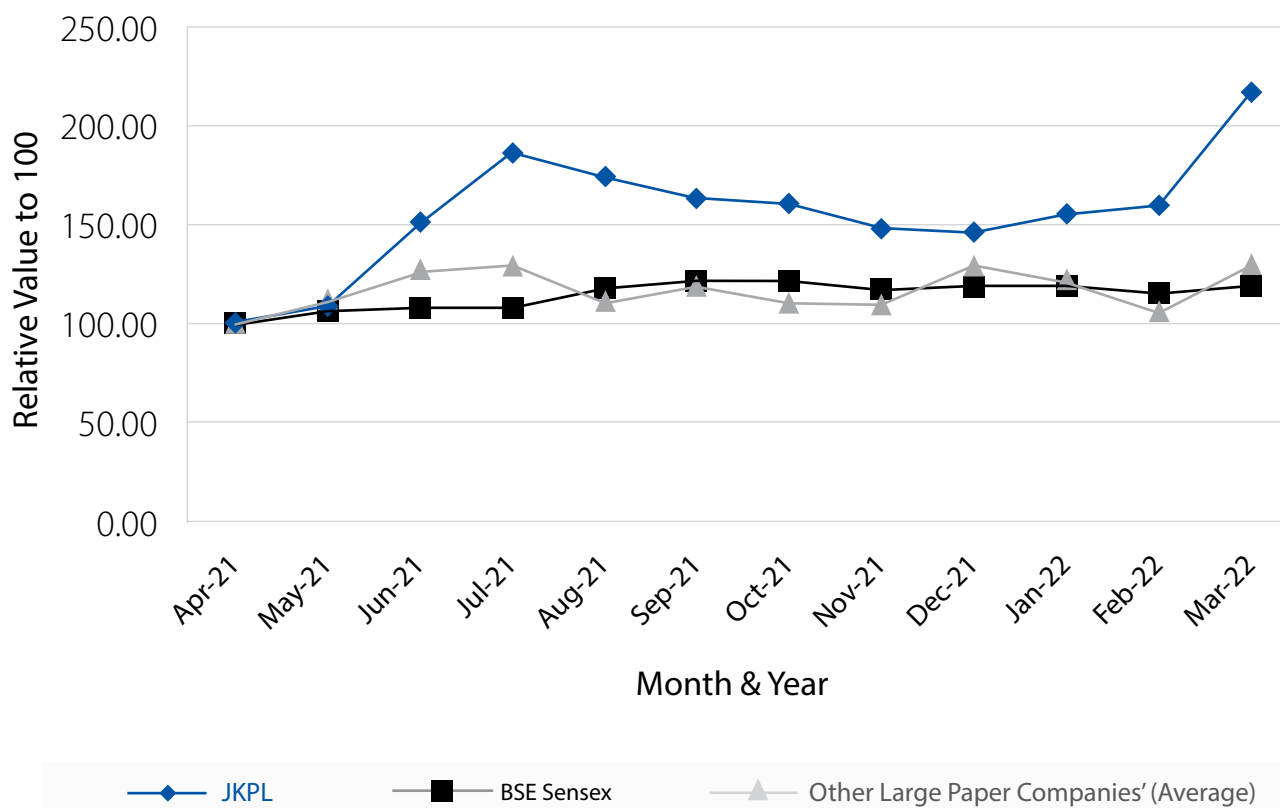
Month	Stock Market Price on BSE Limited (BSE)		Stock Market Price on National Stock Exchange of India Limited (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
September	259.75	218.90	259.80	218.80
October	255.00	220.10	255.00	220.30
November	235.30	197.80	235.50	197.65
December	221.55	192.00	221.50	192.00
2022				
January	236.00	202.35	236.20	201.35
February	248.00	203.65	248.05	203.50
March	325.00	217.25	324.90	216.95

(Source: www.bseindia.com)

(Source : www.nseindia.com)

(viii) JK Paper Ltd.'s Share Performance vs. BSE Sensex & Other Large Paper Companies' Share Performance (Average) [April 2021 to March 2022]

J K Paper Ltd.'s Share Performance vs. BSE Sensex & Other Large Paper Companies' Share Performance (Average)



(Source: www.bseindia.com)

(ix) **Dematerialisation of shares and liquidity:** The Equity Shares of the Company are presently tradeable in compulsory demat segment. The ISIN for Equity Shares of the Company for both the depositories is INE789E01012. As on 31st March 2022, 97.44% of the Company's Equity Share Capital was in dematerialised form.

In respect of Shares held in dematerialised form, all the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account. The Company will not be in a position to process such requests.

(x) **Share transfer system:** Pursuant to the provisions of the Listing Regulations as amended vide SEBI Notifications dated 30.11.2018 and 24.01.2022, read with SEBI Circular dated 25.01.2022, transfer of shares shall be processed only in the dematerialised form with a depository. Accordingly, transfer of shares in physical form is not permitted. Further, transmission or transposition of shares held in physical or dematerialised form shall also be effected only in dematerialised form. On receipt of any request for duplicate issue/renewal/exchange/endorsement/ sub-division/splitting/consolidation/transmission/transposition of share certificate by the Company, the Company/RTA will issue a "Letter of Confirmation", in the prescribed format.

(xi) (a) **Distribution of Equity Shareholding (both in physical and electronic form) as on 31st March 2022:**

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	84,530	88.52	68,33,735	4.03
501 to 1,000	3,943	4.13	32,20,547	1.90
1,001 to 5,000	5,473	5.73	1,24,78,300	7.37
5,001 to 10,000	750	0.79	54,99,713	3.25
Over 10,000	794	0.83	14,13,70,049	83.45
Total	95,490	100.00	16,94,02,344	100.00

(b) **Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March 2022:**

Category	No. of Equity Shares held	Percentage of Shareholding
Domestic Companies	9,11,20,769	53.79
Resident Individuals & Trusts	6,21,16,242	36.67
FIs, Mutual Funds & Banks	59,22,742	3.50
Foreign Investors/FPIs/ NRIs	1,02,42,591	6.04
Total	16,94,02,344	100.00

(xii) **Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity:** NIL

(xiii) **Commodity price risk or foreign Exchange risk and hedging activities:** During the financial year ended 31st March 2022, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts, swaps & options for hedging foreign exchange exposures against imports and exports.

The Company has a Risk Management Policy for identifying various risks and for formulating plans for mitigating the same. The risks as well as mitigating plans are reviewed from time to time and are updated as may be required. The Company has also identified various risks involved in respect of key raw material and has drawn risk mitigation plans for the same. Hardwood & Bamboo are considered a material commodity, as its consumption in comparison to the overall cost of raw materials consumed, is around 42.31%. During the financial year ended 31st March 2022, the Company consumed 8.47 lac MT of Hardwood & Bamboo, valuing ₹577.35 crore. The Company does not have any exposure hedged through commodity derivatives.

(xiv) **Plant locations:**

(i) JK Paper Mills (Unit JKPM) Jaykaypur – 765 017 Distt. Rayagada (Odisha).	(ii) Central Pulp Mills (Unit CPM) P.O. Central Pulp Mills - 394 660 Fort Songadh Distt. Tapi (Gujarat)	(iii) Delopt Bengaluru, Karnataka
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(xv) Address for correspondence for Share Transfer and related matters	<ol style="list-style-type: none"> 1. Registrar and Share Transfer Agent MCS Share Transfer Agent Limited, F-65, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi-110 020 Ph. 011- 41406149-52 Fax No. 011- 41709881 E-mail: admin@mcsregistrars.com Website: www.mcsregistrars.com 2. Company Secretary JK Paper Limited Gulab Bhawan (Rear Block - 3rd Floor) 6A, Bahadur Shah Zafar Marg New Delhi-110 002 Ph. 011-68201100 Fax No. 91-11-23739475 Email : sharesjkpaper@jkm.com Website : www.jkpaper.com
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(xvi) List of all credit ratings obtained by the Company along with any revisions thereto during the financial year ended 31st March 2022:

CRISIL has reaffirmed/ assigned the Company's Long Term Rating as CRISIL AA-/Stable, Short Term Rating as CRISIL A1+ and Fixed Deposit as FAA/Stable. CRISIL has not revised the credit rating of the Company during the financial year 2021-22.

India Ratings has reaffirmed/assigned the Company's Long Term Rating as IND AA-/Stable, Short Term Rating as IND A1+ and Fixed Deposit Rating as IND tAA/Stable. India Ratings has not revised the credit rating of the Company during the financial year 2021-22.

(xvii) This Corporate Governance Report of the Company for the financial year ended 31st March 2022 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xviii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations: (a) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.jkpaper.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (b) Modified opinion(s) in audit report: The Company already has a regime of unqualified financial statements. Auditors have raised no qualification on the financial statements (both standalone and consolidated) of the Company for the financial year ended

31st March 2022; (c) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Chairman is Non-Executive Director and is related to Vice Chairman & Managing Director of the Company; and (d) Reporting of Internal Auditor: The Internal Auditor of the Company administratively reports to the President & Director. However, Internal Audit Reports are placed before the Audit Committee.

(xix) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(xx) Disclosure with respect to demat suspense account/unclaimed suspense account

There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2021-22. There was no unpaid dividend which was due for transfer to Investor Education and Protection Fund Authority (IEPF) during the financial year 2021-22, accordingly, no Equity Share was transferred to IEPF Authority during the said financial year, pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

(xxi) Disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount:

During the financial year ended 31st March 2022, the Company and its subsidiaries have not given any loans to firms or companies in which directors are interested.

18. Declaration

It is hereby declared that all the members of the Board and Senior Management personnel have affirmed compliance with the “Code of Conduct for Members of the Board and Senior Management of JK Paper Limited” during the financial year ended 31st March 2022.

Harsh Pati Singhania

Vice Chairman & Managing Director

19. Code for Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in terms of the said Regulations.

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
JK Paper Limited

1. We have examined the compliance of the conditions of Corporate Governance by JK Paper Limited ("the Company") for the financial year ended 31st March 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C and D of Schedule V of the SEBI Listing Regulations during the financial year ended 31st March 2022.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restriction on Use

9. This certificate is issued solely for the purpose of complying with the aforesaid Regulations. Our Certificate should not be used for any other purpose or by any person other than the addressees of this Certificate. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For Lodha & Co.
Chartered Accountants
Firm Registration No. 301051E

Shyamal Kumar
Partner
Membership No.: 509325

Place: New Delhi
Date: 13th May 2022
UDIN: 22509325AKFQUR1537

INDEPENDENT AUDITOR'S REPORT

To
The Members of
JK Paper Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of JK Paper Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, its Profit (including Other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report:-

Description of Key Audit Matter	Audit procedures to Address the key audit matter
<p>Valuation of financial instruments (held at fair value including securities and financial Guarantees)</p> <p>The company has provided / offered letter of comfort to the bankers against borrowing facilities extended to a step down subsidiary of ₹409.68 crore (PY ₹431.50 crore).</p> <p>The Company has also invested ₹121 crore up to year end in to the preference share capital of subsidiaries (including a step down subsidiary). We have considered the valuation of financial instruments as key audit matter considering complexities and financial impact involved over financial statements.</p>	<p>Our audit procedures includes:</p> <p>Control testing:</p> <ul style="list-style-type: none"> We tested the design and operating effectiveness of key Controls. Controls over the validation, completeness, implementation and usage of valuation models. <p>Independent reperformance:</p> <ul style="list-style-type: none"> Our own valuation specialists independently challenged management on the valuations where they were found outside our expected range. <p>Methodology choice:</p> <ul style="list-style-type: none"> In the context of observed industry practice, our own valuation specialists assisted us in challenging the appropriateness of significant models and methodologies used by an independent valuer in calculating fair values, risk exposures, completeness of risk factors, and in calculating Fair Value Assessments (FVAs).

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this Auditors' Report. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position/state of affairs, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going

concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as 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 Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 35 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2022.

- iv. a) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- b) The management has represented that, no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11 (e) of Companies (Audit & Auditors) Rules, 2014, as amended, contain any material mis-statement.
- v. (a) The dividend paid during the year by the Company is in compliance with section 123 of the Act.
- (b) The Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members in the ensuing General meeting. The amount of dividend proposed is in accordance with section 123 of the Companies Act, 2013.
- h) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

For LODHA & CO.
Chartered Accountants
Firm's Registration No: 301051E

N. K. Lodha
Partner
Membership No: 085155
UDIN: 22085155AIXPHI7899

Place: New Delhi
Date: 13th May, 2022

Annexure – A to the Auditors’ Report

ANNEXURE “A” REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF JK PAPER LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

- i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its Property, Plant and Equipment. As per the programme certain Property, Plant and Equipment have been verified during the year, based on information and records provided, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, Right to use assets, Capital work-in progress and investment property are held in the name of the Company as at the balance sheet date, except for the following:

₹ In crores (10 Million)

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Freehold Land	20.24	Not Applicable	No	2006	Land acquired through land acquisition order by High court and registration is pending as matter is sub- judice.

Refer Note no. 2 of the standalone financial statements.

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) As per the physical verification program, the inventories were physically verified during the year by the Management at reasonable intervals (except for Stocks lying with the third parties and in transit which have been verified based on confirmations). In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account have been properly adjusted.

- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns / statements with such banks, which are in agreement with the books of account of the Company other than those as set out below:-

(₹ in crores (10 Million))

Name of the Bank	Aggregate Working Capital Limit sanctioned	Nature of Current Asset offered as Security	Quarter ended	Amount disclosed as per quarterly return/ statement (Trade Payables)	Amount as per books of account	Difference	Reasons for difference
State Bank of India and consortium Banks	250.00	Refer Note below	30 th June, 2021	125.44	329.86	204.42	For Bank's quarterly reporting, only creditors for goods being considered as Trade Payables
			30 th September, 2021	71.92	288.18	216.26	
			31 st December, 2021	191.13	255.41	64.28	
			31 st March, 2022	131.21	483.62	352.41	

Note:- Working Capital borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock in Process, Stores & Spares and Book Debts.

Refer Note No 49(iii)(f) of the standalone financial statements.

- iii. The Company has made investments in and granted loans to Companies and other parties during the year and has not provided guarantee or security and granted advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

	Loans
- Subsidiaries	₹328.75 Crores
- Joint Ventures	-
- Associates	₹40.00 Crores
- Others	₹15.00 Crores

- (a) The Company has granted loans to Companies and other parties during the year, as stated below and has not provided guarantee or security and granted advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

	Loans
A. Aggregate amount granted / provided during the year:	
- Subsidiaries	₹45.75 Crores
- Joint Ventures	-
- Associates	-
- Others	₹15.00 Crores
B. Balance outstanding as at balance sheet date in respect of above cases:	

- (b) During the year, the investments made and the terms and conditions of the grant of all the above-mentioned loans are, in our opinion, prima facie, not prejudicial to the Company's interest. Further, during the year, the Company has not provided guarantees, provided security and granted advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are been regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

- (e) During the year, Loans amounting to ₹90 Crores fallen due for repayment from a party out of this repayment of ₹40 Crores has been rescheduled for payment in next year. The details of such Loans are as below:

Name of the Party	Aggregate amount of loans that fell due during the year (Rupees in crores)	Date they fell due	Amount of fresh loans granted/ rescheduled during the year (₹ in crores)	Date of grant	Details of the loan(s) granted during the year	Percentage of the aggregate to the total loans granted during the year
Bengal & Assam Company Limited	90.00	18.02.2022	40.00	11.02.2022	Renewed for 1 year.	65.84%

- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

- iv. According to information and explanation given to us, the Company has not granted any loans, made investments or provided guarantees or securities to the parties covered under the provisions of sections 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 186 of the Act in respect of loans granted, investments made and guarantees and securities provided to the parties covered under section 186 of the Act.
- v. In our opinion the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. The Company has not accepted or is not holding any amounts which are deemed to be deposits during the year. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central

Government for the maintenance of cost records under section 148(1) of the Act in respect of the Company's products and services to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

- vii. (a) According to the records of the Company, the Company has generally been regular in depositing undisputed statutory dues including Goods And Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty Of Customs, Duty Of Excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable and there were no undisputed statutory dues payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they become payable.
- (b) According to the records and information & explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of The Statute	Nature of Dues	Amount (₹ in Crore)	Period to which amount relates to	Forum where dispute is pending
Central Excise Act, 1944	Central Excise	0.70	1981-1983	Deputy Commissioner Central Excise, Rayagada
		0.41	1982-1983	Supreme Court
		1.31	1986-1995	High Court, Cuttack
		7.27	2004-2017	CESTAT, Ahmedabad
		7.42	2015-2016	CESTAT, Mumbai
Custom Act, 1962	Custom Duty	0.69	2011-2012 & 2012-2013	CESTAT, Ahmedabad

Name of The Statute	Nature of Dues	Amount (₹ in Crore)	Period to which amount relates to	Forum where dispute is pending
Finance Act 1944	Service Tax	0.24	2009-2010	CESTAT, Ahmedabad
		0.16	2014-2016	CESTAT, Ahmedabad
Sales Tax	Sales Tax	0.05	1983-1984/ 1987-1988	Sales Tax Department – Delhi
		0.01	2002-2003	Dy. Commissioner, Delhi
		0.15	2005-2009	Sales Tax Tribunal – Cuttack
		0.33	2006-2007	Gujarat Vat (Tribunal), Ahmedabad
		5.85	2012-2013	High Court, Cuttack
		0.59	2013-14 & 2014-15	Addl. Commissioner of Sales Tax, Cuttack
		0.07	2013-2015	JCCT, Rayagada
		0.22	2015-2016	Sales Tax, Tribunal, Cuttack, Orissa
		0.16	2015-2016	Sales Tax, Tribunal, Cuttack, Orissa

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company and based on the representations of the Company, we report that the Company has neither taken any funds from any entity or person during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its Subsidiaries or joint ventures or associate companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

- (b) We have considered, the internal audit reports issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. As per the information and representation provided by the management, there are Two CIC within the group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There was no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII of the Companies Act, 2013 (the Act) or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.
- xxi. The reporting under Clause 3(xxi) of the Order is not applicable in respect of audit of the standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For LODHA & CO,
Chartered Accountants
Firm's Registration No: 301051E

N.K. Lodha
Partner
Membership No: 085155

Place: New Delhi
Date: 13th May, 2022

Annexure – B to the Auditors' Report

Annexure "B" to the Independent Auditor's report of even date on the Standalone Financial Statements of JK Paper Limited for the year ended March 31, 2022 (Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JK Paper Limited ("the Company") as of 31st March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Director of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are

subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO.

Chartered Accountants

Firm's Registration No: 301051E

N.K. Lodha

Partner

Membership No: 085155

Place: New Delhi

Dated: 13th May, 2022

Standalone Balance Sheet as at March 31, 2022

₹ in crores (10 Million)

	Note	March 31, 2022	March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	4,429.05	2,399.19
Capital Work-in-Progress	2.1	29.46	1,560.66
Goodwill		0.10	-
Other Intangible Assets	3	37.11	19.29
Intangible Assets Under Development	3.1	3.84	2.03
Financial Assets			
Investments	4	381.75	339.05
Loans	5	311.50	316.50
Other Financial Assets	6	87.69	50.84
Other Non-Current Assets	7	27.08	44.00
		5,307.58	4,731.56
Current Assets			
Inventories	8	466.19	345.59
Financial Assets			
Investments	9	615.20	525.97
Trade Receivables	10	217.19	79.17
Cash and Cash Equivalents	11	7.10	3.42
Bank Balances other than above	12	7.18	5.27
Loans	13	72.25	100.00
Other Financial Assets	14	10.96	11.20
Other Current Assets	15	412.87	232.41
		1,808.94	1,303.03
Total Assets		7,116.52	6,034.59
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	169.40	169.40
Other Equity		2,875.26	2,430.82
		3,044.66	2,600.22
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	2,195.23	1,890.71
Lease Liabilities	17.1	57.58	13.14
Other Financial Liabilities	18	90.67	83.97
Provisions	19	11.64	9.88
Deferred Tax Liabilities (Net)	20	508.57	389.12
		2,863.69	2,386.82
Current Liabilities			
Financial Liabilities			
Borrowings	21	436.41	390.39
Lease Liabilities	17.1	11.86	7.70
Trade Payables	22		
Micro & Small Enterprises		11.31	7.66
Others		471.37	348.58
Other Financial Liabilities	23	81.03	159.56
Other Current Liabilities	24	180.72	123.40
Provisions	25	4.90	3.57
Current Tax Liabilities	26	10.57	6.69
		1,208.17	1,047.55
Total Equity and Liabilities		7,116.52	6,034.59
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For LODHA & CO.
Chartered Accountants
Firm's Registration Number: 301051E

Bharat Hari Singhania
Harsh Pati Singhania
A.S. Mehta

Chairman
Vice Chairman & Managing Director
President & Director

N.K. LODHA
Partner
Membership No: 085155
New Delhi, the 13th May, 2022

V. Kumaraswamy
Chief Finance Officer

Deepak Gupta
Company Secretary

Deepa Gopalan Wadhwa
Sandip Somany
S.K. Roongta
Vinita Singhania

Directors

Standalone Statement of Profit & Loss for the year ended March 31, 2022

₹ in crores (10 Million)

	Note	2021-22	2020-21
Revenue :			
Sales		4,165.76	2,969.15
Less : Discounts		275.77	249.77
Net Sales		3,889.99	2,719.38
Other Operating Revenue	27	90.68	22.22
Revenue from Operations		3,980.67	2,741.60
Other Income	28	80.03	70.16
Total Revenue		4,060.70	2,811.76
EXPENSES			
Cost of Materials Consumed	29	1,364.49	1,032.55
Purchases of Stock-in-Trade		623.31	264.57
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	5.79	91.23
Employee Benefits Expense	31	323.76	260.33
Finance Costs	32	92.65	94.37
Depreciation and Amortisation Expenses	33	169.04	153.62
Other Expenses	34	720.26	461.67
Total Expenses		3,299.30	2,358.34
Profit Before Interest, Depreciation & Tax (EBITDA)		1,023.09	701.41
Profit/(Loss) Before Tax		761.40	453.42
Tax Expense			
Current Tax		157.73	124.22
Less : MAT Credit Entitlement/Adjustment		-	0.75
Provision / (Credit) for Deferred Tax		92.58	6.26
Profit for the period		511.09	322.19
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		(0.87)	2.64
(ii) Tax on (i) above		0.31	(0.92)
(iii) Equity Instruments through Other Comprehensive Income		1.67	4.71
(iv) Tax on (iii) above		-	-
Total Comprehensive Income for the period		512.20	328.62
Earnings per Equity Shares			
1) Basic (in ₹)		30.17	18.68
2) Diluted (in ₹)		30.17	18.68
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration Number: 301051E

N.K. LODHA
Partner
Membership No: 085155
New Delhi, the 13th May, 2022

V. Kumaraswamy
Chief Finance Officer

Deepak Gupta
Company Secretary

For and on behalf of the Board of Directors

Bharat Hari Singhania Chairman
Harsh Pati Singhania Vice Chairman & Managing Director
A.S. Mehta President & Director

Deepa Gopalan Wadhwa
Sandip Somany
S.K. Roongta
Vinita Singhania

Directors

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

₹ in crores (10 Million)

April 1, 2020	Changes in Equity Share Capital during 2020-21 (refer Note 46)	March 31, 2021	Changes in Equity Share Capital during 2021-22	March 31, 2022
178.24	(8.84)	169.40	-	169.40

B. Other Equity

₹ in crores (10 Million)

Particulars	Reserve and Surplus						Other Comprehensive Income (OCI)		Total
	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Items that will not be Reclassified to profit or loss		
							Re-measurement of the net defined benefit plans	Equity Instruments through OCI	
April 1, 2020	882.23	29.92	3.00	525.93	4.74	750.59	(9.90)	3.30	2,189.81
Changes in Equity for the year ended March 31, 2021									
Profit for the year	322.19	-	-	-	-	-	-	-	322.19
Transfer from Retained Earnings	(200.00)	-	-	-	-	200.00	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	1.72	4.71	6.43
Adjustments related to Buy Back of Equity Shares (refer Note 46)	-	-	8.84	(87.61)	-	(8.84)	-	-	(87.61)
March 31, 2021	1,004.42	29.92	11.84	438.32	4.74	941.75	(8.18)	8.01	2,430.82
Changes in Equity for the year ended March 31, 2022									
Profit for the year	511.09	-	-	-	-	-	-	-	511.09
Transfer from Retained Earnings	(200.00)	-	-	-	-	200.00	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	(0.56)	1.67	1.11
Dividend Paid	(67.76)	-	-	-	-	-	-	-	(67.76)
March 31, 2022	1,247.75	29.92	11.84	438.32	4.74	1,141.75	(8.74)	9.68	2,875.26

Notes:

- Securities Premium Reserve** represents the amount received in excess of par value of Securities issued by the Company, which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
- General Reserve** represents accumulated profits set apart by way of transfer from current year Profits/or/and Surplus in Profit & Loss Statement comprised in Retained Earnings for "other than specified purpose".
- Capital Redemption Reserve** Represents the statutory reserve created at the time redemption of Preference Share Capital and buy back of Equity Share Capital, which can be applied for issuing fully paid-up bonus shares.
- Capital Reserve** represents the excess of consideration received against the sale of identifiable assets.
- Debenture Redemption Reserve** created out of the profits which is available for the purpose of redemption of debentures.

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

As per our report of even date attached

For and on behalf of the Board of Directors

For LODHA & CO.
Chartered Accountants
Firm's Registration Number: 301051E

Bharat Hari Singhania Chairman
Harsh Pati Singhania Vice Chairman & Managing Director
A.S. Mehta President & Director

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Membership No: 085155
New Delhi, the 13th May, 2022

Deepak Gupta
Company Secretary

Deepa Gopalan Wadhwa
Sandip Somany
S.K. Roongta
Vinita Singhania

Directors

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES

I. The Company Overview

JK Paper Limited, a Public Limited Company listed on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited. The registered office of the Company is situated at Fort Songadh, Dist- Tapi- 394660, Gujarat. The Company is India's largest producer of branded papers and a leading player in Coated Papers and High-end Packaging Boards. The Company has two integrated Pulp and Paper Plants at Strategic Locations Unit JKPM in East (Rayagada, Odisha) and Unit CPM in West (Songadh, Gujarat). The Company has expanded its capacity manifold over the years and has been able to bring in state of the art technology as well. It is the 1st Indian paper company to introduce Colorlok Technology in its complete range of Copier papers in India, 1st Indian paper company to get TPM certification from JIPM, Japan; 3rd Paper Company in the World and also 1st Paper Mill in India to get ISO 9001, ISO 14001 and OHSAS 18000.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting held on May 13, 2022.

II. Basis of Preparation of Financial Statements

(i) Statement of Compliance :

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

(ii) Basis of Preparation:

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (India Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

The financial statements have been prepared on an accrual basis and under the historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. 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. The financial statements are presented in INR and all values are rounded to the nearest INR Crore (10 Million), except when otherwise indicated.

(iii) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(iv) Classification of Assets and Liabilities as Current and Non Current

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 product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred Tax Assets and Liabilities are classified as non-current assets and liabilities.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

III. Significant Accounting Policies for the year ended March 31, 2022.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be met before revenue is recognised.

Sale of Goods

Revenue from the sale of goods is recognised, when control of goods being sold is transferred to customer and where there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales as disclosed, are exclusive of Goods and Services Tax.

The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods to a customer, excluding amount collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

The transaction price is allocated by the company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer.

Export Incentives

Income from export incentives and duty drawbacks is recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Interest Income

Interest income is recognized on time proportion basis using the effective interest method.

Dividend Income

Dividend income is recognized when the right to receive payment is established by the reporting date, which is generally when shareholders approve the same.

Renewal Energy Certificate

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on sale of REC's.

(ii) Inventory Valuation

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade, Stores & Spares and Renewable Energy Certificates are valued at the lower of cost or net realisable value (except scrap/waste which are value at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and demand deposits with banks with an original maturity of three months or less which are subject to an insignificant risk of change in value.

(iv) Property, Plant and Equipment

On transition to IND AS, the company had adopted optional exception under IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value. Consequently the fair value had been assumed to be deemed cost of PPE on the date of transition. Subsequently PPE were carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

PPE acquired are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Capital work-in-progress includes cost of PPE under installation / under development as at the balance sheet date. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation on Buildings, Plant & Machinery, Railway Siding and Other Assets of all Units is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 10 to 40 years for plant and machinery and 8 to 60 years for buildings.

Depreciation on additions due to exchange rate fluctuation is provided on the basis of residual life of the assets. Depreciation on assets costing up to ₹.5000/- and on Temporary Sheds is provided in full during the year of additions.

Depreciation will be charged from the date the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leased Assets

Leasehold lands are amortized over the period of lease, Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

(v) Research and Development Costs

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of Property, Plant and equipment and acquired intangible assets utilised for research and development are capitalised and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

(vi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company had adopted Ind AS 116 "Leases" effective April 1, 2019 (Transition date) using the simplified approach (Retrospective cumulative was effective from April 1, 2019)

Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in Note 2 of Property, Plant and Equipment (PPE) and Note 17 of Non-current Financial Liabilities -Borrowings. Lease payments have been classified as cash used in financing activities.

Short-Term Leases and Leases of Low-Value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

(vii) Impairment

The carrying amount of PPEs, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

(viii) Financial Assets & Liabilities

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.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

(a) Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(b) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(c) Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, Financial Assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade Receivables

In respect of trade receivables the company applies the simplified approach of IND AS 109 "Financial Instruments", which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Investment in Equity Shares

Investment in equity instruments which are held for trading are classified as at fair value through profit or loss ("FVTPL"). For all other equity instruments, the company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same as fair value through other comprehensive income ("FVTOCI") or fair value through profit or loss ("FVTPL"). Amount presented in other comprehensive income are not subsequently transferred to profit or loss.

Investment in Associates, Joint Ventures and Subsidiaries

The Company has accounted for its investment in subsidiaries, associates and joint venture at cost less provision for diminution, if any.

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at fair value through profit and loss. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

Derecognition

Financial Asset is primarily derecognised when:

- (i) The right to receive cash flows from asset has expired, or.
- (ii) (ii) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below :

a) 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 with all the changes recognized in the Statement of Profit and Loss.

b) 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.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

c) Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period 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 period.

d) 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 period. 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.

Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Compound Financial Instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

(ix) Foreign Exchange Transactions / Translations / Hedge Accounting

Financial statements are presented in Indian Rupee, which is Company's functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Financial instruments designated as Hedge Instruments are mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement except exchange differences on borrowings taken for qualifying assets are treated as borrowing cost and adjusted with qualifying assets. Non Monetary Foreign Currency items are stated at cost.

The Company has continued capitalisation of foreign currency fluctuation on long term foreign currency liabilities outstanding on Ind AS transition date.

(x) Employee Benefits

a) Defined Contribution Plan:

The Company makes defined contribution to Superannuation Funds, which are accounted on accrual basis as expenses in the statement of Profit and Loss

b) Defined Benefit Plan:

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19, 'Employee Benefits'. These liabilities are funded on year-to-year basis by contribution to respective funds. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each yearend. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

The Defined Benefit Plan can be short term or Long terms which are defined below:

i) Short Term Employee Benefit

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) Long Term Employee Benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

c) Termination Benefits

Termination benefits are recognized as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

(xi) Earnings Per Share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(xii) Income Tax

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

(xiii) Provisions and Contingent Liabilities /Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(xiv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xvi) Fair Value Measurements

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES (contd.)

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xvii) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

a. Income Taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

b. Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy

c. Allowance for uncollected Accounts Receivable and Advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

d. Defined Benefit Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where

this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 2. Property, Plant and Equipment (PPE)

₹ in crores (10 Million)

Description	Gross Carrying Value					Depreciation				Net Carrying Value	
	April 1, 2021	Additions/ Adjustments	Sales/ Adjustments	Acquisition through Slump Sale (c)	March 31, 2022	April 1, 2021	For the year	On Sales/ Adjustments	March 31, 2022	March 31, 2022	March 31, 2021
Land - Freehold (a)	275.33	271.39	-	6.72	553.44	-	-	-	-	553.44	275.33
- Right-of-use Asset	76.88	-	-	0.05	76.93	2.90	1.45	-	4.35	72.58	73.98
Building	292.31	228.35	-	0.77	521.43	63.56	13.54	-	77.10	444.33	228.75
Plant & Equipment (b)	2,338.12	1,614.30	1.51	2.24	3,953.15	561.53	131.42	1.03	691.92	3,261.23	1,776.59
Right-of-use Asset	44.91	60.64	-	0.58	106.13	25.72	12.49	-	38.21	67.92	19.19
Furniture and Fixture	4.20	0.50	-	0.05	4.75	1.72	0.35	-	2.07	2.68	2.48
Office Equipment	10.96	2.94	0.09	0.28	14.09	6.78	1.62	0.08	8.32	5.77	4.18
Vehicles & Locomotive	24.51	7.74	4.50	0.01	27.76	7.32	3.36	2.65	8.03	19.73	17.19
Railway Siding	2.57	-	-	-	2.57	1.07	0.13	-	1.20	1.37	1.50
Total	3,069.79	2,185.86	6.10	10.70	5,260.25	670.60	164.36	3.76	831.20	4,429.05	2,399.19
Previous year	3,034.43	51.04	15.68	-	3,069.79	533.86	149.42	12.68	670.60	2,399.19	2,500.57

Notes:

- a) Includes cost of 4.67 acres land given on lease to Employees State Insurance Corporation for construction of Hospital for Employees. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ Crore)	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held (i.e. dates of Capitalisation)	Reason for not being held in name of company
Freehold Land	20.24	Not Applicable	No	2006	Land acquired through land acquisition order by High court and registration is pending as matter is sub-judice.

- b) During the year ₹1.79 Crore has been deducted (Previous year ₹2.51 Crore was added) in Plant & Equipment due to Foreign Exchange Fluctuation (Net).
- c) Refer Note 55.

Note 2.1 CAPITAL WORK-IN-PROGRESS (CWIP)

Capital Work-In-Progress ageing schedule

₹ in crores (10 Million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress					
March 31, 2022	26.03	2.40	1.03	-	29.46
March 31, 2021	1,058.89	468.97	32.80	-	1,560.66
Projects temporarily suspended					
March 31, 2022	-	-	-	-	-
March 31, 2021	-	-	-	-	-

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 3. OTHER INTANGIBLE ASSETS

₹ in crores (10 Million)

Description	Gross Carrying Value					Amortisation				Net Carrying Value	
	April 1, 2021	Additions/ Adjustments	Sales/ Adjustments	Acquisition through Slump Sale (c)*	March 31, 2022	April 1, 2021	For the year	On Sales/ Adjustments	March 31, 2022	March 31, 2022	March 31, 2021
Computer Software	28.23	3.07	0.01	0.15	31.44	8.94	4.68	-	13.62	17.82	19.29
Design & Prototype*	-	-	-	14.79	14.79	-	-	-	-	14.79	-
Non Compete Fees*	-	-	-	4.50	4.50	-	-	-	-	4.50	-
Total	28.23	3.07	0.01	19.44	50.73	8.94	4.68	-	13.62	37.11	19.29
Previous year	25.77	2.46	-	-	28.23	4.74	4.20	-	8.94	19.29	21.03

* Refer Note 55.

Note 3.1 INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible Assets Under Development ageing schedule

₹ in crores (10 Million)

Particulars	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress					
March 31, 2022		2.66	1.18	-	3.84
March 31, 2021		1.55	0.12	0.36	2.03
Projects temporarily suspended					
March 31, 2022		-	-	-	-
March 31, 2021		-	-	-	-

* Refer Note 55.

NOTE 4. NON- CURRENT INVESTMENTS

₹ in crores (10 Million)

Particulars	Face Value ₹/Share	March 31, 2022		March 31, 2021	
		No of Share	Value	No of Share	Value
Quoted, Equity shares fully paid up					
Investment Carried at Fair Value through OCI					
JK Lakshmi Cement Limited	5/-	1,91,000	9.01	1,91,000	8.26
TCPL Packaging Limited	10/-	32,187	2.32	32,187	1.40
Unquoted, Equity shares fully paid up					
Investments Carried at Cost					
Investment in Equity instruments of Subsidiaries					
Enviro Tech Ventures Limited	10/-	2,04,32,052	32.68	2,04,32,052	32.68
Songadh Infrastructure & Housing Limited	10/-	49,50,600	4.95	49,50,600	4.95
Jaykaypur Infrastructure & Housing Limited	10/-	49,50,600	4.95	49,50,600	4.95
JKPL Packaging Products Limited	10/-	4,00,50,000	40.05	-	-
JK Paper International (Singapore) Pte. Ltd.	USD 1	33,30,000	22.21	33,30,000	22.21

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 4. NON- CURRENT INVESTMENTS (contd.)

₹ in crores (10 Million)

Particulars	Face Value ₹/Share	March 31, 2022		March 31, 2021	
		No of Share	Value	No of Share	Value
The Sirpur Paper Mills Limited - (Step-down Subsidiary)	10/-	90,00,000	9.00	90,00,000	9.00
Unquoted, Preference shares fully paid up					
Enviro Tech Ventures Limited (Formerly known as JK Enviro-Tech Limited)	100/-	2,11,00,000	222.91	2,11,00,000	209.60
The Sirpur Paper Mills Ltd (Step-down Subsidiary)	100000/-	1,000	5.44	1,000	5.11
Equity Component of Preference Share- Enviro Tech Ventures Limited (Formerly known as JK Enviro-Tech Limited)"			29.94		29.94
Equity Component of Preference Share-The Sirpur Paper Mills Ltd (Step-down Subsidiary)			5.30		5.30
Deemed Equity Contribution #			4.09		5.65
Investment in Others					
JK Paper Mills Employees' Co-operative Stores Ltd. (CY ₹ 2500/-, PY ₹ 2500/-)	10/-	250	0.00	250	0.00
			392.85		339.05
Less : Provision for diminution in value of investments*			11.10		-
TOTAL			381.75		339.05
Aggregate book value of unquoted investments			370.42		329.39
Aggregate market value of quoted investments			11.33		9.66

* Refer note 40 (a)

Fair Value of Letter of Comfort given for The Sirpur Paper Mills Limited.

NOTE 5. NON CURRENT FINANCIAL ASSETS - LOANS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Unsecured considered good unless otherwise specified:-		
Loans to related parties (Subsidiaries)-at amortised cost		
Jaykaypur Infrastructure & Housing Limited	19.50	27.50
Songadh Infrastructure & Housing Limited	7.00	8.00
The Sirpur Paper Mills Limited - (Step-down Subsidiary)	270.00	281.00
Loans to Other (at amortised cost)		
Others	15.00	-
TOTAL	311.50	316.50

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 6. NON CURRENT FINANCIAL ASSETS - OTHERS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Deposits with Government Authorities	1.57	1.41
Derivative Financial Instruments (at fair value through P&L)	65.19	12.19
Others Deposit	19.87	19.63
Interest Accrued but not due from related parties	-	17.61
Fixed Deposit with Banks (Remaining Maturity more than 12 months)	1.06	-
TOTAL	87.69	50.84

NOTE 7. OTHER NON CURRENT ASSETS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Capital Advances	11.80	31.92
Deposits with Government Authorities and Others	15.28	12.08
TOTAL	27.08	44.00

NOTE 8. INVENTORIES

(at cost or Net realisable value whichever is lower)

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Raw Materials #	252.20	171.55
Work-in-Progress @	39.32	17.55
Finished Goods	105.10	97.11
Stock in Trade #	1.82	1.82
Stores & Spares #	67.70	57.44
Renewable Energy Certificates	0.05	0.12
TOTAL	466.19	345.59

Includes Raw Materials in transit ₹15.91 Crore (Previous year ₹8.88 Crore), Stores & Spares in transit ₹3.83 Crore (Previous year ₹1.97 Crore) and Stock in Trade in transit ₹0.59 Crore.(Previous year ₹0.60 Crore)

@ Includes Pulp in process ₹8.13 Crore (Previous year ₹7.33 Crore) and Semi Finished Goods ₹29.83 Crore (Previous year ₹10.22 Crore).

NOTE 9. CURRENT INVESTMENTS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Measured at fair value through P&L(FVTPL)		
Investment in Bonds / Debentures	8.93	-
Investment in Mutual Fund	606.27	456.07
Fixed Deposit with NBFC	-	69.90
	615.20	525.97
Aggregate book value of quoted investments	606.27	456.07
Aggregate book value of unquoted investments	8.93	69.90

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 10. TRADE RECEIVABLES

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Unsecured		
Considered Good	217.19	79.17
Credit Impaired	1.34	0.86
	218.53	80.03
Less: Allowance for credit impairment	1.34	0.86
TOTAL	217.19	79.17

(Refer note no. 49 (i) for ageing)

NOTE 11. CASH AND CASH EQUIVALENTS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Balances with Bank-Current Accounts	6.86	3.15
Cheques/Drafts on hand	-	0.03
Cash on Hand	0.24	0.24
TOTAL	7.10	3.42

NOTE 12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Other Bank Balances		
Unclaimed Dividend Accounts	0.55	0.49
Fixed Deposit with Banks #	6.63	4.78
TOTAL	7.18	5.27

Includes ₹0.20 Crore (Previous year ₹0.20 Crore) pledged with Government Authorities.

NOTE 13. CURRENT FINANCIAL ASSETS - LOANS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Unsecured considered good :-		
Loans to related parties		
Enviro Tech Ventures Limited - (Subsidiary)	15.00	10.00
JKPL Packaging Products Limited - (Subsidiary)	17.25	-
Bengal & Assam Co. Limited - (Associate of)	40.00	90.00
TOTAL	72.25	100.00

All the above loans and advances have been given for general business purpose (Read with Note no. 39)

NOTE 14. CURRENT FINANCIAL ASSETS - OTHER

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Unsecured considered good :-		
Advances Recoverable	1.57	0.54
Interest Accrued but not due	2.45	4.22
Advances to Employees	0.66	0.39
Derivative Financial Instruments (at fair value through P&L)	6.28	6.05
TOTAL	10.96	11.20

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 15. OTHER CURRENT ASSETS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Advances Recoverable	24.47	8.35
Advances to Suppliers	87.51	35.80
Balance with Government Authorities	286.87	178.73
Other Deposits	11.53	6.01
Prepaid Finance Charges	2.49	3.52
Other	0.35	0.35
	413.22	232.76
Less : Allowance for Doubtful Advances	0.35	0.35
TOTAL	412.87	232.41

NOTE 16. SHARE CAPITAL

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Authorised :		
Equity Shares - 30,00,00,000 of ₹10 each (Previous Year 30,00,00,000 Equity Share of ₹10 each)	300.00	300.00
Redeemable Preference Shares - 2,00,00,000 of ₹100 each (Previous Year 2,00,00,000 Share of ₹100 each)	200.00	200.00
	500.00	500.00
Issued, Subscribed and Paid-up :		
Equity Shares - 16,94,02,344 (Previous Year 16,94,02,344 Equity Share of ₹ 10 each fully paid up)	169.40	169.40
	169.40	169.40

Notes :

(a) Reconciliation of Equity Share Capital (In numbers)

Particulars	March 31, 2022	March 31, 2021
Shares outstanding at the beginning of the year	16,94,02,344	17,82,43,585
Add : Shares issued during the year	-	-
Less : Shares bought back during the year (refer Note 46)	-	88,41,241
Shares outstanding at the end of the year	16,94,02,344	16,94,02,344

(b) Equity Shares:

The Equity Shareholders have:-

- The right to receive dividend out of balance of net profits remaining after payment of dividend to the preference shareholders. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.
- The Company has only one class of Equity Shares having face value of ₹10/- each and each shareholder is entitled to one vote per share.
- In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their individual shareholding in the paid up equity capital of the Company.

(c) List of Shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers) :

Particulars	March 31, 2022	March 31, 2021
Bengal & Assam Company Limited	7,96,27,228	7,96,27,228

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 16. SHARE CAPITAL (contd)

(d) Promoter's shareholding

Particulars	March 31, 2022	March 31, 2021
Promoter Name	Bengal & Assam Company Limited	Bengal & Assam Company Limited
No. of shares at the beginning of the year	7,96,27,228	7,96,27,228
Change during the year	-	-
No. of shares at the end of the year	7,96,27,228	7,96,27,228
% of Total Shares	47.00%	47.00%
% change during the year	--	--

(e) The Company has not issued any Bonus Share, shares other than Cash in immediately preceding five years from the Balance Sheet date. During the previous year the company has Buy Back 88,41,241 no's of Equity Shares (Refer note 46).

NOTE 17. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
SECURED		
Term Loan		
From Banks	1,668.86	1,440.30
From Financial Institutions	284.35	288.36
Non Convertible Debentures (NCDs)	437.89	332.48
UNSECURED		
Public Deposits	56.30	44.12
	2,447.40	2,105.26
Less : Current Maturities of Long Term Borrowings	252.17	214.55
TOTAL	2,195.23	1,890.71

NOTE 17.1 NON CURRENT FINANCIAL LIABILITIES - LEASE

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
UNSECURED		
Lease Liabilities	69.44	20.84
Less : Current Maturities of Lease Liability	11.86	7.70
TOTAL	57.58	13.14

A. Term Loans of ₹172.76 Crore (Fls – ₹ Nil, Banks ₹172.76 Crore) and NCD of ₹314.89 Crore are secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment of the company . Out of the above Term Loan, ₹92.13 Crore (Fls - ₹ Nil, Banks ₹92.13 Crore) are further secured by second charge on the current assets of the Company. These Term Loans are/shall be repayable as under :-

- 1 Term Loans aggregating to ₹172.76 Crore are repayable in total 28 quarterly instalments from June 2022 to March 2024.
- 2 NCDs of ₹314.89 Crore is repayable in 13 Half yearly instalments from September 2022 to July 2028.

B. Term Loans of ₹352.45 Crore (Fls – ₹ Nil, Banks ₹352.45 Crore) and NCD of ₹125 Crore is secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment , both present and future, of Unit JKPM of the company. These Term Loans are/shall be repayable as under :-

- 1 Term Loans aggregating to ₹63.31 Crore are repayable in total 3 equal half-yearly instalments from August 2022 to August 2023.
- 2 Term Loans aggregating to ₹289.13 Crore are repayable in total 23 quarterly installments from May 2022 to September 2027.
- 3 NCDs of ₹125 Crore is repayable in 13 Half yearly installment from May 2023 to May 2029.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 17. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS (contd.)

- C. Term Loans of ₹1433.78 Crore (FIs – ₹285.48, Banks ₹1148.30 Crore) is secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment, both present and future, of Unit CPM of the company. These Term Loans are/shall be repayable as under :-
- 1 Term Loans aggregating to ₹520 Crore are repayable in total 108 equal quarterly instalments from December 2022 to March 2032.
 - 2 Term Loans aggregating to ₹613.78 Crore are repayable in total 37 equal half-yearly instalments from December 2022 to January 2032.
 - 3 Term Loans aggregating to ₹300 Crore are repayable in total 36 quarterly instalments from December 2022 to September 2031.
- D. Term Loans of ₹1.66 Crore (FIs – Nil, Banks ₹1.66 Crore) is secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment, both present and future, of DELOPT Division of the company. These Term Loans are/shall be repayable as under:-
- 1 Term Loans aggregating to ₹1.66 Crore are repayable in total 38 equal monthly instalments from April 2022 to July 2035.
- E. Term Loans aggregating to ₹ 0.34 Crore (FIs – ₹ Nil, Banks ₹ 0.34 Crore) are secured by specific charge on the Vehicle hypothecated against these loans. These Term Loans are repayable in total 9 monthly instalments from April 2022 to December 2022.
- F. Secured Term loans from Financial Institutions and Banks have been reduced by ₹7.78 Crore (FIs – ₹1.13 Crore, Banks ₹ 6.65 Crore) and NCDs have been reduced by ₹2.00 Crore due to effective rate of interest.
- G. Certain charges are pending for satisfaction due to non receipt of No Dues Certificate (NDC) pertaining to Loan from Financial Institution, which is fully paid.
- H. Secured Term loans from Financial Institutions and Banks include ₹677.10 Crore foreign currency loans.
- I. Lease Liabilities aggregating to ₹69.94 Crore is repayable in total 502 equal monthly installments from April 2022 to September 2041.
- J. Public deposits are due for repayment in 2022-23, 2023-24 & 2024-25.

NOTE 18. NON CURRENT FINANCIAL LIABILITIES - OTHER

Particulars	₹ in crores (10 Million)	
	March 31, 2022	March 31, 2021
Trade Deposits	83.11	74.11
Interest Accrued but not due on Loans	1.98	1.70
Derivative Financial Instruments (at fair value through P&L)	1.36	2.51
Financial Obligation Towards Letter of Comfort	4.09	5.65
Others	0.13	-
TOTAL	90.67	83.97

NOTE 19. NON CURRENT PROVISIONS

Particulars	₹ in crores (10 Million)	
	March 31, 2022	March 31, 2021
Provision for Employee Benefits (refer note 50)	11.64	9.88
TOTAL	11.64	9.88

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 20. DEFERRED TAX LIABILITIES

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	578.03	482.33
Tax on Others	29.47	32.90
a Total Deferred Tax Liability	607.50	515.23
Opening MAT Credit Entitlements	(126.11)	(172.18)
Current MAT Credit Entitlement	-	0.75
Reversal/Utilization of MAT Credit of Earlier Years	27.18	45.32
b Total MAT Credit Entitlement	(98.93)	(126.11)
c Net Deferred Tax Liability (a+b)	508.57	389.12

Based on the past performance and current plans, the Company expects to continue to generate taxable income which will enable it to utilise MAT credit entitlement.

NOTE 21. CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
SECURED		
Working Capital Borrowings from Bank	94.61	126.44
UNSECURED		
Loan from Related Party #	31.00	-
Working Capital Borrowings from Bank	52.67	37.12
Public Deposits	5.96	12.28
Current Maturities of Long Term Borrowings	252.17	214.55
TOTAL	436.41	390.39

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts. The same are further secured by a second charge on the movable and immovable assets of the Company.

Due to acquisition on Slump Sale (Refer Note 55).

NOTE 22. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Trade Payable		
Total outstanding dues of Micro and Small Enterprises (refer note 48)	11.31	7.66
Total Outstanding dues of Creditors other than Micro and Small Enterprises	471.37	348.58
TOTAL	482.68	356.24

(Refer note no. 49 (ii) for ageing)

NOTE 23. CURRENT FINANCIAL LIABILITIES - OTHER

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Interest Accrued but not due	15.00	11.30
Unclaimed Dividends #	0.55	0.49
Unclaimed Matured Deposits #	2.06	2.41
Unclaimed Interest on Unclaimed Matured Deposits #	0.30	0.27
Payable to related parties (Subsidiary)		
Jaykaypur Infrastructure & Housing Limited	0.42	1.68
Songadh Infrastructure & Housing Limited	-	0.18
Derivative Financial Instruments (at fair value through P&L)	3.28	0.91
Capital Creditors @	10.18	110.43
Other Payables	49.24	31.89
TOTAL	81.03	159.56

Investor Education and Protection Fund will be credited as & when due.

@ includes ₹2.12 Crore (Previous Year ₹ Nil) payable to Micro & Small Enterprises.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 24. OTHER CURRENT LIABILITIES

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Advance from Customers	22.44	10.04
Statutory Dues	87.19	23.83
Other Payables	71.09	89.53
TOTAL	180.72	123.40

NOTE 25. SHORT TERM PROVISIONS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Provision for Employee Benefits	4.90	3.57
TOTAL	4.90	3.57

NOTE 26. CURRENT TAX LIABILITIES

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Provision for Income Tax (Net of Advance tax)	10.57	6.69
TOTAL	10.57	6.69

NOTE 27. OTHER OPERATING REVENUES

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Insurance Charges Recovered	2.05	1.37
Excess Provision no longer required written back	54.94	17.98
Miscellaneous Income *	33.69	2.87
TOTAL	90.68	22.22

* Includes Sale of Renewal Energy Certificate (REC) of ₹28.19 Crore (P.Y. ₹1.54 Crore).

NOTE 28. OTHER INCOME

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Interest Income	53.61	48.89
Dividend Income (PY ₹17,856/-)	0.10	0.00
Profit on sale of Property, Plant and Equipment	0.22	-
Gain on Sale/Fair value of Current Investment *	19.89	20.66
Foreign Exchange Fluctuation	6.21	0.61
TOTAL	80.03	70.16

* Includes Fair Valuation Loss of ₹2.08 Crore (P.Y. Gain of ₹4.58 Crore).

NOTE 29. COST OF MATERIALS CONSUMED

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Hardwood & Bamboo	577.35	480.68
Pulp	313.94	221.05
Chemicals	359.11	252.13
Packing Material	109.89	78.69
Others	4.20	-
TOTAL	1,364.49	1,032.55

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 30. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	₹ in crores (10 Million)	
	2021-22	2020-21
Inventories at the beginning of the year		
Finished Goods	97.11	147.96
Stock In Trade	1.82	7.62
Work-in-Progress	17.55	52.24
Renewable Energy Certificates	0.12	0.01
Stock Carried from Pre-operation period :		
Finished Goods	17.41	-
Stock-in-Process	16.37	-
Stock taken over through Slump Sale:		
Finished Goods	0.42	-
Stock-in-Process	1.28	-
	152.08	207.83
Inventories at the end of the year		
Finished Goods	105.10	97.11
Stock In Trade	1.82	1.82
Work-in-Progress	39.32	17.55
Renewable Energy Certificates	0.05	0.12
	146.29	116.60
(Increase)/ Decrease in Stock	TOTAL	5.79
		91.23

NOTE 31. EMPLOYEE BENEFIT EXPENSES

Particulars	₹ in crores (10 Million)	
	2021-22	2020-21
Salaries, Wages, Allowances, etc.	305.28	245.19
Contribution to Provident and Other Funds	14.77	12.78
Staff Welfare Expenses	3.71	2.36
	TOTAL	323.76
		260.33

NOTE 32. FINANCE COST

Particulars	₹ in crores (10 Million)	
	2021-22	2020-21
Interest on:		
Term Loan and Fixed Deposits	84.87	73.95
Others	13.47	14.06
Other Borrowing Costs:		
Financial Charges	3.46	4.79
Premium on Forward Exchange Contracts	0.35	0.31
Interest on Lease Liabilities	3.64	2.48
Net (Gain) or Loss on Foreign Currency Transaction	(13.14)	(1.22)
	TOTAL	92.65
		94.37

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 33. DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Depreciation on Property, Plant & Equipment	164.36	149.42
Amortisation of Other Intangible Assets	4.68	4.20
TOTAL	169.04	153.62

NOTE 34. OTHER EXPENSES

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Consumption of Stores and Spares	54.34	50.41
Power, Fuel and Water	391.42	243.15
Repairs to Building	2.97	3.37
Repairs to Machinery	35.52	27.04
Rent (Net)	25.38	22.57
Insurance	8.69	7.48
Rates and Taxes	1.26	0.81
Commission on Sales	2.70	1.14
Directors' Fees	0.38	0.48
Directors' Commission	3.53	2.97
Freight, Clearing and Forwarding Charges	89.65	45.70
Loss on Sale of Property, Plant and Equipment	-	0.77
Asset Written off	0.45	0.44
Provision for diminution in value of Non Current Investments*	11.10	-
Provision for Doubtful Debts	-	0.38
Other Miscellaneous Expenses	92.87	54.96
TOTAL	720.26	461.67

*Refer note 40 (a).

NOTE 35. CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in crores (10 Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Claim against the company not acknowledged as debts #		
Excise duty/ Custom duty/Service tax/GST liability in respect of matter in appeals	18.34	18.92
Sales tax/VAT/Octroi liability in respect of matter in appeals	1.96	2.21
Other matters	8.94	8.87
b) Commitments:		
Contracts remaining to be executed on capital account (Net of Advances)	50.71	138.69
Export commitments against import of capital goods under EPCG scheme	382.13	754.94

In respect of certain disallowances and additions made by the income tax authorities, appeals are pending before the appellate authorities and adjustments, if any, will be made after the same are finally determined.

NOTE 36.

In respect of levy of Octroi demand pertaining to Unit - CPM by Songadh Group Gram Panchayat, the Company has paid ₹1.25 Crore till 31st March 1997 under protest and also created a liability of the similar amount. As the matter is still pending in the court of law, the necessary adjustment, if any, would be made on final disposal.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 37. UNCERTAINTIES RELATING TO COVID-19 :

The Company has considered external and internal information available up to the date of approving the Financial Statements for assessing possible impact of Covid-19 on various components of its financial statement, including recoverability of its assets. The impact of any future events & developments, if any, emerging out of the pandemic occurring after the approval of financial statement for the year will be recognized prospectively.

NOTE 38. EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with Schedule III are as below

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
1. Gross amount required to be spent by the Company during the year	12.01	11.40
2. Amount spent during the year		
Promotion of Education	1.23	0.02
Health Care	0.46	0.45
Others	9.79	9.88
Total	11.49*	10.35
Total Previous year's shortfall	-	-
Shortfall at the end of the year	1.57	1.05

* This amount includes CSR expense of ₹1.05 Crore of previous year.

Nature of CSR activities:

Conservation of natural resources, Promotion of Education, Health care, rural development and livelihood interventions, Disaster relief, Digital Literacy amongst others.

Reason for shortfall:

CSR amount could not be spent in view of unforeseen disruptions on account of COVID-19 pandemic for the financial year 2021-22 and financial year 2020-21.

Note - CSR amount of ₹1.57 crore related to ongoing projects as on March 31, 2022 (Previous year ₹1.05 Crore) has been transferred to Unspent Corporate Social Responsibility Bank account within 30 days as per the provisions of Section 135 of the Companies Act, 2013. This amount will be spent in succeeding years on CSR projects/activities of the Company.

NOTE 39.

i Disclosure of loan and advances as per regulation 34(3) and 53(f) read with Schedule V of SEBI (LODR) regulation of listing regulation with Stock Exchanges:

Name of the Company	Balance as at		Maximum outstanding during	
	March 31, 2022	March 31, 2021	2021-22	2020-21
a) Loans and advances in the nature of loans given to subsidiaries and Associates of				
Enviro Tech Ventures Limited	15.00	10.00	15.00	10.00
Jaykaypur Infrastructure & Housing Limited	19.50	27.50	27.50	27.50
Songadh Infrastructure & Housing Limited	7.00	8.00	8.00	8.00
JKPL Packaging Products Limited	17.25	-	17.25	-
The Sirpur Paper Mills Limited (Step-down Subsidiary)	270.00	281.00	296.50	281.00
Bengal & Assam Co. Limited (Associates of)	40.00	90.00	90.00	90.00
ii Loans given to JK Lakshmipat University	15.00	-	15.00	-

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 39. LEASES (contd.)

iii Details of loans given, investments made and guarantee given covered u/s 186(4) of the Companies Act 2013

The company has given loan to Subsidiaries amounting to ₹45.75 Crore (Previous year ₹160 Crore) and other parties amounting to ₹15 Crore (Previous year ₹ Nil) mentioned above for general business purpose. The Company has also given a Letter of Comfort to the Bank for a long term loan taken by its step-down subsidiary "The Sirpur Paper Mills Ltd." for ₹409.68 Crore (Previous Year ₹431.50 Crore).

NOTE 40.

- The Company had invested ₹24.64 Crores in a Jointly Controlled Entity (JCE) which has plantation operations in Myanmar through its subsidiary in Singapore. Operations at JCE has been impacted due to economic disruptions and Banking restrictions in Myanmar. Plantation / biological assets are in satisfactory condition. However considering the facts stated above, as a matter of prudence the Company has made provision of ₹11.10 Crores against its investment in subsidiary of ₹22.21 Crores.
- Sales include export incentives of ₹10.44 Crore (Previous year ₹8.66 Crore).
- Interest Income includes ₹2.10 Crore (Previous year ₹ 1.01 Crore) on Deposits with Banks and ₹51.51 Crore (Previous year ₹47.88 Crore) on others.
- Scrap sale of ₹14.85 Crore (Previous year ₹6.76 Crore) has been netted off from Consumption of Stores and Spares.

NOTE 41.

A. LEASES

The Company has adopted Ind AS 116 "Leases" effective 1st April ,2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to its leases using the simplified approach. This has resulted in recognising right – of – use assets and corresponding lease liabilities.

- The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021:

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Current lease liabilities	11.86	7.70
Non-current lease liabilities	57.58	13.14
Total	69.44	20.84

- The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021:

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning	20.84	28.10
Addition during the year	61.26	5.97
Finance cost accrued during the period	3.64	2.48
Payment of lease liabilities	(16.30)	(15.71)
Balance at the end	69.44	20.84

- The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31, 2021 on an undiscounted basis:

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Not later than one year	17.40	9.14
Later than one year and not later than five years	46.49	14.71
Later than five years	33.24	0.50

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 41. LEASES (contd.)

B. Ind AS 115 Disclosure

Particulars	₹ in crores (10 Million)	
	2021-22	2020-21
i) Contract Balances		
Trade Receivables	217.19	79.17
Contract Liabilities	22.44	10.04
ii) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the Contracted Prices		
Revenue as per contracted prices	4165.76	2,969.15
Adjustments:		
Less : Discounts	275.77	249.77
Revenue from contract with customers	3,889.99	2,719.38
iii) Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sale of goods	10.04	14.89

NOTE 42. EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
a) Revenue Expenditure *		
Employee Cost	4.36	3.83
Cost of Materials	0.54	0.91
Other Expenses	1.14	1.09
Sub Total	6.04	5.83
b) Capital Expenditure	0.63	0.34
Total (a+b)	6.67	6.17

* Included in respective revenue accounts.

NOTE 43. OTHER DISCLOSURE REQUIRED BY STATUTE

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Auditors Remuneration(Excluding applicable Taxes)		
1. Statutory Auditors		
i. Audit Fee	0.20	0.18
ii. Tax Audit Fee	0.03	0.03
iii. Certification/other Services	0.07	0.07
iv. Out of Pocket Expenses	0.01	0.01
Total	0.31	0.28
2. Cost Auditors		
i. Audit Fee	0.01	0.01
ii. Out of Pocket Expenses	-	-
Total	0.01	0.01

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 44. EXPENSES INCLUDED UNDER OTHER HEADS OF ACCOUNT

₹ in crores (10 Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, Wages and Allowances etc.	8.83	8.00
Contribution to Provident and Other Funds	0.48	0.40
Employees' Welfare and Other benefits	0.33	0.20
Consumption of Stores and Spares	0.90	0.61
Rent	0.06	0.09
Insurance	0.05	0.06
Rates and Taxes (CY ₹25,000/- , PY ₹26,659/-)	0.00	0.00
Miscellaneous Expenses/Receipts	(2.83)	(1.73)
	7.82	7.63

NOTE 45. Capital Work in progress includes following pre-operative (including Trial Run) expenses pending allocation / capitalization :

₹ in crores (10 Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Cost of Raw Material	126.22	-
Consumption of Chemical, Stores Spares & Packing	22.26	-
Power, Fuel and Water	14.70	2.41
Salaries & Wages	10.96	14.55
Consultancy	4.18	9.26
Insurance	0.60	1.63
Travelling, Fee for Technical Services and Other Miscellaneous Expenses	6.57	8.41
Interest on Loans	66.33	37.07
Interest Expense - Lease Liability	0.29	-
Depreciation on Lease Asset	0.20	-
Foreign Exchange Fluctuation (Net)	(19.18)	-
Income on Deployment of Funds - Fixed Deposit	-	-
- Mutual Funds	-	-
Total	233.13	-
Less : Net Sales	131.57	-
Finished Stock	17.41	-
Stock in Process	16.37	-
Total Expenses	67.78	-
Add: Expenditure up to previous year	73.33	-
Less : Allocated to Fixed Assets	141.11	-
Balance carried over	-	73.33

NOTE 46.

During the last Financial Year 2020-21, Company bought back 88,41,241 equity shares at an average buyback price of ₹94.35 per equity share and utilized ₹83.41 crore for the Buy Back (excluding transaction costs) and ₹13.04 crore for buyback tax & other transaction costs, of which ₹87.61 crore drawn from the Securities Premium Reserve. In accordance with Section 69 of the Companies Act, 2013, the Company created capital redemption reserve of ₹8.84 crore equal to the face value of equity shares bought back as appropriation from General Reserves.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 47. EARNING PER SHARE

₹ in crores (10 Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Profit After Tax	511.09	322.19
b) Weighted Average Number of Ordinary Shares	16,94,02,344	17,24,53,081
c) Nominal Value of Ordinary Shares	₹10/-	₹10/-
d) Earning Per Ordinary Share (₹)		
Basic	30.17	18.68
Diluted	30.17	18.68

NOTE 48. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

₹ in crores (10 Million)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Principal amount and Interest due thereon remaining unpaid to any supplier as on	NIL	NIL
b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	NIL	NIL
c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	NIL	NIL
d) the amount of interest accrued and remaining unpaid.	NIL	NIL
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	NIL	NIL

NOTE 49.

(i) Trade Receivables ageing schedule as on March 31, 2022 and March 31, 2021 is as follows:

₹ in crores (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good							
March 31, 2022	150.09	59.95	0.23	6.13	-	0.01	216.41
March 31, 2021	46.79	28.59	-	0.86	-	-	76.24
(ii) Undisputed Trade Receivables – considered doubtful							
March 31, 2022	-	-	-	-	0.06	0.46	0.52
March 31, 2021	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good							
March 31, 2022	-	0.05	0.70	0.13	0.12	0.60	1.60

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 49. (contd.)

₹ in crores (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
March 31, 2021	-	3.79	-	-	-	-	3.79
(iv) Disputed Trade Receivables considered doubtful							
March 31, 2022	-	-	-	-	-	-	-
March 31, 2021	-	-	-	-	-	-	-
(v) Less: Allowance for credit impairment							
March 31, 2022	-	-	-	-	-	-	1.34
March 31, 2021	-	-	-	-	-	-	0.86
(vi) Total							
March 31, 2022	-	-	-	-	-	-	217.19
March 31, 2021	-	-	-	-	-	-	79.17

(ii) Trade Payables ageing schedule as on March 31, 2022 and March 31, 2021 is as follows:

₹ in crores (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME						
March 31, 2022		11.31	-	-	-	11.31
March 31, 2021		7.66	-	-	-	7.66
(ii) Others						
March 31, 2022	187.55	134.50	78.45	67.93	2.94	471.37
March 31, 2021	234.12	24.27	81.36	2.81	6.02	348.58
(iii) Disputed dues – MSME						
March 31, 2022		-	-	-	-	-
March 31, 2021		-	-	-	-	-
(iv) Disputed dues - Others						
March 31, 2022		-	-	-	-	-
March 31, 2021		-	-	-	-	-

(iii) Other Information in terms of the amendment in Schedule III of the Companies Act vide notification G.S.R. 207(E) dated 24th March 2021.

a) Relationship With Struck Off Companies

Details of struck off companies with whom the Company has transaction during the year or outstanding balance:

₹ in crores (10 Million)

Name of the Company	Nature of transactions with struck-off Company	Relationship with the struck off company	As at	As at
			March 31, 2022	March 31, 2021
Springfield Forestry Private Limited	Payable	Vendor	0.05	0.02

b) The Company does not have any benami property, and no proceeding has been initiated or pending against the Company for holding any benami property.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 49. (contd.)

- c) The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- d) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i). Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (ii). Provide any Guarantee, Security, or the like to or on behalf of the Ultimate Beneficiaries.
- e) The Company has not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i). Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (ii). Provide any Guarantee, Security, or the like on behalf of the ultimate beneficiaries.
- f) The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

₹ in crores (10 Million)

Name of the Bank	Aggregate working capital limits sanctioned	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Difference	Reason for variance*
State Bank of India and consortium of Banks #	250.00	June 30,2021	125.44	329.86	204.42	For Bank's quarterly reporting, only creditors for goods being considered as Trade Payables.
	250.00	September 30,2021	71.92	288.18	216.26	
	250.00	December 31, 2021	191.13	255.41	64.28	
	250.00	March 31, 2022	131.21	483.62	352.41	

* The above differences represents balance of creditors as at each reporting date.

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts.

- g) The Company has no such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- h) The Company has not been declared willful defaulter by any Banks or any other Financial Institution at any time during the financial year.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 50. EMPLOYEE BENEFITS

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) Defined Contribution Plans:-

Amount recognized as an expense and included in Note 31 Item "Contribution to Provident and Other Funds ₹0.91 Crore (Previous year ₹0.68 Crore) for Superannuation Fund.

b) Other Long Term Benefits

Amount recognized as an expense and included in Note 31 Item "Salaries, Wages, Allowances etc. ₹1.38 Crore (Previous year ₹3.74 Crore) for long term compensated Absences.

c) Defined Benefits Plans

- (i) Amount recognized as an expense and included in Note 31 & Note 44 "Contribution to Provident and Other Funds" ₹11.20 Crore (Previous year ₹9.01 Crore) for Provident and other fund.
- (ii) Gratuity Expense ₹2.66 Crore (Previous year ₹3.09 Crore) has been recognized in "Contribution to Provident and Other Funds" under Note 31. as per Actuarial Valuation

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
	Gratuity	Gratuity
	Funded	Funded
I Change in present value of obligation during the year		
Present value of obligation at the beginning of the year	47.51	45.32
Included in statement of profit and loss:		
- Current Service Cost	2.63	2.75
- Interest Cost	3.28	3.11
- Past Service Cost	-	-
- Actuarial Gain/(Loss)	-	-
Included in OCI:		
Actuarial losses/(gains) arising from:		
- Experience adjustments	2.02	(1.03)
- Financial assumption	(1.59)	(0.12)
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions	(0.06)	-
Others		
Benefits Paid	(4.57)	(2.51)
Impact of Slump Sale	1.68	-
Present Value of obligation as at year-end	50.90	47.51
II Change in Fair Value of Plan Assets during the year		
Plan assets at the beginning of the year	47.05	40.42
Included in statement of profit and loss:		
Expected return on plan assets	3.25	2.77
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	(0.50)	1.48

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 50. EMPLOYEE BENEFITS (contd.)

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
	Gratuity	Gratuity
	Funded	Funded
Others:		
Employer's contribution	0.45	4.90
Benefits paid	(4.57)	(2.51)
Plan assets at the end of the year	45.68	47.05
The plan assets are managed by the Gratuity Trust formed by the Company.		
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets		
1 Present Value of obligation as at year-end	(50.90)	(47.51)
2 Fair value of plan assets at year -end	45.68	47.05
3 Funded status {Surplus/(Deficit)}	(5.22)	(0.45)
Net Asset/(Liability)	(5.22)	(0.45)
IV Expenses recognised in the Statement of Profit and Loss		
1 Current Service Cost	2.63	2.75
2 Interest Cost	3.28	3.11
3 Past service Cost	-	-
4 Expected return on plan assets	(3.25)	(2.77)
Total Expense	2.66	3.09
V Expenses recognised in the Statement of Other Comprehensive Income		
1 Net Actuarial (Gain)/Loss	0.37	(1.16)
2 Expected return on plan assets excluding interest income	0.50	(1.48)
Total Expense	0.87	(2.64)
VI Constitution of Plan Assets		
1 Equity Instruments	-	-
2 Debt Instruments	-	-
3 Property	-	-
4 Insurance	45.68	47.05
VII Bifurcation of PBO at the end of the year		
1 Current Liability	3.69	0.45
2 Non-Current Liability	1.53	-
VIII Actuarial Assumptions		
1 Discount Rate	7.29%	6.90%
2 Expected rate of return on plan assets	7.29%	6.90%
3 Mortality Table	IALM (2012-14)	IALM (2006-08)
4 Salary Escalation	5.00%	5.00%
5 Turnover Rate	Age up to 30-3%, up to 44-2%, above 44-1%	Age up to 30-3%, up to 44-2%, above 44-1%

IX The expected contribution for Defined Benefit Plan for the next financial year will be ₹7.03 Crore

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 50. EMPLOYEE BENEFITS (contd.)

X Experience Adjustment:

₹ in crores (10 Million)

Gratuity	2021-22	2020-21	2019-20	2018-19	2017-18
Present Value of obligation	50.90	47.51	45.32	39.79	37.72
Fair value of Plan assets	45.68	47.05	40.42	35.64	33.14
Net Asset/(Liability)	(5.22)	(0.45)	(4.89)	(4.14)	(4.58)
Actuarial (Gain)/Loss on plan obligation	2.02	(1.03)	(2.16)	2.05	2.48
Actuarial Gain/(Loss) on plan assets	(0.50)	1.48	(2.27)	0.30	(0.55)

XI Sensitivity Analysis:

₹ in crores (10 Million)

Gratuity	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.72)	4.25	(2.82)	3.27
Future salary growth (1% movement)	4.28	(3.81)	3.28	(2.87)
Employee turnover (1% movement)	0.68	(0.76)	0.45	(0.51)

XII Maturity Profile of projected benefit obligation: from the fund

₹ in crores (10 Million)

Particulars	March 31, 2022		March 31, 2021	
	Gratuity		Gratuity	
	Funded		Funded	
1 st Following Year	3.13		11.67	
2 nd Following Year	2.16		4.22	
3 rd Following Year	3.74		3.18	
4 th Following Year	3.33		3.39	
5 th Following Year	3.64		2.82	
Sum of Years 6 To 10	23.26		15.47	
Sum of Years 11 and above	62.33		45.44	

NOTE 51. RELATED PARTY DISCLOSURES

a) List of Related Parties

i. Subsidiaries (Wholly Owned)

- Songadh Infrastructure & Housing Limited (SIHL)
- Jaykaypur Infrastructure & Housing Limited (JIHL)
- JKPL Packaging Products Limited (JKPPL) (w.e.f. 01.07.2021)
- JK Paper International (Singapore) Pte Ltd. {JKPI (S) PL}

ii. Subsidiary

- Enviro Tech Ventures Limited (ETVL)

iii. Step Down Subsidiary

- The Sirpur Paper Mills Limited

iv. Joint Venture

- Habras MZZ Plantation Myanmar Company Limited

v. Enterprise which holds more than 20% of Equity Share

- Bengal & Assam Company Limited (BACL)

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 51. RELATED PARTY DISCLOSURES (contd.)

vi. Trust under common control

JK Paper Ltd (JK Paper Mills) Compulsory Employees Provident Fund
JK Paper Ltd Employees Gratuity Fund
JK Paper Ltd Officers Superannuation Scheme

vii. Key Management Personnel (KMP)

Executive Directors

Shri Harsh Pati Singhania, Vice Chairman & Managing Director
Shri Amar Singh Mehta, President and Director

Executives

Shri V. Kumaraswamy, Chief Finance Officer
Shri S.C. Gupta, Vice President & Company Secretary(till 15.05.2020)
Shri Deepak Gupta (Company Secretary)(w.e.f 16.05.2020)

Non-Executive Directors

Shri Bharat Hari Singhania, Chairman
Shri Arun Bharat Ram
Shri Dharendra Kumar
Shri M.H.Dalmia
Shri R.V.Kanoria
Shri Sandip Somany
Shri Shailendra Swarup
Shri Udayan Bose (ceased w.e.f. 07.01.2021)
Smt. Vinita Singhania
Smt. Deepa Gopalan Wadhwa
Shri Sushil Kumar Roongta

b) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis :

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Subsidiaries (Wholly Owned)								Subsidiary	
		JIHL		SIHL		JKPPPL		JKPI (S) PL		ETVL	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(i)	Rent Paid (with GST)	9.29	9.29	3.91	3.14	-	-	-	-	-	-
(ii)	Interest Received	2.20	2.47	0.66	0.72	0.15	-	-	-	0.96	0.55
(iii)	Loans Given	-	-	-	-	18.25	-	-	-	12.00	7.00
(iv)	Loan Instalment Received	8.00	-	1.00	-	1.00	-	-	-	7.00	-
(v)	Investment in Equity share	-	-	-	-	40.05	-	-	0.15	-	-
(vi)	Security Deposit Received Back	-	1.16	-	-	-	-	-	-	-	-
(vii)	Purchase of Goods	-	-	-	-	-	-	-	-	8.41	14.03
(viii)	Sale of Goods	-	-	-	-	-	-	-	-	-	0.10
(ix)	Security Deposit Given	4.73	-	1.15	0.31	-	-	-	-	-	-
(x)	Outstanding at end of the period - Receivable	25.83	27.84	9.91	9.58	17.25	-	-	-	195.00	221.01

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Step-down Subsidiary	
		The Sirpur Paper Mills Limited	
		2021-22	2020-21
(i)	Reimbursement of Expenses – Received	0.01	0.14
(ii)	Interest Received	23.43	14.93
(iii)	Sale of Material including Pulp	15.43	5.16
(iv)	Sale of Capital Equipment's	0.14	0.59
(v)	Loans Given	15.50	153.00
(vi)	Loan Paid	26.50	-

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 51. RELATED PARTY DISCLOSURES (contd.)

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Step-down Subsidiary	
		The Sirpur Paper Mills Limited	
		2021-22	2020-21
(vii)	Purchase of Goods	593.12	227.63
(viii)	Lease of Godown and Maintenance Charges	0.40	0.40
(ix)	Reimbursement of Expenses – Paid (₹18,066/-)	0.00	0.51
(x)	Outstanding at end of the period - Receivable	313.69	292.75

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Enterprise which holds more than 20% of Equity Share	
		BACL	
		2021-22	2020-21
(i)	Rent Paid	0.07	0.07
(ii)	Sharing of Expenses	0.07	-
(iii)	Interest Received	6.79	8.77
(iv)	Outstanding at end of the period - Receivable	40.07	90.00

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Trust Under Common Control					
		Employees Provident Fund		Employees Gratuity Fund		Officers Superannuation Scheme	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(i)	Contribution	4.31	5.36	2.72	0.89	0.91	0.68
(ii)	Outstanding at end of the period- Payable	0.37	0.33	0.72	0.13	0.93	0.68

Key Management Personnel (KMP) :

₹ in crores (10 Million)

Sl. No	Particulars	2021-22	2020-21
(i)	Short-term Employee Benefits #	37.84	30.83
(ii)	Commission and other benefits to Non-Executive Directors *	3.91	3.45

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

* Including sitting fees and commission

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 52. FINANCIAL INSTRUMENTS

Financial Assets

₹ in crores (10 Million)

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial assets designated at fair value through profit and loss						
a)	Derivatives - not designated as hedging instruments	A	Level-2	71.47	71.47	18.24	18.24
b)	Investments :						
(i)	Deemed Equity Contribution Towards Letter of Comfort	F	Level-3	4.09	4.09	5.65	5.65
(ii)	In mutual funds and others	B	Level-1	615.20	615.20	525.97	525.97
2	Financial assets designated at fair value through other comprehensive income						
	Investment In Equity shares	C	Level-1	11.33	11.33	9.66	9.66
3	Financial assets designated at amortised cost						
a)	Other Bank Balances *			7.18	7.18	5.27	5.27
b)	Cash & Cash Equivalents *			7.10	7.10	3.42	3.42
c)	Trade receivables *			217.19	217.19	79.17	79.17
d)	Other receivables			383.75	383.75	416.50	416.50
e)	Other financial assets			27.18	27.18	43.80	43.80
4	Investment in subsidiary companies and joint venture	D		366.33	366.33	323.74	323.74
				1,710.82	1,710.82	1,431.42	1,431.42

Financial Liabilities

₹ in crores (10 Million)

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial liability designated at fair value through profit and loss						
a)	Derivatives - not designated as hedging instruments	A	Level-2	4.64	4.64	3.42	3.42
2	Financial liability designated at amortised cost						
a)	Borrowings	E		2701.08	2,701.08	2301.94	2,301.94
b)	Trade payables *			482.68	482.68	356.24	356.24
c)	Other financial liability			162.97	162.97	234.46	234.46
d)	Financial Obligation Towards Letter of Comfort	F	Level-3	4.09	4.09	5.65	5.65
				3,355.46	3,355.46	2,901.71	2,901.71

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

- A The fair values of derivatives are on MTM as per Bank
- B Company has opted to fair value its mutual fund investment through statement of profit & loss
- C Company has opted to fair value its quoted investments in equity share through OCI
- D As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 52. FINANCIAL INSTRUMENTS (contd.)

- E Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.
- F The Management has obtained independent valuer's report for Financial Liability against Letter Of Comfort (LOC) issued by the Company for borrowing facility extended to a step-down subsidiary by the Bank. The fair valuation of LOC is based on the best evidence of fair value determined by the valuer which valued the Letter of Comfort by applying Black Scholes Put Option Model using the inputs (including business projections, cash flows, terminal value etc) provided by the management of the Company and used applicable discount rate (as adjusted for risk) in arriving at the expected value of LOC.

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTE 53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

53.1 Financial Risk Factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. Whenever, the currency cover costs are such as to neutralize the advantage in foreign currency, loans are hedged so as to not to lose advantage. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

i. Credit Risk

"The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company. The company has stopped supply mechanism in place in case outstanding goes beyond agreed limits.

ii. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a. Foreign Currency Risk and Sensitivity

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

The following table analyzes foreign currency risk from financial instruments as of March 31, 2022:

₹ in crores (10 Million)

Particulars	USD	Euro	GBP	SEK/Other currency	Total
Financial Assets					
Trade receivables	96.64	2.53	-	-	99.17
Financial Liabilities					
Trade payables	(40.50)	(7.18)	-	-	(47.68)
Other financials liabilities					
Borrowings	(161.38)	(871.94)	-	-	(1,033.32)
Interest Accrued but not due	(0.26)	(3.05)	-	-	(3.31)
Net Assets / (Liabilities)	(105.50)	(879.64)	-	-	(985.14)

The following table analyzes foreign currency risk from financial instruments as of March 31, 2021:

₹ in crores (10 Million)

Particulars	USD	Euro	GBP	SEK/Other currency	Total
Financial Assets					
Trade receivables	46.73	1.15	0.02	-	47.90
Financial Liabilities					
Trade payables	(54.67)	(11.91)	-	(0.32)	(66.90)
Other financials liabilities					
Borrowings	(24.45)	(497.17)	-	-	(521.62)
Interest Accrued but not due	(0.02)	(2.10)	-	-	(2.12)
Net Assets / (Liabilities)	(32.41)	(510.03)	0.02	(0.32)	(542.74)

The following significant exchange rates have been applied during the year.

₹ in crores (10 Million)

INR	Year-end spot rate	
	March 31, 2022	March 31, 2021
USD	75.81	73.50
EUR	84.66	86.10
GBP	99.55	100.95

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax:

Particulars	₹ in crores (10 Million)			
	2021-22		2020-21	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
USD Sensitivity	0.10	(0.10)	(0.05)	0.05
Euro Sensitivity	(0.60)	0.60	(0.03)	0.03
GBP Sensitivity (PY ₹450/-)	-	-	0.00	(0.00)
SEK Sensitivity (PY ₹1,786/-)	-	-	(0.00)	0.00
CNY Sensitivity (PY ₹4,539/-)	-	-	(0.00)	0.00
Increases/ (decrease) in profit or loss	(0.50)	0.50	(0.08)	0.08

Summary of Exchange difference accounted in Statement of Profit and loss:

Particulars	₹ in crores (10 Million)	
	2021-22	2020-21
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	-	-
Net foreign exchange (gain)/ losses shown as Finance Cost	11.24	7.92
Net foreign exchange (gain)/ losses shown as Other Income	(6.21)	(0.61)
Derivatives		
Currency forwards (gain) / losses shown as operating expenses	-	-
Interest rate swaps (gain) / losses shown as finance cost	(24.38)	(9.14)
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Total	(19.35)	(1.83)

b. Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates exposes to cash flow risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Interest Rate Risk Exposure

Particulars	₹ in crores (10 Million)			
	As at March 31, 2022		As at March 31, 2021	
	(₹ in crores)	% of Total	(₹ in crores)	% of Total
Fixed Rate Borrowings	959.21	35.51%	650.65	28.27%
Variable Rate Borrowings	1,741.87	64.49%	1,651.29	71.73%
Total Borrowings	2,701.08	100.00%	2,301.94	100.00%

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Sensitivity on variable Rate Borrowings

₹ in crores (10 Million)

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	March 31, 2022	March 31, 2021*	March 31, 2022	March 31, 2021*
Interest Rate Increase by 0.25%	(4.35)	(1.59)	(4.35)	(1.59)
Interest Rate decrease by 0.25%	4.35	1.59	4.35	1.59

*Excluding impact of fund utilized for capital work in progress.

c. Commodity Price Risk and Sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

CREDIT RISK

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹217.19 Crore and ₹79.17 Crore as of March 31, 2022 and March 31, 2021, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

(In %)

Particulars	Year ended March 31 st	
	2022	2021
Revenue from top customer	7.95%	5.64%
Revenue from top five customers	21.22%	18.31%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2022 was ₹1.34 Crore.

₹ in crores (10 Million)

Particulars	Year ended March 31 st	
	2022	2021
Balance at the beginning	0.86	0.48
Impairment loss reversed	-	-
Additional provision created during the year	-	0.38
Impact of Slump Sale	0.48	-
Balance at the end	1.34	0.86

The deposits with banks comprises mostly the liquid investment of the company and are generally not exposed to credit risk

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Ageing Analysis of Trade Receivables

₹ in crores (10 Million)

Particulars	March 31, 2022				March 31, 2021			
	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months
Unsecured	150.09	60.00	0.93	7.51	46.79	32.38	-	0.86
Provision for Doubtful Receivables	-	-	-	1.34	-	-	-	0.86
Net Balance	150.09	60.00	0.93	6.17	46.79	32.38	-	-

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirement. The company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The company's exposure to liquidity risk arises primarily from mismatch of the maturities of financial assets and liabilities. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The company also has adequate credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

₹ in crores (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	184.24	184.24	-	-	184.24
Borrowings - Non-Current (including Lease Liability)	2,516.84	264.03	1,325.74	927.07	2,516.84
Trade payables	482.68	482.68	-	-	482.68
Other financial liabilities - Current	81.03	81.03	-	-	81.03
Other financial liabilities - Non-Current					
Trade Deposits	83.11	-	-	83.11	83.11
Interest accrued but not due on loans	1.98	-	1.98	-	1.98
Derivative Financial Instruments	1.36	-	0.83	0.53	1.36
Financial Obligation Towards Letter of Comfort	4.09	-	-	4.09	4.09
Others	0.13	-	-	0.13	0.13

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

₹ in crores (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	175.84	175.84	-	-	175.84
Borrowings - Non-Current (including Lease Liability)	2,126.10	222.25	1,057.08	846.77	2,126.10
Trade payables	356.24	356.24	-	-	356.24
Other financial liabilities - Current	159.56	159.56	-	-	159.56

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 53. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

₹ in crores (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Other financial liabilities - Non-Current					
Trade Deposits	74.11	-	-	74.11	74.11
Interest accrued but not due on loans	1.70	-	1.70	-	1.70
Derivative Financial Instruments	2.51	-	1.73	0.78	2.51
Financial Obligation Towards Letter of Comfort	5.65	-	-	5.65	5.65

53.2 Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

53.3 Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be

₹ in crores (10 Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings	2,701.08	2,301.94
Less: cash and cash equivalents including bank balance	14.28	8.69
Less: Current Investments	615.20	525.97
Net debt	2,071.60	1,767.28
Equity	3,044.66	2,600.22
Capital and Net debt	5,116.26	4,367.50
Gearing Ratio	40%	40%

NOTE 54. DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Forward Contract outstanding for the purpose of hedging at the Balance Sheet Date

Sr. No.	Foreign Currency	March 31, 2022		March 31, 2021	
		FC in Million	₹ In crores	FC in Million	₹ In crores
1	US Dollar	19.09	144.72	1.53	11.21
2	Euro	74.05	626.89	20.06	172.68

Nominal amounts of Complete Currency Swaps (CCS) for hedging entered into by the Company and outstanding at end of the year is ₹11.95 Crore (Previous year ₹20.28 Crore)

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 54. DERIVATIVE FINANCIAL INSTRUMENTS (contd.)

Foreign Currency Exposure not hedged as at the Balance Sheet Date

Sr. No.	Foreign Currency	March 31, 2022		March 31, 2021	
		FC in Million	₹ In crores	FC in Million	₹ In crores
1	US Dollar *	(5.17)	(39.21)	2.88	21.20
2	Euro	28.44	240.79	36.83	317.08
3	GBP *	-	-	(0.002)	(0.02)
4	SEK	-	-	0.09	0.07
5	CNY	-	-	0.22	0.25

*Net of Receivables USD 9.00 Million – ₹68.21 Crore (Previous year USD 2.36 Million – ₹17.33 Crores), EUR 0.30 Million – ₹2.53 Crores (Previous year EUR 0.13 Million – ₹1.15 Crores) and GBP Nil – ₹ Nil (Previous year GBP 0.002 Million – ₹ 0.02 Crore).

Interest Rate Swaps

The Company has variable interest borrowings. To offset the risk of variation in interest rates, the Company has entered into, fix pay and variable receipt, interest rate swaps. These swap contracts are in US Dollar, Euro and INR. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Sr. No.	Foreign Currency	March 31, 2022		March 31, 2021	
		Loan FC in Million	MTM ₹ In crores (Gain)/Loss	Loan FC in Million	MTM ₹ In crores (Gain)/Loss
1	US Dollar	-	-	0.16	0.01
2	Euro	56.07	(29.30)	10.39	0.76
3	INR	-	(12.61)	-	(9.66)

55 Acquisition of Business on Slump Sale Basis

- a) The Board of Directors at its meeting held on 30th July 2021 had approved acquisition of Embedded Systems and Electro-optics Division of Deepti Electronics & Electro Optics Private Limited, as a going concern on slump sale under a Business Transfer Agreement (BTA), payable in cash. BTA was signed on 8th September 2021 with the deemed date of transfer as 1st April 2021. Company has completed the acquisition of the business on March 31, 2022 and relevant impact has been given in the books of accounts as per IND As 103.

Fair value of identifiable assets acquired, and liabilities assumed, based on the report of independent valuer, as on the date of acquisition is as below:

Particulars	₹ In crores (10 Million)
Non-current Assets*	28.17
Current Assets	27.84
Total Assets (A)	56.01
* including Design and Prototype of ₹14.79 Crore.	
Non-current Liabilities	2.55
Current Liabilities	33.26
Total Liabilities (B)	35.81
Fair value of identifiable net assets (C = A - B)	20.20
Purchase Consideration (D)	20.30
Goodwill (D - C)	0.10

- b) The Company has also paid Non-Compete fee amounting to ₹4.50 Crore in connection with above.

Notes to the Standalone Financial Statement for the year ended March 31, 2022

56 Analytical Ratios

Srl No	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	% Change
1	Current Ratio (in Times)	Total Current Assets	Total Current Liability	1.50	1.24	20.37%
2	Debt Equity Ratio (in Times)	Total Debt*	Shareholder's Equity	0.89	0.89	-0.21%
3	Debt Service Coverage Ratio (in Times)	Earning for Debt Service ^	Debt Service ^^	1.81	1.67	8.18%
4	Return on Equity	Net Profits After Taxes	Average Shareholder's Equity	18.11%	12.97%	5.14%
5	Inventory Turnover Ratio (in Times)	Sales	Average Inventory	9.58	6.86	39.72%
6	Trade Receivable Turnover Ratio (in Times)	Sales	Average Trade Receivables	26.25	35.35	-25.73%
7	Trade Payable Turnover Ratio (in Times)	Purchases	Average Trade Payables	5.09	3.84	32.45%
8	Net Capital Turnover Ratio (in Times)	Net Sales	Average Working Capital	9.09	10.78	-15.73%
9	Net Profit Ratio	Net Profit After Tax	Net Sales	13.14%	11.85%	1.29%
10	Return on Capital Employed	Earning before Interest & Taxes	Capital Employed #	13.75%	10.39%	3.35%
11	Return On Investment					
	a) Quoted Equity Shares			17.34%	109.72%	-92.37%
	b) Mutual Funds			4.37%	5.92%	-1.55%
	c) Fixed Deposit with NBFC			4.85%	4.85%	-
	d) Non Convertible Debentures			6.20%	8.39%	-2.19%

* Debt consists of Borrowings and Lease Liabilities

^ Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments

^^ Debt service = Interest and Lease payments + Principal repayments

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

Reason for Variance:

- (i) Inventory Turnover Ratio: Primarily on account of increase in Sales.
- (ii) Trade Receivable Turnover Ratio: Primarily on account of increase in Trade Receivable.
- (iii) Trade Payable Turnover Ratio: Primarily on account of decrease in Trade Payables.
- (iv) Return On Investment (Quoted Equity Share) : Impact of Market dynamics.

NOTE 57. IMPAIRMENT REVIEW

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

- (i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 58. INFORMATION RELATED TO CONSOLIDATED FINANCIALS

The Company is listed on stock exchange in India, the Company has prepared consolidated financial as required under IND AS110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's website for public use.

NOTE 59. INCOME TAX

a) Amount recognised in Statement of Profit and Loss

Particulars	₹ in crores (10 Million)	
	2021-22	2020-21
Current Income Tax		
Current year *	157.73	124.22
MAT Credit Entitlement		
Current year	-	-
Reversal of MAT credit entitlement of earlier years	-	0.75
Total	157.73	124.97
Deferred Tax	92.58	6.26
Income tax expense reported in the statement of profit and loss	250.31	131.23

* including ₹ 2.05 crore related to earlier years {Previous year is ₹(-) 4.49 Crore}.

b) Reconciliation of Effective Tax Rate

Particulars	₹ in crores (10 Million)	
	2021-22	2020-21
Profit before tax	761.40	453.42
At applicable Statutory Income Tax Rate @ 34.944%	266.06	158.44
Tax Impact on:-		
Benefit of 80IA	(21.75)	(26.18)
Donation	0.94	(0.63)
In House R&D Expenditure	(0.22)	(0.12)
CSR Expenditure	4.01	3.62
Others	1.27	(3.90)
Reported Income Tax Expense	250.31	131.23
Effective Tax Rate	32.87%	28.94%

Notes to the Standalone Financial Statement for the year ended March 31, 2022

NOTE 60. SEGMENT INFORMATION

Information about primary segment

The Company has one reportable business segment i.e. Paper and Board and one geographical reportable segment i.e. Operations mainly within India. The performance is reviewed by the Board of Directors (Chief operating decision makers).

NOTE 61.

Previous year figures have been regrouped/rearranged, wherever considered necessary to conform to current year's classification.

NOTE 62.

Notes 1 to 61 are annexed to and form an integral part of financial statements.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration Number: 301051E

N.K. LODHA
Partner
Membership No: 085155
New Delhi, the 13th May, 2022

V. Kumaraswamy
Chief Finance Officer

Deepak Gupta
Company Secretary

For and on behalf of the Board of Directors

Bharat Hari Singhania
Harsh Pati Singhania
A.S. Mehta

Chairman
Vice Chairman & Managing Director
President & Director

Deepa Gopalan Wadhwa
Sandip Somany
S.K. Roongta
Vinita Singhania

Directors

Standalone Cash Flow Statement for the year ended March 31, 2022

₹ in crores (10 Million)

	2021-22	2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	761.40	453.42
Adjustments for :		
Depreciation and amortization	169.04	153.62
Defined Benefit Plans charged to OCI	(0.87)	2.64
Income from Investments	(19.89)	(20.66)
(Profit)/ Loss on Sale of Property, Plant and Equipment (Net)	(0.22)	0.77
Dividend Income {PY ₹.(-)17,856/-}	(0.10)	(0.00)
Finance Cost	92.65	94.37
Interest Income	(53.61)	(48.89)
Foreign Exchange Fluctuation	0.09	(0.38)
Provision for diminution in value of Non Current investments	11.10	-
Assets Written off	0.45	0.44
Provision for Doubtful Debts	-	0.38
Provision for earlier years no longer required	(54.94)	(17.98)
Operating Profit before Working Capital Changes	905.10	617.73
Adjustments for Working Capital Changes:		
Trade and Other Receivables	(329.01)	(97.06)
Inventories	(113.87)	101.70
Trade and Other Payables	263.62	13.46
Cash generated from Operations	725.84	635.83
Taxes paid	(126.56)	(76.17)
Net Cash from Operating Activities	599.28	559.66
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property Plant & Equipment	(718.92)	(1,066.19)
Sale of Property Plant & Equipment	2.12	1.79
Acquisition through Slump Sale	(20.30)	-
Non Compete Fee	(4.50)	-
Sale/(Purchase) of Investments (Net)	(121.47)	(138.70)
Dividend Income (PY ₹.17,856/-)	0.10	0.00
Interest Received	72.99	37.47
Net Loans & Advances	32.75	(160.00)
Net Cash from Investing Activities	(757.23)	(1,325.63)
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Buyback of equity shares including buyback tax & other transaction costs	-	(96.45)
Proceeds of Long-term Borrowings	673.84	1,115.30

Standalone Cash Flow Statement for the year ended March 31, 2022

₹ in crores (10 Million)

	2021-22		2020-21	
Repayment of Long-term Borrowings	(318.44)		(231.61)	
Proceeds/(Repayment) from Short-term Borrowings (Net)	(22.60)		59.17	
Payment of lease Liabilities	(16.30)		(15.71)	
Interest and Financial Charges	(85.26)		(86.03)	
Dividend	(67.70)		(0.23)	
Net cash from Financing Activities		163.54		744.44
D. Increase/(Decrease) in Cash and				
Cash Equivalents - Cash & Bank Balance		5.59		(21.53)
E. Cash and Cash Equivalents as at the beginning of the				
year - Cash & Bank Balances		8.69		30.22
F. Cash and Cash Equivalents as at the close of the				
year - Cash & Bank Balances		14.28		8.69

Notes :

	2021-22		2020-21	
	Long Term	Short Term	Long Term	Short Term
(a) Total Liabilities from Financing Activities				
Opening	2,126.10	175.84	1,253.58	116.67
Cash Flow Changes				
Inflow/(Repayments)	355.40	(22.60)	883.69	59.17
Non-Cash Flow Changes				
Foreign Exchange	(14.75)	-	(3.23)	-
Lease Liabilities	48.60	-	(7.26)	-
Other	1.49	31.00	(0.68)	-
Closing	2,516.84	184.24	2,126.10	175.84

(b) Previous year's figures have been re-grouped / re-arranged wherever necessary.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration Number: 301051E

N.K. LODHA
Partner
Membership No: 085155
New Delhi, the 13th May, 2022

V. Kumaraswamy
Chief Finance Officer

Deepak Gupta
Company Secretary

For and on behalf of the Board of Directors

Bharat Hari Singhania
Harsh Pati Singhania
A.S. Mehta

Chairman
Vice Chairman & Managing Director
President & Director

Deepa Gopalan Wadhwa
Sandip Somany
S.K. Roongta
Vinita Singhania

Directors

Form AOC - I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries/ associate companies/ joint ventures

Part - "A": Subsidiaries

₹ In crores (10 Million)

Sl. No	Particulars	The Sirpur Paper Mills Limited	Jaykaypur Infrastructure & Housing Limited	Songadh Infrastructure & Housing Limited	Enviro Tech Ventures Limited	JKPL Packaging Products Limited	JK Paper International (Singapore) Pte. Limited
1	Financial Year ended on	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
2	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	US\$
3	Closing Exchange Rate	-	-	-	-	-	75.81
4	Share Capital	182.00	4.95	4.95	21.27	40.05	22.21
5	Reserve & Surplus/ (Accumulated Losses)	(58.01)	0.11	2.13	47.09	(0.51)	(8.66)
6	Total Assets	1,016.29	38.13	18.16	310.90	57.55	13.58
7	Total Liabilities	1,016.29	38.13	18.16	310.90	57.55	13.58
8	Investments	-	-	-	173.34	-	13.54
9	Total Turnover	607.42	8.12	3.51	19.21	-	0.00
10	Profit/ (Loss) before tax	40.27	1.39	0.46	(5.08)	(0.51)	(11.16)
11	Provision for Income Tax	-	0.39	0.11	0.51	-	-
12	Profit/ (Loss) after tax	40.27	1.00	0.35	(5.59)	(0.51)	(11.16)
13	Proposed Dividend	-	-	-	-	-	-
14	% of Shareholding	96.27%	100%	100%	96.08%	100%	100%

Part - "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

S. No.	Name of Joint Venture Company	Habras MZZ Plantation Myanmar Company Limited
1	Financial Year/Period ended on	March 31, 2022
2	% of Shareholding	50%
3	Investment in Joint Venture	13.54
	Extent of Holding %	50%
4	Description of how there is significant influence	Based on Shareholding
5	Reason why the Joint Venture is not consolidated	Not Applicable
6	Net worth attributable to Share Holding as per latest Un-audited Balance sheet	13.54
7	Loss for the year	NIL
	i) Considered in consolidation	NIL
	ii) Not Considered in consolidation	NIL

For and on behalf of the Board of Directors

Bharat Hari Singhania
Harsh Pati Singhania
A. S. Mehta

Chairman
Vice Chairman & Managing Director
President & Director

V. Kumaraswamy
Chief Finance Officer

Deepak Gupta
Company Secretary
New Delhi, the 13th May, 2022

Deepa Gopalan Wadhwa
Sandip Somany
S.K. Roongta
Vinita Singhania

Directors

INDEPENDENT AUDITOR'S REPORT

To
The Members of
JK Paper Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JK Paper Limited ("the Company"/ " Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at March 31, 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its jointly controlled entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred under the Other matters section below, other than the unaudited financial statements as certified by the management and referred under the Other Matters section below, is sufficient

and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Holding Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and the reports of the other reports as furnished to us (Refer Other Matters section below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and changes in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective management and Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entity 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and jointly controlled entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and jointly controlled entity are also responsible for overseeing the financial reporting process of the Group and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- A) We did not audit the financial statements/ financial information of three subsidiaries, whose financial statements/financial information reflect total assets of ₹367.19 Crore as at March 31 2022, total revenue of ₹30.84 Crore, total net profit / (loss) after tax of (₹4.24 Crore) and total comprehensive income of (₹4.24 Crore) and net cash outflow of ₹ 0.64 Crore. for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act including report on Other information in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.
- B) We did not audit the financial statements/ financial information of one subsidiary (including 1 jointly controlled entity considered for consolidation as per Ind AS 110) whose financial statements / financial information reflect total assets of ₹13.58 Crore as at March 31, 2022, total revenue of ₹ Nil, total net profit / (loss) after tax of ₹ (11.17 Crore), total comprehensive income of ₹ (11.17 Crore) and net cash outflow of ₹0.06 Crore. for the year ended March 31, 2022, as considered in the consolidated financial statements. These

financial statements /financial information are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary and jointly controlled entity are based solely on such management certified unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management, these financial statements/ financial information are not material to the Group.

The above subsidiary and jointly controlled entity are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been provided by the management of the subsidiary and jointly controlled entity under generally accepted auditing standards applicable in their country. The Company's management has converted the financial statements of such subsidiary and jointly controlled entity located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and jointly controlled entity located outside India is based on the management certified financial statements and financial information in case the subsidiary and jointly controlled entity are un-audited and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion on the Consolidated Financial Statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ information certified by the management.

Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - 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 of the aforesaid consolidated financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 and taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate Report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- I. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity.
 - II. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as at 31st March, 2022.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
- IV. (a) The respective Managements of the Holding Company and its subsidiaries incorporated in India whose financial statements/ financial information have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of its subsidiaries incorporated in India, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or any of its subsidiaries incorporated in India or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Holding Company and its subsidiaries incorporated in India whose financial statements/ financial information have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of its subsidiaries incorporated in India, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiaries incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries companies which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the

other auditors to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contain any material mis-statement.

- V. (a) The dividend paid during the year by the Holding Company is in compliance with section 123 of the Act.
- (b) The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members in the ensuing General meeting. The amount of dividend proposed is in accordance with section 123 of the Act. However, Subsidiary Company (including step down subsidiary) have not declared or paid dividend during the year.
- h) With respect to the other matter to be included in the Auditors' report under Section 197(16) :

In our opinion and according to the information and explanation given to us, the remuneration paid/provided for the year ended March 31, 2022 by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the Act .

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-B, a statement on the matter specified in paragraph 3 and 4 of the Order, to the extent applicable.

For LODHA & CO.

Chartered Accountants

Firm's Registration No:301051E

N. K. Lodha

Partner

Membership No: 085155

UDIN : 22085155AIXPYL9808

Place: New Delhi

Date: 13th May, 2022

Annexure – A to the Auditors' Report

Report on the consolidated financial statements of JK Paper Limited for the year ended 31st March, 2022

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2022, we have audited the internal financial controls with reference to the consolidated financial statements of JK Paper Limited ("the Company" or "the Holding Company") and its subsidiary companies, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of the sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including

the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company and its Subsidiary companies, which are incorporated in India, have, maintained, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Consolidated Financial Statements and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of

Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these Consolidated Financial Statements of the Holding Company, insofar as it relates to three subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matters.

For LODHA & CO.

Chartered Accountants

Firm's Registration No: 301051E

N. K. Lodha

Partner

Membership No: 085155

Place: New Delhi

Date: 13th May, 2022

Annexure B to Independent Auditor's Report

Referred to in Independent Auditor's Report of even date to the members of JK Paper Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2022.

In terms of paragraph 3(xxii) of the CARO 2020, in case of following companies remarks as stated by the respective auditors in CARO 2020, included in the Consolidated Financial Statements of the holding company are as under:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective Auditor's Report	Paragraph number in the respective CARO reports
1	JK Paper Limited	L21010GJ1960PLC018099	Holding Company	13 th May, 2022	(i)(c), (ii)(b) and (iii)(e)
2	JKPL Packaging Products Limited	U36991DL2021PLC383047	Subsidiary	07 th May, 2022	(i)(c) and (xvii)
3	The Sirpur Paper Mills Limited	U21010TG1938PLC000591	Step Down Subsidiary	09 th May, 2022	(xvii)
4	Enviro Tech Ventures Limited	U73100GJ2007PLC075963	Subsidiary	09 th May, 2022	3(e) and 18

For LODHA & CO.
Chartered Accountants
Firm's Registration No: 301051E

N. K. Lodha
Partner
Membership No: 085155
UDIN : 22085155AIXPYL9808
Place: New Delhi
Date: 13th May, 2022

Consolidated Balance Sheet as at March 31, 2022

₹ in crores (10 Million)

Particulars	Note	March 31, 2022	March 31, 2021
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	5,177.67	2,944.72
Capital Work-in-Progress	2.1	42.44	1,701.71
Investment Property	4	54.09	54.78
Goodwill		9.91	9.81
Other Intangible Assets	3	38.78	21.65
Intangible Assets Under Development	3.1	3.85	2.03
Financial Assets			
Investments	5	105.21	113.89
Loans	6	27.00	-
Other Financial Assets	7	98.03	43.37
Other Non-Current Assets	8	41.44	48.85
		5,598.42	4,940.81
Current Assets			
Inventories	9	519.23	382.98
Financial Assets			
Investments	10	619.05	526.77
Trade Receivables	11	217.20	79.09
Cash and Cash Equivalents	12	8.88	5.98
Bank Balances other than above	13	13.32	13.55
Loans	14	41.95	127.50
Other Financial Assets	15	147.31	169.11
Other Current Assets	16	459.17	309.07
		2,026.11	1,614.05
Total Assets		7,624.53	6,554.86
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	169.40	169.40
Other Equity		2,826.64	2,346.68
		2,996.04	2,516.08
Non-controlling interest		6.18	4.83
Non-Current Liabilities			
Financial Liabilities			
Borrowings	18	2,608.57	2,345.29
Lease Liabilities	18.1	57.58	13.14
Other Financial Liabilities	19	86.58	78.32
Provisions	20	12.28	9.88
Deferred Tax Liabilities (Net)	21	515.46	395.59
Other Non-Current Liabilities	22	43.83	45.83
		3,324.30	2,888.05
Current Liabilities			
Financial Liabilities			
Borrowings	23	458.97	423.96
Lease Liabilities	18.1	11.86	7.70
Trade Payables	24		
Micro & Small Enterprises		12.75	9.52
Others		512.83	387.59
Other Financial Liabilities	25	107.78	182.38
Other Current Liabilities	26	184.42	127.11
Provisions	27	0.15	1.64
Current Tax Liabilities	28	9.25	6.00
		1,298.01	1,145.90
Total Equity and Liabilities		7,624.53	6,554.86
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Consolidated Financial Statements
As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Registration Number: 301051E

For and on behalf of the Board of Directors

Bharat Hari Singhania Chairman
Harsh Pati Singhania Vice Chairman & Managing Firm's Director
A.S. Mehta President & Director

V. Kumaraswamy
Chief Finance Officer

N.K. LODHA
Partner
Membership No: 085155
New Delhi, the 13th May, 2022

Deepak Gupta
Company Secretary

Deepa Gopalan Wadhwa
Sandip Somany
S.K. Roongta
Vinita Singhania



Directors

Consolidated Statement of Profit & Loss for the year ended March 31, 2022

₹ in crores (10 Million)

Particulars	Note	2021-22	2020-21
Revenue :			
Sales		4,153.47	2,977.10
Less : Discounts		275.77	249.77
Net Sales		3,877.70	2,727.33
Other Operating Revenue	29	90.86	23.39
Revenue from Operations		3,968.56	2,750.72
Other Income	30	124.36	111.28
Total Revenue		4,092.92	2,862.00
EXPENSES			
Cost of Materials Consumed	31	1,631.02	1,150.56
Purchases of Stock-in-Trade		93.75	73.10
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	32	4.94	94.78
Employee Benefits Expense	33	381.52	305.32
Finance Costs	34	131.88	128.60
Depreciation and Amortisation Expenses	35	193.05	174.25
Other Expenses	36	860.06	565.18
Total Expenses		3,296.22	2,491.79
Profit Before Interest, Depreciation & Tax (EBITDA)		1,121.63	673.06
Profit/(Loss) Before Tax		796.70	370.21
Tax Expense			
Current Tax		159.97	125.26
Less : MAT Credit Entitlement/Adjustment		-	0.75
Provision / (Credit) for Deferred Tax		92.91	7.48
Profit for the period		543.82	236.72
Share in Profit/(loss) of Joint Venture		-	-
Non-Controlling Interest		-	-
Net Profit after Taxes, Non-Controlling Interest and Share of Profit in Joint Venture		543.82	236.72
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		2.52	3.96
(ii) Tax on (i) above		0.31	(0.92)
(iii) Equity Instruments through Other Comprehensive Income		1.67	4.71
(iv) Tax on (iii) above		-	-
Items that will be reclassified to statement of Profit and Loss			
Exchange differences on translating the financial statements of a foreign operations		0.75	(0.61)
Total Comprehensive Income for the period		549.07	243.86
Net Profit attributable to:			
a) Owners of the company		542.60	239.95
b) Non controlling interest		1.22	(3.23)
Other comprehensive Income attributable to:			
a) Owners of the company		5.12	7.09
b) Non controlling interest		0.13	0.05
Total comprehensive Income attributable to:			
a) Owners of the company		547.72	247.04
b) Non controlling interest		1.35	(3.18)
Earnings per Equity Shares			
1) Basic (in ₹)		32.03	13.73
2) Diluted (in ₹)		32.03	13.73
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration Number: 301051E

V. Kumaraswamy
Chief Finance Officer

N.K. LODHA
Partner
Membership No: 085155
New Delhi, the 13th May, 2022

Deepak Gupta
Company Secretary

For and on behalf of the Board of Directors

Bharat Hari Singhania
Harsh Pati Singhania
A.S. Mehta

Chairman
Vice Chairman & Managing Director
President & Director

Deepa Gopalan Wadhwa
Sandip Somany
S.K. Roongta
Vinita Singhania



Directors

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

Particulars	₹ in crores (10 Million)	
	April 1, 2020	March 31, 2022
Changes in Equity Share Capital during 2020-21 (refer Note 41)	178.24	169.40
Changes in Equity Share Capital during 2021-22	(8.84)	169.40

B. Other Equity

Particulars	₹ in crores (10 Million)													
	Equity Component of Compound financial Instruments	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Reserve and Surplus	Debt Redemption Reserve	General Reserve	Other Comprehensive Income (OCI)	Items that will not be Reclassified to profit or loss through OCI	Exchange differences on translating the financial statements of a foreign operations	Re-measurement of the net defined benefit plans	Equity Instruments through OCI	Total Attributable to owners of the Parent	Attributable to Non - Controlling Interests
April 1, 2020	31.00	845.57	29.92	3.00	525.93	4.74	750.59	2.82	(9.62)	3.30		2,187.25	8.01	2,195.26
Changes in Equity for the year ended March 31, 2021	-	239.95	-	-	-	-	-	-	-	-	-	239.95	(3.23)	236.72
Profit for the year	-	-	-	8.84	(87.61)	-	(8.84)	-	-	-	-	(87.61)	-	(87.61)
Adjustments related to Buy Back of Equity Shares (refer Note 41)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings	-	(200.00)	-	-	-	-	200.00	-	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	(0.61)	2.99	-	4.71	-	7.09	0.05	7.14
March 31, 2021	31.00	885.52	29.92	11.84	438.32	4.74	941.75	2.21	(6.63)	8.01		2,346.68	4.83	2,351.51
Changes in Equity for the year ended March 31, 2022	-	542.60	-	-	-	-	-	-	-	-	-	542.60	1.22	543.82
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings	-	(200.00)	-	-	-	-	200.00	-	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	0.75	2.70	-	1.67	-	5.12	0.13	5.25
Dividend Paid	-	(67.76)	-	-	-	-	-	-	-	-	-	(67.76)	-	(67.76)
March 31, 2022	31.00	1,160.36	29.92	11.84	438.32	4.74	1,141.75	2.96	(3.93)	9.68		2,826.64	6.18	2,832.82

Notes:

- Securities Premium Reserve represents the amount received in excess of par value of Securities issued by the Company, which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
- General Reserve represents accumulated profits set apart by way of transfer from current year Profits/or/and Surplus in Profit & Loss Statement comprised in Retained Earnings for "other than specified purpose".
- Capital Redemption Reserve Represents the statutory reserve created at the time redemption of Preference Share Capital and buy back of Equity Share Capital, which can be applied for issuing fully paid-up bonus shares.
- Capital Reserve represents the excess of consideration received against the sale of identifiable assets.
- Debt Redemption Reserve created out of the profits which is available for the purpose of redemption of debentures.

The accompanying notes referred to above form an integral part of the Consolidated Financial Statements

As per our report of even date attached

For LODHA & CO.

Chartered Accountants

Firm's Registration Number: 301051E

V.Kumaraswamy
Chief Finance Officer

N.K. LODHA

Partner

Membership No: 085155

New Delhi, the 13th May, 2022

For and on behalf of the Board of Directors

Bharat Hari Singhania

Harsh Pati Singhania

A.S.Mehta

Deepa Gopalan Wadhwa

Sandip Somany

S.K. Roongta

Vinita Singhania

Chairman

Vice Chairman & Managing Director

President & Director

Directors

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

1.1. The Group overview:

The Group, JK Paper Limited (JKPL) and its subsidiaries is India's largest producer of branded papers and a leading player in Coated Papers and High-end Packaging Boards.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on 13 May, 2022.

1.2. Statement of Compliance:

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended time to time and other relevant provisions of the Companies Act, 2013.

1.3. Significant Accounting Policies for the year ended March 31, 2022.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised, when control of goods being sold is transferred to customer and where there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Sales as disclosed, are exclusive of Goods and Services Tax.

The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods to a customer, excluding amount collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

The transaction price is allocated by the company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer.

Export Incentives

Income from export incentives and duty drawbacks is recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Interest Income

Interest income is recognized on time proportion basis using the effective interest method.

Dividend Income

Dividend income is recognized when the right to receive payment is established by the reporting date, which is generally when shareholders approve the same.

Renewal Energy Certificate

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on sale of REC's.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

(contd.)

(ii) Inventory Valuation

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade, Stores & Spares and Renewable Energy Certificates are valued at the lower of cost and net realisable value (except scrap/waste which are value at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand cash at bank and demand deposits with banks with an original maturity of three months or less which are subject to an insignificant risk of change in value.

(iv) Property, Plant and Equipment

On transition to IND AS, the company had adopted optional exception under IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value. Consequently the fair value had been assumed to be deemed cost of PPE on the date of transition. Subsequently PPE were carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

PPE acquired are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Capital work-in-progress includes cost of PPE under installation / under development as at the balance sheet date. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation on Buildings, Plant & Machinery, Railway Siding and Other Assets of all Units is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 10 to 40 years for plant and machinery and 8 to 60 years for buildings.

Depreciation on additions due to exchange rate fluctuation is provided on the basis of residual life of the assets. Depreciation on assets costing up to ₹5000/- and on Temporary Sheds is provided in full during the year of additions.

Depreciation will be charged from the date the assets is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leased Assets

Leasehold lands are amortized over the period of lease, Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

(contd.)

expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

(v) Research and Development Costs

- Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.
- Items of Property, Plant and equipment and acquired intangible assets utilised for research and development are capitalised and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

(vi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company had adopted Ind AS 116 "Leases" effective April 1, 2019 (Transition date) using the simplified approach (Retrospective cumulative effect was from 1st April 2019)

Right of use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

(contd.)

Lease liabilities and Right-of-use assets have been presented as a separate line in Note 2 of Property, Plant and Equipment (PPE) and Note 17 of Non current Financial Liabilities -Borrowings. Lease payments have been classified as cash used in financing activities

Short Term Leases and Leases of Low Value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

(vii) Impairment

The carrying amount of PPEs, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(viii) Financial Assets & Liabilities

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.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(a) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(b) Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade Receivables

In respect of trade receivables the company applies the simplified approach of IND AS 109 "Financial Instruments", which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

(contd.)

Investment in Equity Shares

Investment in equity instruments which are held for trading are classified as at fair value through profit or loss ('FVTPL'). For all other equity instruments, the company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same as fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL'). Amount presented in other comprehensive income are not subsequently transferred to profit or loss.

Investment in Associates, Joint Ventures and Subsidiaries

The Company has accounted for its investment in subsidiaries, associates and joint venture at cost less provision for diminution, if any.

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at fair value through profit and loss. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

Derecognition

Financial Asset is primarily derecognised when:

- (i) The right to receive cash flows from asset has expired, or,
- (ii) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below :

a) 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 with all the changes recognized in the Statement of Profit and Loss.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

(contd.)

b) 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.

c) Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period 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 period.

d) 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 period. 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.

Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

(contd.)

Compound Financial Instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(ix) Foreign Exchange Transactions / Translations / Hedge Accounting

Financial statements are presented in Indian Rupee, which is Company's functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Financial instruments designated as Hedge Instruments are mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement except exchange differences on borrowings taken for qualifying assets are treated as borrowing cost and adjusted with qualifying assets. Non-Monetary Foreign Currency items are stated at cost.

The Company has continued capitalisation of foreign currency fluctuation on long term foreign currency liabilities outstanding on Ind AS transition date.

(x) Employee Benefits

a) Defined Contribution Plan:

The Company makes defined contribution to Superannuation Funds, which are accounted on accrual basis as expenses in the statement of Profit and Loss.

b) Defined Benefit Plan:

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19., 'Employee Benefits' These liabilities are funded on year-to-year basis by contribution to respective funds. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each yearend. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

The Defined Benefit Plan can be short term or Long terms which are defined below:

i) Short Term Employee Benefit

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

(contd.)

ii) Long Term Employee Benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date

c) Termination Benefits:

Termination benefits are recognized as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(xi) Earnings per Share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(xii) Income Tax

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

(contd.)

extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

(xiii) Provisions and Contingent Liabilities /Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(xiv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xvi) Fair Value Measurements

The Company measures financial instruments such as derivatives and certain investments, at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

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All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- **Level 1-** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xvii) Investment Properties :

Investment Properties comprises portions of freehold land and buildings that are held for long-term rentals yields and/or for capital appreciation. Investment properties are initially recognised at cost. Subsequent Investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on building is provided over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Though the Company measures investment property using cost based measurement, the fair value of investment is disclosed in notes.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised In the statement of profit and loss in the period of derecognition.

(xviii) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

a. Income Taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

b. Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

c. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 1. GROUP OVERVIEW, STATEMENT OF COMPLIANCE AND SIGNIFICANT ACCOUNTING POLICIES

(contd.)

Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

d. Defined Benefit Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments

(f) Business Combinations

Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportionate share of the acquiree's identifiable net assets.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 2. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in crores (10 Million)

Description	Gross Carrying Value					Depreciation				Net Carrying Value	
	Apr 01, 2021	Additions/ Adjustments	Sales/ Adjustments	Impact of Slump Sale DELOPT	March 31, 2022	Apr 01, 2021	For the year	On Sales/ Adjustments	March 31, 2022	March 31, 2022	March 31, 2021
Land - Freehold (a)	342.78	271.39	-	6.72	620.89	-	-	-	-	620.89	342.78
-Right-of-use Asset	76.88	37.53	-	0.05	114.46	2.90	1.45	-	4.35	110.11	73.98
Building	332.59	234.96	-	0.77	568.32	68.26	14.65	-	82.91	485.41	264.33
Plant & Equipment (b)	2,796.14	1,793.77	1.51	2.24	4,590.64	580.40	151.06	1.03	730.43	3,860.21	2,215.74
Right-of-use Asset	44.91	60.64	-	0.58	106.13	25.72	12.49	-	38.21	67.92	19.19
Furniture and Fixture	6.50	0.59	0.03	0.05	7.11	2.97	0.50	0.01	3.46	3.65	3.53
Office Equipment	13.98	3.70	0.11	0.28	17.85	8.32	2.29	0.09	10.52	7.33	5.66
Vehicles & Locomotive	25.51	8.11	4.50	0.01	29.13	7.50	3.50	2.65	8.35	20.78	18.01
Railway Siding	2.60	-	-	-	2.60	1.10	0.13	-	1.23	1.37	1.50
Total	3,641.89	2,410.69	6.15	10.70	6,057.13	697.17	186.07	3.78	879.46	5,177.67	2,944.72
Previous year	3,596.78	60.80	15.69	-	3,641.89	542.06	167.80	12.69	697.17	2,944.72	3,054.72

Notes:

- a) Includes cost of 4.67 acres land given on lease to Employees State Insurance Corporation for construction of Hospital for Employees. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ Crore)	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held (i.e. dates of Capitalisation)	Reason for not being held in name of company
Freehold Land	20.24	Not Applicable	No	2006	Land acquired through land acquisition order by High court and registration is pending as matter is sub-judice

- b) During the year ₹ 1.79 Crore has been deducted (Previous year ₹ 2.51 Crore was added) in Plant & Equipment due to Foreign Exchange Fluctuation (Net).

Note 2.1 CAPITAL WORK-IN-PROGRESS (CWIP)

Capital Work-In-Progress ageing schedule

₹ in crores (10 Million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress					
March 31, 2022	36.76	2.66	3.02	-	42.44
March 31, 2021	1,156.31	512.60	32.80	-	1,701.71
Projects temporarily suspended					
March 31, 2022	-	-	-	-	-
March 31, 2021	-	-	-	-	-

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 3. OTHER INTANGIBLE ASSETS

₹ in crores (10 Million)

Description	Gross Carrying Value					Amortisation				Net Carrying Value	
	Apr 01, 2021	Additions/ Adjustments	Sales/ Adjustments	Impact of Slump Sale DELOPT	March 31, 2022	Apr 01, 2021	For the year	On Sales/ Adjustments	March 31, 2022	March 31, 2022	March 31, 2021
Computer Software	31.67	3.08	0.01	0.15	34.89	10.02	5.38	-	15.40	19.49	21.65
Design & Prototype	-	-	-	14.79	14.79	-	-	-	-	14.79	-
Non Compete Fees	-	-	-	4.50	4.50	-	-	-	-	4.50	-
Total	31.67	3.08	0.01	19.44	54.18	10.02	5.38	-	15.40	38.78	21.65
Previous year	28.49	3.18	-	-	31.67	5.14	4.88	-	10.02	21.65	23.35

Note 3.1 INTANGIBLE ASSETS UNDER DEVELOPMENT

Intangible Assets Under Development ageing schedule

₹ in crores (10 Million)

Particulars	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress					
March 31, 2022		2.67	1.18	-	3.85
March 31, 2021		1.55	0.12	0.36	2.03
Projects temporarily suspended					
March 31, 2022	-	-	-	-	-
March 31, 2021	-	-	-	-	-

NOTE 4. INVESTMENT PROPERTY

₹ in crores (10 Million)

Description	Gross Block				Depreciation				Net Block	
	Apr 01, 2021	Additions/ Adjustments	Sales/ Adjustments	March 31, 2022	Apr 01, 2021	For the year	Sales/ Adjustments	March 31, 2022	March 31, 2022	March 31, 2021
Land										
Freehold	6.99	-	-	6.99	-	-	-	-	6.99	6.99
Leasehold	12.01	-	-	12.01	2.23	0.20	-	2.43	9.58	9.78
Buildings	47.69	0.91	-	48.60	9.68	1.40	-	11.08	37.52	38.01
Total	66.69	0.91	-	67.60	11.91	1.60	-	13.51	54.09	54.78
Previous year	64.13	2.56	-	66.69	10.34	1.57	-	11.91	54.78	53.79

As at 31st March 2019, the fair value of Land and Buildings are ₹ 116.20 Crore. These Valuations are based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. Management estimates that there is no major change in fair valuation as on March, 31, 2022.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 5. NON- CURRENT INVESTMENTS

₹ in crores (10 Million)

Particulars	Face Value ₹/Share	March 31, 2022		March 31, 2021	
		No of Share	Value	No of Share	Value
Quoted, Equity shares fully paid up					
Investment Carried at Fair Value through OCI					
JK Lakshmi Cement Limited	5/-	1,91,000	9.01	1,91,000	8.26
TCPL Packaging Limited	10/-	32,187	2.32	32,187	1.40
Investment in Equity instruments of Others					
Global Strategic Technologies Limited	10/-	3,42,000	0.34	3,42,000	0.34
Unquoted, Preference shares fully paid up					
Bengal & Assam Co. Limited	100/-	65,00,000	65.00	65,00,000	65.00
Global Strategic Technologies Limited	100/-	5,00,000	5.00	5,00,000	5.00
Deepti Electronics and Electro Optics Private Limited	100/-	10,00,000	10.00	10,00,000	10.00
Investments Carried at Cost					
Investment in Equity instrument of Joint Venture					
Habras MZZ Plantation Myanmar Company Limited	USD 1000	3,250	24.64	3,250	23.89
Investment in Others					
JK Paper Mills Employees' Co-operative Stores Ltd. (CY ₹ 2,500/-, PY ₹ 2,500/-)	10/-	250	0.00	250	0.00
			116.31		113.89
Less : Provision for diminution in value of investments*			11.10		-
TOTAL			105.21		113.89
Aggregate book value of unquoted investments			93.88		104.23
Aggregate market value of quoted investments			11.33		9.66

* Refer note 40 B

NOTE 6. NON CURRENT FINANCIAL ASSETS - LOANS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Unsecured considered good unless otherwise specified:-		
At Amortised Cost		
Others	27.00	-
TOTAL	27.00	-

NOTE 7. NON CURRENT FINANCIAL ASSETS - OTHERS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Deposits with Government Authorities & Others*	11.91	11.55
Derivative Financial Instruments (at fair value through P&L)	65.19	12.19
Others Deposit	19.87	19.63
Fixed Deposit with Banks (Remaining Maturity more than 12 months)	1.06	-
TOTAL	98.03	43.37

* includes ₹ 0.77 Crore (PY ₹ 0.77 Crore) against legal case.

NOTE 8. OTHER NON CURRENT ASSETS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Capital Advances	25.77	36.37
Deposits with Government Authorities and Others	15.28	12.08
Prepaid Expenses	0.39	0.40
TOTAL	41.44	48.85

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 9. INVENTORIES

(at cost or Net realisable value whichever is lower)

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Raw Materials #	279.38	188.92
Work-in-Progress @	48.51	24.97
Finished Goods	104.76	97.69
Stock in Trade #	1.82	1.82
Stores & Spares #	84.71	69.46
Renewable Energy Certificates	0.05	0.12
TOTAL	519.23	382.98

Includes Raw Materials in transit ₹ 16.48 Crore (Previous year ₹ 8.94 Crore), Stores & Spares in transit ₹ 3.83 Crore (Previous year ₹ 2.47 Crore) and Stock in Trade in transit ₹ 0.59 Crore (Previous year ₹ 0.60 Crore).

@ Includes Pulp in process ₹ 8.13 Crore (Previous year ₹ 7.33 Crore) and Semi Finished Goods ₹ 29.83 Crore (Previous year ₹ 10.22 Crore).

NOTE 10. CURRENT INVESTMENTS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Measured at fair value through P&L (FVTPL)		
Investment in Bonds / Debentures	8.93	-
Investment in Mutual Fund	610.12	456.87
Fixed Deposit with NBFC	-	69.90
	619.05	526.77
Aggregate book value of quoted investments	610.12	456.87
Aggregate book value of unquoted investments	8.93	69.90

NOTE 11. TRADE RECEIVABLES

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Unsecured		
Considered Good	217.20	79.09
Credit Impaired	1.34	0.86
	218.54	79.95
Less: Allowance for credit impairment	1.34	0.86
TOTAL	217.20	79.09

(Refer note no. 45 (i) for ageing)

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 12. CASH AND CASH EQUIVALENTS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Cash & Cash Equivalents		
Balances with Bank-Current Accounts*	8.61	5.69
Cheques/Drafts on hand	-	0.03
Cash on Hand	0.27	0.26
TOTAL	8.88	5.98

* includes ₹1.31 Crore (Previous Year ₹ 1.31 Crore) earmarked for specified purposes.

NOTE 13. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Other Bank Balances		
Unclaimed Dividend Accounts	0.55	0.49
Fixed Deposit with Banks #	12.77	13.06
TOTAL	13.32	13.55

Includes ₹ 0.20 Crore (Previous year ₹ 0.20 Crore) pledged with Government Authorities.

NOTE 14. CURRENT FINANCIAL ASSETS - LOANS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Unsecured considered good :-		
Loans to related parties		
Bengal & Assam Co. Limited - (Associate of)	40.00	90.00
Other Loans & Advances		
Others	1.95	37.50
TOTAL	41.95	127.50

All the above loans and advances have been given for general business purpose {U/s 186(4) of the Companies Act 2013}.

NOTE 15. CURRENT FINANCIAL ASSETS - OTHER

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Unsecured considered good :-		
Advances Recoverable	2.08	1.61
Interest Accrued but not due	9.56	9.48
Advances to Employees	0.96	0.54
Derivative Financial Instruments (at fair value through P&L)	6.28	6.05
Government Benefits Receivable - Revenue	128.43	101.43
Government Benefits Receivable - Capital	-	50.00
TOTAL	147.31	169.11

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 16. OTHER CURRENT ASSETS

Particulars	₹ in crores (10 Million)	
	March 31, 2022	March 31, 2021
Advances Recoverable	24.93	8.72
Advances to Suppliers	59.53	40.52
Balance with Government Authorities	370.34	254.09
Other Deposits	1.88	2.22
Prepaid Finance Charges	2.49	3.52
Doubtful Advances		
Other	0.35	0.35
	459.52	309.42
Less : Allowance for Doubtful Advances	0.35	0.35
TOTAL	459.17	309.07

NOTE 17. SHARE CAPITAL

Particulars	₹ in crores (10 Million)	
	March 31, 2022	March 31, 2021
Authorised :		
Equity Shares - 30,00,00,000 of ₹ 10 each (Previous Year 30,00,00,000 Equity Share of ₹ 10 each)	300.00	300.00
Redeemable Preference Shares - 2,00,00,000 of ₹ 100 each (Previous Year 2,00,00,000 Share of ₹ 100 each)	200.00	200.00
	500.00	500.00
Issued, Subscribed and Paid-up :		
Equity Shares - 16,94,02,344 (Previous Year 16,94,02,344 Equity Share of ₹ 10 each fully paid up)	169.40	169.40
	169.40	169.40

Notes :

(a) Reconciliation of Equity Share Capital (In numbers)

Particulars	March 31, 2022	March 31, 2021
Shares outstanding at the beginning of the year	16,94,02,344	17,82,43,585
Add : Shares issued during the year	-	-
Less : Shares bought back during the year (refer Note 41)	-	88,41,241
Shares outstanding at the end of the year	16,94,02,344	16,94,02,344

(b) Equity Shares:

The Equity Shareholders have:-

- The right to receive dividend out of balance of net profits remaining after payment of dividend to the preference shareholders. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.
- The Company has only one class of Equity Shares having face value of ₹ 10/- each and each shareholder is entitled to one vote per share.
- In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their individual shareholding in the paid up equity capital of the Company.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 17. SHARE CAPITAL (contd.)

(c) Reconciliation of Preference Shares Capital (In numbers)

Particulars	March 31, 2022	March 31, 2021
Preference Shares outstanding at the beginning of the year	63,00,000	63,00,000
Add : issued during the year (Nil)	-	-
Previous year ((Nominal Value ₹ 100, ₹ 100 Paid up)		
Preference Shares outstanding at the end of the year	63,00,000	63,00,000

Subsidiary issued following preference shares :

- (i) During the F.Y. 2019-20, Enviro Tech Ventures Limited (Formerly known as JK Enviro-Tech Limited) has issued Compulsory Convertible Preference Shares having nominal Value of ₹100/- (One Hundred) each, aggregating to ₹ 23,00,00,000 (Rupees Twenty Three Crores only), having 0.01% dividend (on cumulative basis) on 4th September 2019, to be convertible into Equity shares of the Company, having nominal value of ₹10 each, at a conversion price of ₹20.80 per equity share (including premium of ₹ 10.80 per equity share) at any time upto 7 years but further extendable with mutual consent of the Company and the shareholder(s), by way of preferential allotment for cash. These convertible preference share is recorded in Other equity.
- (ii) During the FY. 2018-19, The Sirpur Paper Mills Limited had issued Redeemable Preference Shares of ₹ 1,62,03,00,000 for consideration other than cash, to be redeemed at the end of 20 years from the issue date with dividend of 0.01% p.a. The Equity portion of these Redeemable Preference Shares, on account of Dividend payout being lower than effective market rate, is recorded in Other Equity.

(d) List of Shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers) :

Particulars	March 31, 2022	March 31, 2021
Bengal & Assam Company Limited	7,96,27,228	7,96,27,228

(e) Promoter's shareholding - Equity Share Capital

Particulars	March 31, 2022	March 31, 2021
Promoter Name	Bengal & Assam Company Limited	Bengal & Assam Company Limited
No. of shares at the beginning of the year	7,96,27,228	7,96,27,228
Change during the year	-	-
No. of shares at the end of the year	7,96,27,228	7,96,27,228
% of Total Shares	47.00%	47.00%
% change during the year	--	--

(f) Promoter's shareholding - Preference Share Capital

Particulars	March 31, 2022	March 31, 2021
Promoter Name	Bengal & Assam Company Limited	Bengal & Assam Company Limited
No. of shares at the beginning of the year	--	--
Change during the year	--	--
No. of shares at the end of the year	--	--
% of Total Shares	--	--
% change during the year	--	--

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 17. SHARE CAPITAL (contd.)

(g) The Company has not issued any Bonus Share, shares other than Cash in immediately preceding five years from the Balance Sheet date. During the previous year the company has Buy Back 88,41,241 no's of Equity Shares (Refer note 41).

NOTE 18. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	₹ in crores (10 Million)	
	March 31, 2022	March 31, 2021
SECURED		
Term Loan		
From Banks	2,075.73	1,868.36
From Financial Institutions	284.35	288.36
Non Convertible Debentures (NCDs)	437.89	332.48
UNSECURED		
Public Deposits	56.30	44.12
Liability Component of Redeemable Preference Share	57.99	54.45
	2,912.26	2,587.77
Less : Current Maturities of Long Term Borrowings	303.69	242.48
TOTAL	2,608.57	2,345.29

NOTE 18.1 NON CURRENT FINANCIAL LIABILITIES - LEASE

Particulars	₹ in crores (10 Million)	
	March 31, 2022	March 31, 2021
UNSECURED		
Lease Liabilities	69.44	20.84
Less : Current Maturities of Lease Liability	11.86	7.70
TOTAL	57.58	13.14

- A. Term Loans of ₹ 172.76 Crore (FIs – ₹ Nil, Banks ₹ 172.76 Crore) and NCD of ₹ 314.89 Crore are secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment of the company. Out of the above Term Loan, ₹ 92.13 Crore (FIs - ₹ Nil, Banks ₹ 92.13 Crore) are further secured by second charge on the current assets of the Company. These Term Loans are/shall be repayable as under :-
- 1 Term Loans aggregating to ₹ 172.76 Crore are repayable in total 28 quarterly instalments from June 2022 to March 2024.
 - 2 NCDs of ₹ 314.89 Crore is repayable in 13 Half yearly instalments from September 2022 to July 2028.
- B. Term Loans of ₹ 352.45 Crore (FIs – ₹ Nil, Banks ₹ 352.45 Crore) and NCD of ₹ 125 Crore is secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment, both present and future, of Unit JKPM of the company. These Term Loans are/shall be repayable as under :-
- 1 Term Loans aggregating to ₹ 63.31 Crore are repayable in total 3 equal half-yearly instalments from August 2022 to August 2023.
 - 2 Term Loans aggregating to ₹ 289.13 Crore are repayable in total 23 quarterly instalments from May 2022 to September 2027.
 - 3 NCDs of ₹ 125 Crore is repayable in 13 Half yearly installment from May 2023 to May 2029.
- C. Term Loans of ₹ 1433.78 Crore (FIs – ₹ 285.48, Banks ₹ 1148.30 Crore) is secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment, both present and future, of Unit CPM of the company. These Term Loans are/shall be repayable as under :-
- 1 Term Loans aggregating to ₹ 520 Crore are repayable in total 108 equal quarterly-instalments from December 2022 to March 2032.
 - 2 Term Loans aggregating to ₹ 613.78 Crore are repayable in total 37 equal half-yearly instalments from December 2022 to January 2032.
 - 3 Term Loans aggregating to ₹ 300 Crore are repayable in total 36 quarterly instalments from December 2022 to September 2031.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 18. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS (contd.)

- D. Term Loans of ₹ 1.66 Crore (Fls – Nil, Banks ₹ 1.66 Crore) is secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment, both present and future, of DELOPT Division of the company. These Term Loans are/shall be repayable as under :-
- 1 Term Loans aggregating to ₹ 1.66 Crore are repayable in total 38 equal monthly instalments from April 2022 to July 2035.
- E. Term Loans aggregating to ₹ 0.34 Crore (Fls – ₹ Nil, Banks ₹ 0.34 Crore) are secured by specific charge on the Vehicle hypothecated against these loans. These Term Loans are repayable in total 9 monthly instalments from April 2022 to December 2022.
- F. Secured Term loans from Financial Institutions and Banks have been reduced by ₹ 7.78 Crore (Fls – ₹ 1.13 Crore, Banks ₹ 6.65 Crore) and NCDs have been reduced by ₹ 2.00 Crore due to effective rate of interest.
- G. Certain charges are pending for satisfaction due to non receipt of No Dues Certificate (NDC) pertaining to Loan from Financial Institution, which is fully paid.
- H. Secured Term loans from Financial Institutions and Banks include ₹ 677.10 Crore foreign currency loans.
- I. Lease Liabilities aggregating to ₹ 69.94 Crore is repayable in total 502 equal monthly installments from April 2022 to September 2041.
- J. Public deposits are due for repayment in 2022-23, 2023-24 & 2024-25.
- k. Subsidiary :**
- a. Term Loans of ₹ 409.68 Crore from Banks is secured by means of first pari passu mortgage/charge on the Property, Plant & Equipments of the company, and is further secured by second charge on the current assets of the Company. JK Paper Ltd. (Ultimate Parent Company) has also extended the Letter of Comfort towards the above loans.
 - i. Term Loans aggregating to ₹ 385.30 Crore are repayable in total 34 equal quarterly instalments from June 2022 to September 2030.
 - ii. Term Loans aggregating to ₹ 24.38 Crore are repayable in total 13 equal quarterly instalments from June 2022 to June 2025.
 - b. Secured Term loans from Bank has been adjusted by ₹ 2.81 Crore for effective rate of interest.
 - c. During the FY 2019-20 company had issued Redeemable Preference Shares of ₹ 10 Crore, to be redeemed at the end of 12 years (During FY 2018-19 ₹ 162 Crore, to be redeemed at the end of 20 years) from the issue date with dividend of 0.01% p.a. The Equity portion of these Redeemable Preference Shares, on account of Dividend payout being lower than effective market rate, is recorded in Other Equity.

NOTE 19. NON CURRENT FINANCIAL LIABILITIES - OTHER

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Trade Deposits	83.11	74.11
Interest Accrued but not due on Loans	1.98	1.70
Derivative Financial Instruments (at fair value through P&L)	1.36	2.51
Others	0.13	-
TOTAL	86.58	78.32

NOTE 20. NON CURRENT PROVISIONS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Provision for Employee Benefits	12.28	9.88
TOTAL	12.28	9.88

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 21. DEFERRED TAX LIABILITIES

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	703.40	588.81
Tax on carried forward unabsorbed Depreciation	(120.63)	(101.71)
Tax on Others	31.61	34.68
a Total Deferred Tax Liability	614.38	521.78
Opening MAT Credit Entitlements	(126.18)	(172.37)
Current MAT Credit Entitlement	-	0.86
Reversal/Utilization of MAT Credit of Earlier Years	27.26	45.32
b Total MAT Credit Entitlement	(98.92)	(126.19)
c Net Deferred Tax Liability (a+b)	515.46	395.59

Based on the past performance and current plans, the Company expects to continue to generate taxable income which will enable it to utilise MAT credit entitlement.

NOTE 22. OTHER NON CURRENT LIABILITIES

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Deferred Government Benefits	43.83	45.83
TOTAL	43.83	45.83

NOTE 23. CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
SECURED		
Working Capital Borrowings from Bank	96.65	132.08
UNSECURED		
Working Capital Borrowings from Bank	52.67	37.12
Public Deposits	5.96	12.28
Current Maturities of Long Term Borrowings	303.69	242.48
TOTAL	458.97	423.96

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts. The same are further secured by a second charge on the movable and immovable assets of the Company(s).

NOTE 24. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Trade Payable		
Total Outstanding dues of Micro and Small Enterprises	12.75	9.52
Total Outstanding dues of Creditors other than Micro and Small Enterprises	512.83	387.59
TOTAL	525.58	397.11

(Refer note no. 45 (ii) for ageing)

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 25. CURRENT FINANCIAL LIABILITIES - OTHER

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Interest Accrued but not due	15.07	11.38
Unclaimed Dividends #	0.55	0.49
Unclaimed Matured Deposits #	2.06	2.41
Unclaimed Interest on Unclaimed Matured Deposits #	0.30	0.27
Payable to related parties (Subsidiary)		
Derivative Financial Instruments (at fair value through P&L)	3.28	0.91
Capital Creditors @	22.30	124.73
Other Payables	64.22	42.19
TOTAL	107.78	182.38

Investor Education and Protection Fund will be credited as & when due.

@ includes ₹ 2.12 Crore (PY ₹ Nil) payable to Micro & Small Enterprises.

NOTE 26. OTHER CURRENT LIABILITIES

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Advance from Customers	22.58	10.12
Statutory Dues	88.68	25.44
Other Payables	71.16	89.55
Deferred Government Benefits	2.00	2.00
TOTAL	184.42	127.11

NOTE 27. SHORT TERM PROVISIONS

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Provision for Employee Benefits	0.15	1.64
TOTAL	0.15	1.64

NOTE 28. CURRENT TAX LIABILITIES

₹ in crores (10 Million)

Particulars	March 31, 2022	March 31, 2021
Provision for Income Tax (Net of Advance tax)	9.25	6.00
TOTAL	9.25	6.00

NOTE 29. OTHER OPERATING REVENUES

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Insurance Charges Recovered	2.05	1.37
Excess Provision no longer required written back	55.10	18.18
Miscellaneous Income*	33.71	3.84
TOTAL	90.86	23.39

* Includes Sale of Renewal Energy Certificate (REC) of ₹ 28.19 Crore (PY. ₹ 1.54 Crore).

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 30. OTHER INCOME

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Interest Income	22.51	26.11
Dividend Income (PY ₹ 17,856/-)	0.10	0.00
Profit on sale of Property, plant and equipment	0.22	-
Gain on Sale/Fair value of Current investment *	19.94	20.71
Foreign Exchange Fluctuation	6.21	0.61
Miscellaneous Income	6.20	6.67
Government Benefits	69.18	57.18
TOTAL	124.36	111.28

* Includes unrealised loss on Fair Valuation ₹. 2.08 Crore (Previous Year Gain of ₹. 4.58 Crore).

NOTE 31. COST OF MATERIALS CONSUMED

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Hardwood & Bamboo	730.98	556.37
Pulp	310.00	221.92
Chemicals	455.01	285.77
Packing Material	130.83	86.50
Others	4.20	-
TOTAL	1,631.02	1,150.56

NOTE 32. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Inventories at the beginning of the year		
Finished Goods	97.69	148.17
Stock In Trade	1.82	7.62
Work-in-Progress	24.97	63.58
Renewable Energy Certificates	0.12	0.01
Stock Carried from Pre-operation period :		
Finished Goods	17.41	-
Stock-in-Process	16.37	-
Stock taken over through Slump Sale:		
Finished Goods	0.42	-
Stock-in-Process	1.28	-
	160.08	219.38
Inventories at the end of the year		
Finished Goods	104.76	97.69
Stock In Trade	1.82	1.82
Work-in-Progress	48.51	24.97
Renewable Energy Certificates	0.05	0.12
	155.14	124.60
(Increase)/ Decrease in Stock	4.94	94.78

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 33. EMPLOYEE BENEFIT EXPENSES

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Salaries, Wages, Allowances, etc.	359.34	286.76
Contribution to Provident and Other Funds	18.11	16.02
Staff Welfare Expenses	4.07	2.54
TOTAL	381.52	305.32

NOTE 34. FINANCE COST

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Interest on:		
Term Loan and Fixed Deposits	96.81	89.37
Others	40.76	32.87
Other Borrowing Costs:		
Financial Charges	3.46	4.79
Premium on Forward Exchange Contracts	0.35	0.31
Interest on Lease Liabilities	3.64	2.48
Net (Gain) or Loss on Foreign Currency Transaction	(13.14)	(1.22)
TOTAL	131.88	128.60

Note 35. DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Depreciation on Property Plant & Equipment	187.67	169.37
Amortisation of Other Intangible Assets	5.38	4.88
TOTAL	193.05	174.25

NOTE 36. OTHER EXPENSES

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Consumption of Stores and Spares	77.30	63.23
Power, Fuel and Water	492.31	323.72
Repairs to Building	7.01	8.34
Repairs to Machinery	47.96	30.15
Rent (Net)	14.15	12.66
Insurance	10.00	8.62
Rates and Taxes	3.86	2.35
Commission on Sales	2.70	1.14
Directors' Fees	0.43	0.52
Directors' Commission	3.53	2.97
Freight, Clearing and Forwarding Charges	89.65	45.70
Loss on Sale of Property, Plant and Equipment	-	0.77
Asset Written off	0.45	0.44
Provision for diminution in value of Non Current Investments*	11.10	-
Provision for Doubtful Debts	-	0.38
Other Miscellaneous Expenses	99.61	64.19
TOTAL	860.06	565.18

* Refer note 40 B.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 37. PRINCIPLES OF CONSOLIDATION

- a. The Consolidated Financial Statements comprise of the financial statements of JK Paper Limited (Parent Company) and the following as on March 31, 2022;

i Subsidiaries:

Name	Proportion of Ownership Interest	Financial Statements as on	Status
Jaykaypur Infrastructure & Housing Limited, India	100%	March 31, 2022	Audited
Songadh Infrastructure & Housing Limited, India	100%	March 31, 2022	Audited
Enviro Tech Ventures Limited, India	96.08%	March 31, 2022	Audited
JKPL Packaging Products Limited, India	100%	March 31, 2022	Audited
The Sirpur Paper Mills Limited, India (Subsidiary of Enviro Tech Ventures Limited, India)	96.27%	March 31, 2022	Audited
JK Paper International (Singapore) Pte Limited, Singapore	100%	March 31, 2022	Unaudited**

ii Joint Venture:

Name	Proportion of ownership interest	Financial Statements as on	Status
Habras MZZ Plantation Myanmar Company Limited, Myanmar*	50.00%	March 31, 2022	Unaudited**

*Joint venture of JK Paper International (Singapore) Pte Ltd, Singapore

**Management Certified Accounts

- b. The Financial Statements of the Parent Company and its Subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses, after eliminating intra-group balances and intra-group transactions.
- c. Goodwill represents difference between company's share in networth of subsidiaries and the cost of acquisition at each point of time of making investment.
- d. Investment in Joint Venture, are accounted for using equity method as per Indian Accounting Standard (Ind AS) 28 – "Accounting for Investments in Associates and joint ventures" notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014.
- e. In case of foreign subsidiary, being non-integral operations, revenue items are consolidated at the average exchange rate during the year. All assets and liabilities are translated at year end exchange rate. The resulting exchange differences are accumulated in the Foreign Currency Translation Reserve.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 37. PRINCIPLES OF CONSOLIDATION (contd.)

f. The summary of share of Net Assets and Profit/(Loss) of Subsidiaries and Joint Venture:

₹ in crores (10 Million)

Name of the Entity	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit	Amount
Subsidiaries				
Jaykaypur Infrastructure & Housing Limited, India	0.17%	5.06	0.18%	1.00
Songadh Infrastructure & Housing Limited, India	0.24%	7.08	0.06%	0.35
Enviro Tech Ventures Limited, India	2.28%	68.36	-1.03%	(5.59)
JKPL Packaging Products Limited, India	1.32%	39.54	-0.09%	(0.51)
"The Sirpur Paper Mills Limited, India (Subsidiary of Enviro Tech Ventures Limited, India)"	4.14%	123.99	7.41%	40.27
JK Paper International (Singapore) Pte Limited, Singapore	0.45%	13.55	-2.05%	(11.17)
Joint Venture				
Habras MZZ Plantation Myanmar Company Limited, Myanmar (Joint Venture of JK Paper International (Singapore) Pte Ltd)	-	-	-	-

g. Other Notes to Accounts of the Financial Statements of the Company and its subsidiaries are stated in their respective Financial Statements. Hence not disclosed again in Consolidated Accounts.

NOTE 38. SEGMENT REPORTING

The Company has identified business segment as the primary segment, after considering all the relevant factors. The Company's manufactured products are sold primarily within India hence there is no reportable geographical segment. The Company's operation predominantly relates to manufacture of Paper & Boards. Other Business Segment comprises i) activities for providing housing facilities to the employees engaged in Paper & Board manufacturing business and ii) business of design, development and production of Embedded Systems and Electro-Optics Systems. These operations are insignificant in the context of total turnover; hence same has been shown as "Others".

₹ in crores (10 Million)

S. No.	Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
		Paper & Board	Others	Total	Paper & Board	Others	Total
A	Segment Revenue						
	Revenue	3,959.48	30.65	3,990.13	2,738.83	23.50	2,762.33
	Inter- segment Revenue	-	(21.57)	(21.57)	-	(11.61)	(11.61)
	Income from Operations	3,959.48	9.08	3,968.56	2,738.83	11.89	2,750.72
B	Segment Results						
	Segment Results (PBIT excluding Exceptional items)	829.28	(25.06)	804.22	399.29	(11.76)	387.53
	Less : (i) Interest & Financial Charges (Net)			131.88			128.60
	(ii) Exceptional items			-			-
	(iii) Other Un-allocable Expenditure (net off Un-allocable Income)			(124.36)			(111.28)
	Total Profit / (Loss) before Tax (PBT)			796.70			370.21

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 38. SEGMENT REPORTING (contd.)

₹ in crores (10 Million)

S. No.	Particulars	For the year ended March 31, 2022			For the year ended March 31, 2021		
		Paper & Board	Others	Total	Paper & Board	Others	Total
C	Capital Employed						
	Segment Assets	7,343.62	280.91	7,624.53	6,345.50	209.36	6,554.86
	Segment Liabilities	4,399.34	222.97	4,622.31	3,860.02	173.93	4,033.95
	Total Capital Employed (net)	2,944.28	57.94	3,002.22	2,485.48	35.43	2,520.91
	Capital Expenditure	695.37	32.10	727.47	1,363.78	0.90	1,364.68
	Depreciation & Amortisation	191.26	1.79	193.05	172.51	1.74	174.25
	Non Cash Expenses other than Depreciation	-	-	-	-	-	-

NOTE 39. CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in crores (10 Million)

	Year ended March 31, 2022	Year ended March 31, 2021
Contingent Liabilities:		
a) Claim against the company not acknowledged as debts #		
Excise duty/ Custom duty/Service tax liability/GST in respect of matter in appeals	18.34	18.92
Sales tax/ VAT/Octroi liability in respect of matter in appeals	1.96	2.21
Other matters	9.50	8.87
b) Commitments:		
Contracts remaining to be executed on capital account (Net of Advances)	108.10	194.27
Export commitments against import of capital goods under EPCG scheme	382.13	754.94

In respect of certain disallowances and additions made by the income tax authorities, appeals are pending before the appellate authorities and adjustments, if any, will be made after the same are finally determined.

NOTE 40.

- A. In respect of levy of Octroi demand pertaining to Unit - CPM by Songadh Group Gram Panchayat, the Company has paid ₹1.25 Crore till 31st March 1997 under protest and also created a liability of the similar amount. As the matter is still pending in the court of law, the necessary adjustment, if any, would be made on final disposal.
- B. The Company had invested ₹24.64 Crores in a Jointly Controlled Entity (JCE) which has plantation operations in Myanmar through its subsidiary in Singapore. Operations at JCE has been impacted due to economic disruptions and Banking restrictions in Myanmar. Plantation / biological assets are in satisfactory condition. However considering the facts stated above, as a matter of prudence the Company has made provision of ₹11.10 Crores against its investment in subsidiary of ₹ 22.21 Crores.
- C. During the year the Sirpur Paper Mills Limited has recognised government grant in terms of MoA entered with Government of Telangana as under:

₹ in crores (10 Million)

Particulars	2021-22	2020-21
Revenue	67.55	56.92

In current year ₹ 69.18 Crore (including Deferred Government Grant of ₹2.00 Crore) has been recognised in Statement of Profit and Loss Account and ₹ 0.37 Crore has been adjusted with Property, Plant & Equipments.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 41

During the last Financial Year 2020-21, Company bought back 88,41,241 equity shares at an average buyback price of ₹ 94.35 per equity share and utilized ₹ 83.41 crore for the Buy Back (excluding transaction costs) and ₹ 13.04 crore for buyback tax & other transaction costs, of which ₹ 87.61 crore drawn from the Securities Premium Reserve. In accordance with Section 69 of the Companies Act, 2013, the Company created capital redemption reserve of ₹ 8.84 crore equal to the face value of equity shares bought back as appropriation from general reserves.

NOTE 42 EARNING PER SHARE

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
a) Profit After Tax	542.60	236.72
b) Weighted Average Number of Ordinary Shares	16,94,02,344	17,24,53,081
c) Nominal Value of Ordinary Shares	₹10/-	₹10/-
d) Earning Per Ordinary Share (₹) Earning Per Ordinary Share (₹)		
Basic	32.03	13.73
Diluted	32.03	13.73

NOTE 43 LEASES

The Company has adopted Ind AS 116 "Leases" effective 1st April, 2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to its leases using the simplified approach. This has resulted in recognising right – of – use assets and corresponding lease liabilities.

- 1 The following is the break-up of current and non-current lease liabilities as at :

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2021	Year ended March 31, 2021
Current lease liabilities	11.86	7.70
Non-current lease liabilities	57.58	13.14
Total	69.44	20.84

- 2 The following is the movement in lease liabilities during the year ended March 31, 2022:

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning	20.84	28.10
Addition during the year	61.26	5.97
Finance cost accrued during the period	3.64	2.48
Payment of lease liabilities	(16.30)	(15.71)
Balance at the end	69.44	20.84

- 3 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 on an undiscounted basis:

Particulars	₹ in crores (10 Million)	
	Year ended March 31, 2022	Year ended March 31, 2021
Not later than one year	17.40	9.14
Later than one year and not later than five years	46.49	14.71
Later than five years	33.24	0.50

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 44. UNCERTAINTIES RELATING TO COVID-19

The Company has considered external and internal information available up to the date of approving the Financial Statements for assessing possible impact of Covid-19 on various components of its financial statement, including recoverability of its assets. The impact of any future events & developments, if any, emerging out of the pandemic occurring after the approval of financial statement for the year will be recognized prospectively.

NOTE 45.

(i) Trade Receivables ageing schedule as on March 31, 2022 and March 31, 2021 is as follows:

₹ in crores (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good							
March 31, 2022	150.10	59.95	0.23	6.13	-	0.01	216.42
March 31, 2021	46.61	28.59	0.10	0.86	-	-	76.16
(ii) Undisputed Trade Receivables – considered doubtful							
March 31, 2022	-	-	-	-	0.06	0.46	0.52
March 31, 2021	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – considered good							
March 31, 2022	-	0.05	0.70	0.13	0.12	0.60	1.60
March 31, 2021	-	3.79	-	-	-	-	3.79
(iv) Disputed Trade Receivables – considered doubtful							
March 31, 2022	-	-	-	-	-	-	-
March 31, 2021	-	-	-	-	-	-	-
(v) Less: Allowance for credit impairment							
March 31, 2022	-	-	-	-	-	-	1.34
March 31, 2021	-	-	-	-	-	-	0.86
(vi) Total							
March 31, 2022	-	-	-	-	-	-	217.20
March 31, 2021	-	-	-	-	-	-	79.09

ii) Trade Payables ageing schedule as on March 31, 2022 and March 31, 2021 is as follows:

₹ in crores (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME						
March 31, 2022	0.35	12.40	-	-	-	12.75
March 31, 2021	1.50	8.02	-	-	-	9.52
(ii) Others						
March 31, 2022	198.81	163.08	79.51	68.29	3.14	512.83
March 31, 2021	250.69	44.25	82.78	3.77	6.10	387.59
(iii) Disputed dues – MSME						
March 31, 2022	-	-	-	-	-	-
March 31, 2021	-	-	-	-	-	-
(iv) Disputed dues - Others						
March 31, 2022	-	-	-	-	-	-
March 31, 2021	-	-	-	-	-	-

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

46 Other Statutory Information in terms of the amendment in schedule III of the companies act vide notification G.S.R. 207(E) dated 24th March 2021.

a) Relationship With Struck Off Companies

Details of struck off companies with whom the Parent and Indian Subsidiaries has transaction during the year or outstanding balance:

Name of the Company	Nature of transactions with struck-off Company	Relationship with the struck off company	₹ in crores (10 Million)	
			As at March 31, 2022	As at March 31, 2021
Springfield Forestry Private Limited	Payable	Vendor	0.05	0.02

- b) The Parent and Indian Subsidiaries does not have any benami property, and no proceeding has been initiated or pending against the Parent and Indian Subsidiaries for holding any benami property.
- c) The Parent and Indian Subsidiaries have not traded or invested in crypto currency or virtual currency during the financial year.
- d) The Parent and Indian Subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent and Indian Subsidiaries (ultimate beneficiaries) or
 - Provide any Guarantee, Security, or the like to or on behalf of the Ultimate Beneficiaries.
- e) The Parent and Indian Subsidiaries have not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - Provide any Guarantee, Security, or the like on behalf of the ultimate beneficiaries.
- f) The Parent and Indian Subsidiaries has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

Name of the Bank	Aggregate working capital limits sanctioned	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Difference	₹ in crores (10 Million)
						Reason for variance*
State Bank of India and consortium of Banks #	250.00	June 30,2021	125.44	329.86	204.42	For Bank's quarterly reporting, only creditors for goods being considered as Trade Payables.
	250.00	September 30,2021	71.92	288.18	216.26	
	250.00	December 31, 2021	191.13	255.41	64.28	
	250.00	March 31, 2022	131.21	483.62	352.41	

* The above differences represents balance of creditors as at each reporting date.

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts.

- g) The Parent and Indian Subsidiaries has no such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- h) The Parent and Indian Subsidiaries have not been declared willful defaulter by any Banks or any other Financial Institution at any time during the financial year.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 47. RELATED PARTY DISCLOSURES

a) List of Related Parties

i. Enterprise which holds more than 20% of Equity Share

Bengal & Assam Company Limited (BACL)

ii. Trust under common control

JK Paper Ltd (JK Paper Mills) Compulsory Employees Provident Fund

JK Paper Ltd Employees Gratuity Fund

JK Paper Ltd Officers Superannuation Scheme

iii. Key Management Personnel (KMP)

Executive Directors

Shri Harsh Pati Singhania, Vice Chairman & Managing Director

Shri Amar Singh Mehta, President and Director

Executives

Shri V. Kumaraswamy, Chief Finance Officer

Shri S.C. Gupta, Vice President & Company Secretary(till 15.05.2020)

Shri Deepak Gupta (Company Secretary)(w.e.f 16.05.2020)

Non-Executive Directors

Shri Bharat Hari Singhania, Chairman

Shri Arun Bharat Ram

Shri Dharendra Kumar

Shri M.H.Dalmia

Shri R.V.Kanoria

Shri Sandip Somany

Shri Shailendra Swarup

Shri Udayan Bose(ceased w.e.f. 07.01.2021)

Smt. Vinita Singhania

Smt. Deepa Gopalan Wadhwa

Shri Sushil Kumar Roongta

b) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis :

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Enterprise which holds more than 20% of Equity Share	
		BACL	
		2021-22	2020-21
(i)	Rent Paid	0.07	0.07
(ii)	Sharing of Expenses	0.07	-
(iii)	Interest Received	11.02	12.85
(iv)	Outstanding at end of the period - Receivable	105.07	155.00

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Trust Under Common Control					
		Employees Provident Fund		Employees Gratuity Fund		Officers Superannuation Scheme	
		2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
(i)	Contribution	4.31	5.36	2.72	0.89	0.91	0.68
(ii)	Outstanding at end of the period- Payable	0.37	0.33	0.72	0.13	0.93	0.68

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 47. RELATED PARTY DISCLOSURES (contd.)

Key Management Personnel (KMP) :

		₹ in crores (10 Million)	
Sl. No	Particulars	2021-22	2020-21
(i)	Short-term Employee Benefits including honorarium #	37.96	30.95
(ii)	Commission and other benefits to Non-Executive Directors *	3.91	3.45

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

* Including sitting fees and commission

NOTE 48. FINANCIAL INSTRUMENTS

Financial Assets

				₹ in crores (10 Million)			
Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial assets designated at fair value through profit and loss						
a)	Derivatives - not designated as hedging instruments	A	Level-2	71.47	71.47	18.24	18.24
b)	Investments :						
(i)	Equity and Preference Investment	F	Level 3	80.34	80.34	80.34	80.34
(ii)	In mutual funds and others	B	Level-1	619.05	619.05	526.77	526.77
2	Financial assets designated at fair value through other comprehensive income						
	Investment in Equity shares	C	Level-1	11.33	11.33	9.66	9.66
3	Financial assets designated at amortised cost						
a)	Other Bank Balances *			13.32	13.32	13.55	13.55
b)	Cash & Cash Equivalents *			8.88	8.88	5.98	5.98
c)	Trade receivables *			217.20	217.20	79.09	79.09
d)	Other receivables			68.95	68.95	127.50	127.50
e)	Other financial assets			173.87	173.87	194.25	194.25
4 a)	Investment in Joint Venture	D		13.54	13.54	23.89	23.89
				1,277.95	1,277.95	1,079.27	1,079.27

Financial Liabilities

				₹ in crores (10 Million)			
Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2022		As at March 31, 2021	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial liability designated at fair value through profit and loss						
a)	Derivatives - not designated as hedging instruments	A	Level-2	4.64	4.64	3.42	3.42
2	Financial liability designated at amortised cost						
a)	Borrowings	E		3,136.98	3,136.98	2,790.09	2,790.09
b)	Trade payables *			525.58	525.58	397.11	397.11
c)	Other financial liability			189.72	189.72	257.28	257.28
				3,856.92	3,856.92	3,447.90	3,447.90

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 48. FINANCIAL INSTRUMENTS (contd.)

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

- A The fair values of derivatives are on MTM as per Bank
- B Company has opted to fair value its mutual fund investment through statement of profit & loss
- C Company has opted to fair value its quoted investments in equity share through OCI
- D Investment in Joint Venture, are accounted for using equity method
- E Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.
- F Company has opted to fair value its unquoted investments in equity and preference share through P&L

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTE 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

49.1 Financial Risk Factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. Whenever, the currency cover costs are such as to neutralize the advantage in foreign currency, loans are hedged so as to not to lose advantage. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

i. Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits.

ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

a. Foreign Currency Risk and sensitivity

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

The following table analyzes foreign currency risk from financial instruments as of March 31, 2022:

₹ in crores (10 Million)

Particulars	USD	Euro	GBP	SEK & CNY	SGD	Total
Financial Assets						
Cash and cash equivalents	0.01	-	-	-	0.03	0.04
Trade receivables	96.64	2.53	-	-	-	99.17
Other financials assets	0.23	0.12	-	-	-	0.35
Financial Liabilities						
Trade payables	(40.62)	(7.18)	-	-	-	(47.80)
Other financials liabilities	(1.21)	(0.47)	-	-	-	(1.68)
Borrowings	(161.38)	(871.94)	-	-	-	(1,033.32)
Interest Accrued but not due	(0.26)	(3.05)	-	-	-	(3.31)
Net Assets / (Liabilities)	(106.59)	(879.99)	-	-	0.03	(986.55)

The following table analyzes foreign currency risk from financial instruments as of March 31, 2021:

₹ in crores (10 Million)

Particulars	USD	Euro	GBP	SEK	SGD	Total
Financial Assets						
Cash and cash equivalents	0.05	-	-	-	0.04	0.09
Trade receivables	46.73	1.15	0.02	-	-	47.90
Other financials assets	-	-	-	-	-	-
Financial Liabilities						
Trade payables	(54.70)	(11.91)	-	(0.32)	-	(66.93)
Other financials liabilities	-	-	-	-	-	-
Borrowings	(24.45)	(497.17)	-	-	-	(521.62)
Interest Accrued but not due	(0.02)	(2.10)	-	-	-	(2.12)
Net Assets / (Liabilities)	(32.39)	(510.03)	0.02	(0.32)	0.04	(542.68)

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate	
	March 31, 2022	March 31, 2021
USD	75.81	73.50
EUR	84.66	86.10
GBP	99.55	100.95
SGD	56.07	54.43

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax

Particulars	₹ in crores (10 Million)			
	2021-22		2020-21	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
USD Sensitivity	0.10	(0.10)	(0.05)	0.05
Euro Sensitivity	(0.60)	0.60	(0.03)	0.03
GBP Sensitivity (PY ₹ 450/-)	-	-	0.00	(0.00)
SEK Sensitivity (PY ₹ 1,786/-)	-	-	(0.00)	0.00
CNY Sensitivity (PY ₹ 4,539/-)	-	-	(0.00)	0.00
Increases/ (decrease) in profit or loss	(0.50)	0.50	(0.08)	0.08

Summary of Exchange difference accounted in Statement of Profit and loss:

Particulars	₹ in crores (10 Million)	
	Year Ended March 31, 2022	Year Ended March 31, 2021
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	-	-
Net foreign exchange (gain)/ losses shown as Finance Cost	11.24	7.92
Net foreign exchange (gain)/ losses shown as Other Income	(6.21)	(0.61)
Derivatives		
Currency forwards (gain) / losses shown as operating expenses	-	-
Interest rate swaps (gain) / losses shown as finance cost	(24.38)	(9.14)
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Total	(19.35)	(1.83)

b. Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Interest Rate Risk Exposure

Particulars	₹ in crores (10 Million)			
	As at March 31, 2022		As at March 31, 2021	
	(₹ in crores)	% of Total	(₹ in crores)	% of Total
Fixed Rate Borrowings	986.20	31.44%	705.10	25.27%
Variable Rate Borrowings	2,150.78	68.56%	2,084.99	74.73%
Total Borrowings	3,136.98	100.00%	2,790.09	100.00%

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Sensitivity on variable rate borrowings

₹ in crores (10 Million)

Particulars	Impact on Profit & Loss Account*		Impact on Equity	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Interest Rate Increase by 0.25%	(5.38)	(2.67)	(5.38)	(2.67)
Interest Rate decrease by 0.25%	5.38	2.67	5.38	2.67

*Excluding impact of Fund utilised for Capital Work in Process

c. Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

CREDIT RISK

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 217.20 Crore and ₹ 79.09 Crore as of March 31, 2022 and March 31, 2021, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

(In %)

Particulars	Year ended March 31 st	
	2022	2021
Revenue from top customer	7.98%	5.62%
Revenue from top five customers	21.29%	18.26%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2022 was ₹ 1.34 Crore.

₹ in crores (10 Million)

Particulars	Year ended March 31 st	
	2022	2021
Balance at the beginning	0.86	0.48
Impairment Loss reversed	-	-
Additional provision created during the year	-	0.38
Impact of Slump Sale	0.48	-
Balance at the end	1.34	0.86

The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

Ageing Analysis of Trade Receivables

₹ in crores (10 Million)

Particulars	As at March 31, 2022				As at March 31, 2021			
	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months
Unsecured	150.10	60.00	0.93	7.51	46.61	32.38	0.10	0.86
Provision for Doubtful Receivables	-	-	-	1.34	-	-	-	0.86
Net Balance	150.10	60.00	0.93	6.17	46.61	32.38	0.10	-

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirement. The company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The company also has adequate credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022:

₹ in crores (10 Million)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	More Than 5 Year	Total
Borrowings - Current	155.28	155.28	-	-	155.28
Borrowings - Non-Current	2,981.70	315.55	1,519.39	1,146.76	2,981.70
Trade payables	525.58	525.58	-	-	525.58
Other financial liabilities - Current	107.78	107.78	-	-	107.78
Other financial liabilities - Non-Current					
Trade Deposits	83.11	-	-	83.11	83.11
Interest accrued but not due on loans	1.98	-	1.98	-	1.98
Derivative Financial Instruments	1.36	-	0.83	0.53	1.36
Others	0.13	-	-	0.13	0.13

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2021:

₹ in crores (10 Million)

Particulars	Carrying Amount	Less than 1 Year	1-5 Years	More Than 5 Year	Total
Borrowings - Current	181.48	181.48	-	-	181.48
Borrowings - Non-Current	2,608.61	250.18	1,259.90	1,098.53	2,608.61
Trade payables	397.11	397.11	-	-	397.11
Other financial liabilities - Current	182.38	182.38	-	-	182.38
Other financial liabilities - Non-Current					
Trade Deposits	74.11	-	-	74.11	74.11
Interest accrued but not due on loans	1.70	-	1.70	-	1.70
Derivative Financial Instruments	2.51	-	1.73	0.78	2.51

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 49. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (contd.)

49.2 Competition and Price Risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

49.3 Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be

	₹ in crores (10 Million)	
	As at March 31, 2022	As at March 31, 2021
Borrowings	3,136.98	2,790.09
Less: cash and cash equivalents including bank balance	22.20	19.53
Less: Current Investments	619.05	526.77
Net debt	2,495.73	2,243.79
Equity	2,996.04	2,516.08
Capital and Net debt	5,491.77	4,759.87
Gearing Ratio	45%	47%

NOTE 50. DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Forward Contract outstanding for the purpose of hedging at the Balance Sheet Date

Sr. No.	Foreign Currency	March 31, 2022		March 31, 2021	
		FC in Million	₹ In crores	FC in Million	₹ In crores
1	US Dollar	19.09	144.72	1.53	11.21
2	Euro	74.05	626.89	20.06	172.68

Nominal amounts of Complete Currency Swaps (CCS) for hedging entered into by the Company and outstanding at end of the year is ₹ 11.95 Crore (Previous year ₹20.28 Crore)

Foreign Currency Exposure not hedged as at the Balance Sheet Date

Sr. No.	Foreign Currency	March 31, 2022		March 31, 2021	
		FC in Million	₹ In crores	FC in Million	₹ In crores
1	US Dollar *	(5.00)	(37.91)	3.04	22.31
2	Euro	28.50	241.26	36.86	317.36
3	GBP *	-	-	(0.002)	(0.02)
4	SEK	-	-	0.09	0.07
5	CNY	-	-	0.22	0.25

*Net of Receivables USD 9.00 Million – ₹ 68.21 Crore (Previous year USD 2.36 Million – ₹ 17.33 Crores), EUR 0.30 Million – ₹ 2.53 Crores (Previous year EUR 0.13 Million – ₹ 1.15 Crores) and GBP Nil – ₹ Nil (Previous year GBP 0.002 Million – ₹ 0.02 Crore).

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 50. DERIVATIVE FINANCIAL INSTRUMENTS (contd.)

Interest Rate Swaps

The Company has variable interest borrowings. To offset the risk of variation in interest rates, the Company has entered into, fix pay and variable receipt, interest rate swaps. These swap contracts are in US Dollar, Euro and INR. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Sr. No.	Foreign Currency	March 31, 2022		March 31, 2021	
		Loan FC in Million	MTM ₹ In crores (Gain)/Loss	Loan FC in Million	MTM ₹ In crores (Gain)/Loss
1	US Dollar	-	-	0.16	0.01
2	Euro	56.07	(29.30)	10.39	0.76
3	INR	-	(12.61)	-	(9.66)

NOTE 51. INCOME TAX

a) Amount recognised in Statement of Profit and Loss

Particulars	₹ in crores (10 Million)	
	2021-22	2020-21
Current Income Tax		
Current Year*	159.97	125.26
MAT Credit Entitlement		
Current Year	-	-
Reversal of MAT credit entitlement of earlier years	-	0.75
Total	159.97	126.01
Deferred Tax	92.91	7.48
Income tax expense reported in the statement of profit and loss	252.88	133.49

* including ₹ 2.05 crore related to earlier years (Previous year is ₹ (-) 4.49 Crore)

b) Reconciliation of Effective Tax Rate

Particulars	₹ in crores (10 Million)	
	2021-22	2020-21
Profit before tax	796.70	370.21
At applicable Statutory Income Tax Rate 34.944%	278.40	129.37
Tax Impact on:-		
Benefit of 80IA	(21.75)	(26.18)
Donation	0.94	(0.63)
Differential Tax Rates of Subsidiaries	0.34	0.40
In House R&D Expenditure	(0.22)	(0.12)
CSR Expenditure	4.01	3.62
Deferred Tax Asset not recognised on business losses and unabsorbed depreciation of The Sirpur Paper Mills Limited	(14.07)	27.82
Others	5.23	(0.79)
Reported Income Tax Expense	252.88	133.49
Effective Tax Rate	31.74%	36.06%

Notes to the Consolidated Financial Statement for the year ended March 31, 2022

NOTE 52.

Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

NOTE 53.

Notes 1 to 52 are annexed to and form an integral part of financial statements.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration Number: 301051E

N.K. LODHA
Partner
Membership No: 085155
New Delhi, the 13th May, 2022

V.Kumaraswamy
Chief Finance Officer

Deepak Gupta
Company Secretary

For and on behalf of the Board of Directors

Bharat Hari Singhania
Harsh Pati Singhania
A.S.Mehta

Chairman
Vice Chairman & Managing Director
President & Director

Deepa Gopalan Wadhwa
Sandip Somany
S.K. Roongta
Vinita Singhania



Directors

Cash Flow Statement for the year ended March 31, 2022

₹ in crores (10 Million)

	2021-22	2020-21
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax	796.70	370.21
Adjustments for :		
Depreciation and amortization	193.05	174.25
Defined Benefit Plans charged to OCI	2.52	3.96
Income from Investments	(19.94)	(20.71)
(Profit)/ Loss on Sale of Property Plant and Equipment (Net)	(0.22)	0.77
Dividend Income {PY(-)17,856/-}	(0.10)	(0.00)
Finance Cost	131.88	128.60
Interest Income	(22.51)	(26.11)
Foreign Exchange Fluctuation	0.09	(0.38)
Provision for diminution in value of Non Current Investments	11.10	-
Assets Written off	0.45	0.44
Provision for Doubtful Debts	-	0.38
Provision for earlier years no longer required	(55.10)	(18.18)
Foreign Currency Translation gain / (loss) on Consolidation	0.75	(0.61)
Deferred Government Benefits	(2.00)	(2.00)
Operating Profit before Working Capital Changes	1,036.67	610.62
Adjustments for Working Capital Changes:		
Trade and Other Receivables	(275.51)	(180.66)
Inventories	(129.52)	115.20
Trade and Other Payables	271.31	6.69
Cash generated from Operations	902.95	551.85
Taxes paid	(129.36)	(76.65)
Net Cash from Operating Activities	773.59	475.20
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property Plant & Equipment	(828.31)	(1,173.29)
Sale of Property Plant & Equipment	2.15	1.79
Acquisition through Slump Sale	(20.30)	-
Non Compete Fee	(4.50)	-
Sale/(Purchase) of Investments (Net)	(73.09)	(124.02)
Dividend Income {PY(-)17,856/-}	0.10	0.00
Interest Received	22.43	23.24
Net Loans and Advances	27.55	(9.25)
Net Cash from Investing Activities	(873.97)	(1,281.53)

Cash Flow Statement for the year ended March 31, 2022

₹ in crores (10 Million)

	2021-22		2020-21	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Buyback of equity shares including buyback tax & other transaction costs	-		(96.45)	
Proceeds of Long-term Borrowings	673.84		1,185.66	
Repayment of Long-term Borrowings	(340.26)		(231.61)	
Proceeds/(Repayment) from Short-term Borrowings (Net)	(26.20)		61.79	
Payment of lease Liabilities	(16.30)		(15.71)	
Interest and Financial Charges	(120.33)		(119.62)	
Dividend	(67.70)		(0.23)	
Net cash from Financing Activities		103.05		783.83
D. Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance		2.67		(22.50)
E. Cash and Cash Equivalents - Cash & Bank Balance as at the beginning of the year		19.53		42.03
F. Cash and Cash Equivalents - Cash & Bank Balance as at the close of the year		22.20		19.53

Notes :

₹ in crores (10 Million)

	2021-22		2020-21	
	Long Term	Short Term	Long Term	Short Term
(a) Total Liabilities from Financing Activities				
Opening	2,608.61	181.48	1,662.56	119.69
Cash Flow Changes				
Inflow/(Repayments)	333.58	(26.20)	954.05	61.79
Non-Cash Flow Changes				
Foreign Exchange	(14.75)	-	(3.23)	
Lease Liabilities	48.60	-	(7.26)	-
Other	5.66	-	2.49	-
Closing	2,981.70	155.28	2,608.61	181.48

(b) Previous year's figures have been re-grouped / re-arranged wherever necessary.

As per our report of even date attached

For LODHA & CO.
Chartered Accountants
Firm's Registration Number: 301051E

N.K. LODHA
Partner
Membership No: 085155
New Delhi, the 13th May, 2022

V.Kumaraswamy
Chief Finance Officer

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Company Secretary

For and on behalf of the Board of Directors

Bharat Hari Singhania
Harsh Pati Singhania
A.S.Mehta

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Vice Chairman & Managing Director
President & Director

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Sandip Somany
S.K. Roongta
Vinita Singhania

Directors



JK PAPER LTD.

Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110002

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