JK PAPER LTD.

Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110002

JKP/SH/2019 30th July 2019

Electronic Filing

Department of Corporate Services/Listing BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code No. 532162	National Stock Exchange of India Ltd. "Exchange Plaza" Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 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 ended 31st March 2019

Pursuant to Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report 2018-19 of the Company for the Financial Year ended 31st March 2019 alongwith Notice of the Annual General Meeting scheduled to be held on 23rd August 2019 at P.O. Central Pulp Mills, Fort Songadh, Dist. Tapi, Gujarat – 394660, which are being dispatched/sent to the members by the permitted mode.

Submitted for your kind reference and records.

Thanking you,

Yours faithfully
For JK Paper Limited

(Suresh Chander Gupta)
Vice President &Company Secretary

Encl: a/a

Admn. Office : Ph.: 91-11-33001132, 33001112, 23311112-5, Fax: 91-11-23712680, Website: www.jkpaper.com
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CIN L21010GJ1960PLC018099

ANNUAL REPORT 2018-19

REINVENTING THE LAST MILE

JK PAPER

JK PAPER LTD.

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Board of Directors

BHARAT HARI SINGHANIA
Chairman

HARSH PATI SINGHANIA
Vice Chairman & Managing Director

ARUN BHARAT RAM

DHIRENDRA KUMAR

M.H. DALMIA

R.V. KANORIA

SANDIP SOMANY

SHAILENDRA SWARUP

SK ROONGTA

UDAYAN BOSE

VINITA SINGHANIA

A.S. MEHTA
President & Director

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
Dist. Tapi (Gujarat)

Offices

Registered Office
P.O. Central Pulp Mills - 394 660
Fort Songadh
Dist. 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
Bank of Bahrain and Kuwait

Company Website

www.jkpaper.com

Auditors

Lodha & Co.
Chartered Accountants

SURESH CHANDER GUPTA
Vice President & Company Secretary

CHAIRMAN'S STATEMENT

> Fostering the spirit of entrepreneurship has enabled JK Paper to be the 'change leader' in the Indian paper industry. The talent pool at JK Paper would rank among the very best in the Indian Paper Industry today.

The global economy has witnessed major setbacks over the last twelve months in the form of heightened risks of US-China trade war, a delayed Brexit, renewed US sanctions on Iran, escalating oil prices, and tightening financial conditions. Global growth, which was earlier projected at almost 4%, has now been scaled down to only 3.3% this year and the next.

Although India remains one of fastest growing major economies, and also the fastest to grow in the last decade following the global financial crisis of 2008, the growth momentum has eased. Growth has come down to 6.8% from 7.2%, and is likely to grow at 7% in 2019-20.

Better prices due to GST had helped maintain consumption growth, especially for necessities. But inflation control measures led to agrarian distress, leading to a moderation in consumption spending on declining rural incomes. The rural economy that is badly hit by the agrarian crisis could receive a further jolt from a less-than-normal monsoon this year. Urban demand too was affected by liquidity constraints and tighter financial conditions. Recovery remains elusive, inspite of the general elections throwing up a stable government.

While reining in inflation provided headroom to RBI to lower policy rates, the limited availability of liquidity after the NBFC crisis in the second half of last year led to an unsavoury outcome of high interest rates, making RBI's rate cuts almost a non-event. Although RBI tried to offset the liquidity deficit, most notably through twin dollar swaps, they were not enough.

This was further aggravated by the likelihood of the Government overshooting the fiscal deficit target. Elevated oil prices were a further drag.

On the business reforms front, the year gone by witnessed the stabilisation of GST regime that could generate efficiencies throughout the value chain. The IBC also put to bed the worst of the NPA crisis, as both recoveries as well resumption in operations, some in the hands of new management took place. Your Company was able to successfully take over the operations of Sirpur Paper Mills.

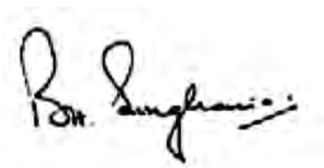
Your Company still managed to produce its best ever performance amidst such a scenario, with highest ever sales volumes of over 5 Lac tonnes. We also managed full capacity utilisation compared to the overall manufacturing sector running at a capacity utilisation of 75%.

At JK Paper, we have always believed that true leadership is about developing leaders at all levels. Because it is they with their passion, initiative and teamwork who anticipate change and lead their Company towards higher goals. Extensive investments were made in people and people practices. Fostering the spirit of entrepreneurship has enabled JK Paper to be the 'change leader' in the Indian paper industry. The talent pool at JK Paper would rank among the very best in the Indian paper industry today.

To improve quality of life of the rural poor in and around our mills, we are committed to help them organise self-help groups (SHGs). Recognising the good work, banks are coming forward with loans to build confidence of SHGs and help them scale their income-generating activities. We have adopted the Industrial Training Institute (ITI), Ukai, Gujarat, under the PPP route, also undertake continuous upgradation and provide training in line with industry requirements. Over thousands of students have been trained in various trades.

The farm forestry development program, started in 1991, has created employment and livelihood opportunities for a significant number of people and the Company also sources its raw material requirement from farm forestry on low-productive land.

We believe that tomorrow belongs to those who prepare for it today. Past patterns cannot always be applied to find answers for tomorrow. That is why we have to be flexible in our approach to maintain the Company's leadership in the market. Your continued support has enabled us to progress this far and look forward to continuing this journey and achieving greater heights together.



Bharat Hari Singhania

VICE CHAIRMAN & MANAGING DIRECTOR'S STATEMENT

India's status as a growth leader amongst the travails in the global economy is commendable alongside the big strides it has taken in its quest to improve the ease of doing business in the country. This is evident in India's ascent of 65 places to 77th in World Bank's Ease of Doing Business (EoDB) 2019 survey from 142nd in 2014. Besides, there has been a greater thrust on improving infrastructure to improve connectivity (to the last mile) and bring down high logistics costs by leveraging roads, railways and waterways.

Impetus seems to be lost in the overall growth paradigm. While GDP growth of 7% is still high even amongst emerging market peers, including China, it does not resonate with the other indicators on the ground.

At the same time, India's relatively better growth is likely to have unwanted repercussions on the trade front. The lure of the Indian market for imports, which is already incentivised by the existing FTAs with ASEAN, Japan & Korea, would grow manifold post the RCEP deal. China too will get access to the duty benefits that will be phased out over time, with impending pains for Indian manufacturing. At the same time, we are unable to take up export opportunities thrown open by the US-China trade war, as we are yet to match our Asian peers in competitiveness. The lack of a level playing field, both from FTAs as well as regulatory bottlenecks, undermines our competitiveness and limits our pricing power.

JK Paper has attempted to overcome this challenge by differentiating itself on the back of its customer-centric last-mile approach. With the huge headroom for growth available in the country, we strengthened efforts to expand the geographical reach and availability of our products. Foraying into direct retailer and customer servicing during the fiscal gone by was a decisive step in this regard.

While there is some improvement in recovery of NPAs over the past fiscal year, the reduction in NPAs was through writing off loans, which hurt banks' profitability and impacted future lending rates. This was further accentuated by a persistent liquidity deficit in the banking system, keeping lending rates elevated. But JK Paper managed to bring down its finance cost significantly through lower leverage and efficient working capital. Besides a rating upgrade of the Company helped.

Despite the bottlenecks of overall demand softness in the economy and pressure on the costs front, JK Paper managed to generate sales revenues that doubled over the last 5-6 years. This was owing to improved market conditions in paper, especially the demand for packaging paper. This is expected to increase on the back of a rapid expansion of the express delivery business of e-commerce, along with increasing penetration of organised retail, higher growth in FMCG, pharmaceutical and processed food industries. This was further reinforced by rising consumer consciousness regarding sustainable packaging, along with strict regulations regarding the use of environment-friendly packaging products.

To mitigate raw material scarcity, JK Paper focused on developing high-yielding saplings with shorter maturity periods. The Company's growing investment in farm forestry initiatives in Odisha, Andhra Pradesh, Chhattisgarh, Gujarat and Maharashtra, covering an area of 1.6 lac hectares, ensures round-the-year access to raw materials. Furthermore, a new pulp mill is being set up at Unit - CPM to cater to increasing requirements.

The continued thrust on plantation activity in the vicinity of its plants continues to bear fruit, with a greater proportion of the requirement being met out of material sourced from shorter distances, reducing the overall delivered costs at the mills. We also managed to reduce our pulp usage through a reduction in fibre loss, besides bringing down bamboo usage in phases to improve pulp quality. This led to a notable improvement in EBITDA margins.

The deployment of resource conservation measures, low water-use technology and increasing use of treated effluent water also led to a big improvement in operational parameters, leading to efficiency gains. This has also reinforced our standing as a responsible paper manufacturer, with the Company managing to reach all-time lows in terms water, power and coal consumption, besides reducing effluent generation per tonne of paper (TPA).

At JK Paper, it has been a saga of continuous process development with an eye on the customer, whether it the most modern pulp mill or an automatic cut-size line for branded products. The Company remained focused on R&D activities and conducted various trials on the shop floor to upgrade the existing product quality to meet customer perception, quality and product leadership.

We have been fortunate enough to have the strong support of all stakeholders, right from customers, suppliers, banks and shareholders. On behalf of the JK Paper team, I assure you that your Company will continue to put its best efforts and remain committed to ensure sustained returns to its stakeholders.

Harsh Pati Singhania

Reinventing the **last mile**

For decades, JK Paper marketed paper in much the same way.

By engaging with its trade partners in a conventional manner.

In the last couple of years, the Company set about transforming this approach.

The Company reinvented its engagement across the last mile.

This approach has strengthened the Company's position as one of the most exciting paper companies in India.

The Company reinvented its engagement across the last mile.

10 things you need to know about our Company

Ethos

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

Promoter

The Company is a part of the prominent JK Organisation, which is over 100 years old and one of the leading business conglomerates of India. The group enjoys a significant presence in the manufacture of automotive tyres, cement, power transmission, V-belts, oil seals, hybrid seeds, dairy products, textiles, health care, education and clinical research besides paper. JK Organisation employs over 40,000 employees.

Products

The Company's diverse product portfolio (office paper, packaging board, writing and printing paper and specialty paper, among others) is synonymous with high quality leading to superior applications. The Company's pulp and paper manufacturing operations are integrated.

Brands

The Company has a diversified product portfolio and under each segment there are some established brands, which are the main revenue generators for the Company, namely – JK Copier, JK Evervite, JK Sparke, JK Bond, JK SS Maplitho (SHB), JK Cote, JK Ultima and JK Endure, among others.

Leadership

JK Paper is one of the largest wood-based paper companies in India. The Company established its position as a leader in the branded copier paper segment and high-end packaging board segments and is one of the two leading players in the coated paper.

Facilities

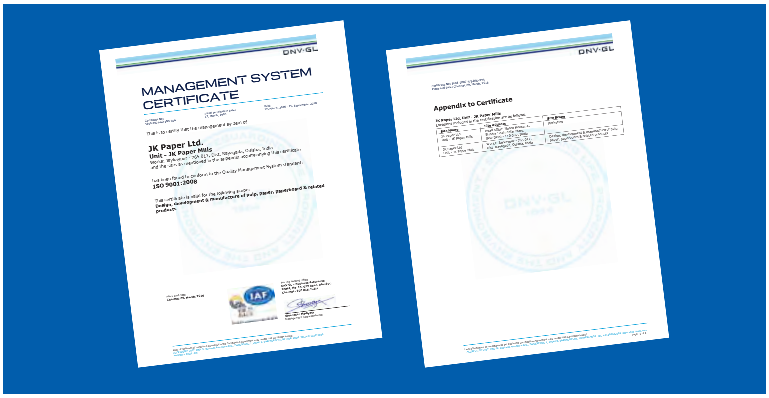
The Company's state-of-the-art integrated manufacturing facilities are located in Rayagada (Odisha) and Songadh (Gujarat). The Company acquired a plant at Sirpur (Telangana) in 2018-19, which is expected to commence commercial production. Unit JKPM, Odisha, manufactures copier, coated and maplitho paper varieties; Unit CPM, Gujarat, manufactures packaging board, copier, maplitho and a variety of specialty papers.

Capacity

The Company's capacity was 4.55 Lac TPA by the close of 2018-19. The Company produced 4.95 Lac tonnes of paper, packaging board and pulp in 2018-19. The Company's aggregate capacity following the Sirpur Paper acquisition stood at 5.91 Lac tonnes.

Footprint

The Company's pan-Indian distribution network comprises 229 trade partners, more than 4000 dealers, 18 depots and four regional marketing offices. The Company exports products to around 62 countries (including the US, the UK, Sri Lanka, Bangladesh, Singapore, Malaysia, Africa and Middle East).



Certifications

The Company has been accredited with ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications, validating its quality, environment and employee health and safety commitment respectively. The Company is FSC-certified, endorsing its responsibility towards forestry policies and practices.

Plantation management

The Company's farm forestry within a 200 kms radius of its manufacturing plants covered over 160,000 hectares cumulatively and more than 5,000 farmers in 2018-19, accounting for a major portion of the Company's raw material procurement. The Company helped plant eucalyptus, casuarina and subabul clones / saplings. The Company is net wood and carbon-positive; it plants more trees than it harvests for paper manufacture.

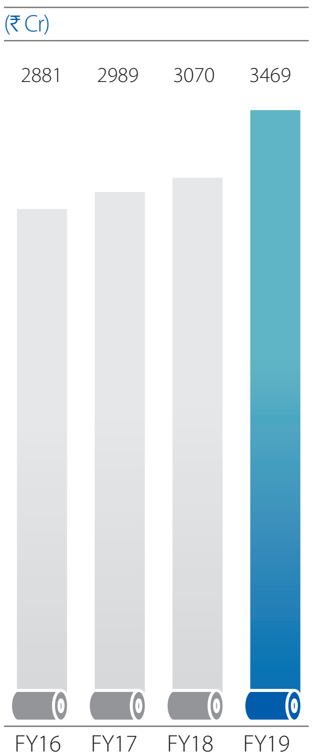
Milestones

1938
Commenced manufacturing straw boards in Bhopal with a capacity of 3,600 TPA.

1962
Installed the first fine paper machine at Unit – JKPM (Odisha).

1992
Acquired Unit – CPM (Gujarat).

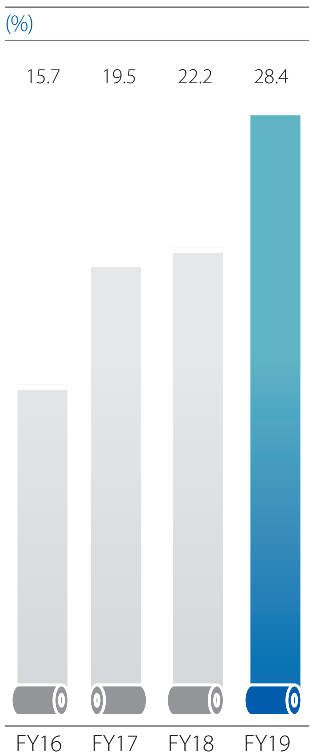
Our financial numbers over the years



Revenues

Performance

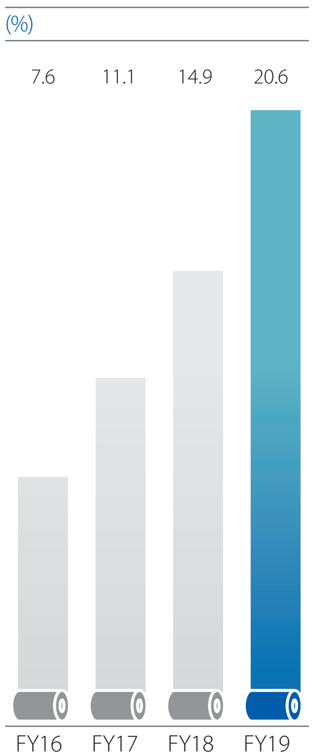
Aggregate sales increased by 13% to ₹3469.19 Cr in 2018-19 due to increasing demand and improved footprint.



EBITDA margin

Performance

The Company reported a 620 basis points (bps) increase in EBITDA margin in 2018-19 through a superior product basket comprising value-added products and improved operating efficiency.



RoCE

Performance

The Company made a prudent investment in profitable niches and value-added products, strengthening returns for shareholders.

2005

Commissioned a coating plant at Unit – JKPM (Odisha).

2007

Commissioned a premium packaging board plant at Unit – CPM (Gujarat).

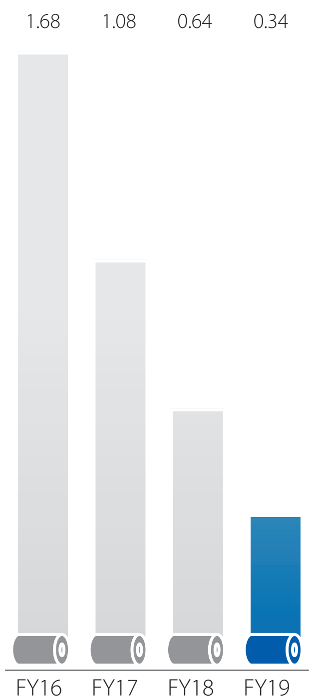
2013

Commissioned a state-of-the-art new fibre line and high-speed paper manufacturing machine at Unit – JKPM (Odisha) with a capacity of 1,65,000 TPA.

2018

Acquired Sirpur Paper Mills in Telangana with a capacity of 1,36,000 TPA.

(X)



Debt-equity ratio

Performance

The Company's gearing moderated from 1.68 in 2015-16 to 0.34 in 2018-19 as the Company utilised surpluses to repay debt.

Awards

Over the years, the Company has been bestowed with a number of awards comprising the 'Water Efficient' award in 2017, 'Greentech Environment Gold' award in 2015 to 'HR Leader and Talent Acquisition' award in 2017 and Certificate of Honour and Certificate of Appreciation at the Gujarat State Safety Awards in 2013 and 2015, among others.

Acquisition

How the Sirpur Paper Mills acquisition is expected to strengthen JK Paper's market presence

Background

JK Paper acquired Sirpur Paper for ₹371 Cr in 2018-19.

The rationale for this acquisition needs to be explained against the backdrop of the extensive investments made in the Indian paper industry in the span of five years starting 2008.

This aggressive investment phase virtually transformed the competitiveness of India's paper sector. The size and scale of paper machines rose from around 35,000 TPA to1,50,000 TPA, machine speeds accelerated from around 400 metres per minute to 1,000 metres per minute, boiler pressure upgraded from 32 bars to 65 bars and there was a better availability of wood resources closer to the factories, strengthening logistical economies.

In this strengthening environment, Sirpur Paper, one of India's oldest and most respected paper mills, acquired a large pre-used paper machine that was subsequently redesigned. This redesigned facility could not stabilise production across its expanded capacity, reported sub-optimal utilisation, failed to cover fixed costs and eventually eroded the Company's net worth. However, the Company's pulp mill (108,000 TPA) with sophisticated Andritz technology possessed viable fundamentals but could not achieve its desired potential due to the downstream paper manufacturing facility not being able to stabilise operations.

The Company ceased operations in 2014.

The acquisition

JK Paper acquired Sirpur Paper to capitalise on long-standing intangible advantages of the acquired company and for fast-tracking its investment, given that it is time-consuming and expensive to commission a greenfield paper manufacturing facility.

The Company was acquired for five principal reasons.

One, the acquired company possessed access to ample land for future expansion, a prized availability of industrial infrastructure difficult to replicate with speed and convenience in present-day India.

Two, the acquisition came with abundant water availability with river Peddavagu, a tributary to river Godavari in the vicinity.

Three, the acquisition provided access to abundant coal from Singareni Collieries, only about 40 kms away.

Four, the acquisition provided access to a robust logistical network - highways not more than 14 kms away and being upgraded from undivided two lanes to divided four lanes.

Five, the proximate catchment area is virtually devoid of organised plantations, representing an excellent resource-enhancing opportunity.

We believe that the convergence of these realities represents a fast-tracked option to widen one's presence in India's paper industry.

The acquisition provided access to abundant coal from Singareni Collieries, only about 40 kms away.

At JK Paper, we believe that the successful acquisition and turnaround of Sirpur Paper will strengthen our position as one of India's most exciting paper company.

Sirpur Paper Mills

Strengthening manufacturing infrastructure

At JK Paper, we recognised that the production infrastructure of the acquired company would need to be modified and upgraded to bring it to acceptable quality, productivity and profitability.

As a first step towards the restructuring, the Company plans to shut four of the eight acquired machines and enhance throughput of the remaining paper machines. Following a reasonable investment, the Company plans to enhance the average production capacity of the four retained machines to 1,36,000 tonnes per annum by various measures of debottlenecking, higher speed and productivity. The Company is also investing in a new power boiler and turbine.

The acquired operations are expected to be commercialised from the first quarter of 2019-20. The full result of these improvements is expected to manifest from the second half of 2020-21. By then, the scaled operations are expected to enhance operating EBITDA margins.

The Company believes that the acquisition at ₹371 Cr represents a reasonable price with good long-term potential for expansion and growth. Besides, a greenfield facility would have consumed at least 40 months from scratch to commission, including all clearances whereas this acquisition was actioned in 12 months. We believe that the preponed revenues and profits justifies the acquisition, improving overall payback and competitiveness.

Plugging the gap

At JK Paper, we believe that the successful acquisition and turnaround of Sirpur Paper will strengthen our position as one of India's most exciting paper companies.

From two locations, the addition of Sirpur Paper will add another resource-rich location to the portfolio taking the number to three locations.

The complement of three paper manufacturing locations will enable JK Paper to service a large addressable market in general and south India in particular.

The acquisition will empower JK Paper to capitalise on the rich and multi-decade 'Sirpur' brand (established 1938).

When in operation, Sirpur's products were marketed across India through a network of six depots feeding more than 50 wholesalers in 33 cities in addition to sales in Sri Lanka, Bangladesh, Nepal, Malaysia and Singapore.

The unit's product mix comprised writing & printing paper; creamwove and maplitho paper; ledger, bank and account book paper; speciality grade paper bond, parchment, airmail, manila and pastel paper; base for coated paper; duplex and triplex board; laminating grade kraft.

This capability provides JK Paper with a wide portfolio through which to engage with customers.

Driving the local economy

At JK Paper, we are optimistic that the acquisition will not just enhance shareholder value but also drive the rural economy.

Fundamentally, the revival of this manufacturing facility is expected to recharge the local economy by more than ₹300 Cr each year through the employment of about 2000 individuals, large procurement of wood produce and use of local services.

We believe that our purchase of products and services will set into motion a larger local economic impact, enhancing regional prosperity.

More than the numerical impact, we believe that the revival of this closed facility has already strengthened the local social fabric, reflected in a stronger work ethic and moral discipline.

The revival of the closed Sirpur facility has already strengthened the local social fabric, reflected in a stronger work ethic and moral discipline.

How we reinvented the last mile presence

Overview

For decades, the Indian paper and packaging board industry followed a distribution system with the manufacturing company at one end and distributors at the other.

It was a challenge for the Company to reach out to the customers and get honest and valuable marketplace feedback of consumer purchase patterns and requirements.

Need

As a future-focused company, JK Paper recognised the need to extend its presence to retailers and access consumers. The Company's strategic extension to retail was dictated by a priority to seed the market with new value-added products and create new markets as opposed to routinely servicing the existing. The Company was convinced that a reinvention of its presence at the last mile would strengthen its brand, empower it to comprehend consumer needs deeper and create a basis for informed product development. Besides, the Company was convinced that this extension would make it possible to address the needs of smaller buyers generally overlooked by the conventional distribution architecture.

The extension was challenging for various reasons: the challenges were unknown, the Company did not possess relevant experience, the complexities of distribution were completely different and there were no contemporary models of how manufacturers retailed products.

Preparedness

JK Paper pressed ahead after extensive preparedness.

- The Company engaged in extensive market research to identify prospective customers and target audiences.
- The Company engaged in responsible recruitment comprising informed and trained sales professionals.
- The Company invested in a team to address product dispatch through its existing trade partners.
- The Company made a selective launch of this service and a road map to service the entire country across the foreseeable future.

Outcome

The Company is fully convinced that change is inevitable and will facilitate wholesale distribution and direct retailer access, making it possible for both to co-exist.

Following green shoots of success, the Company plans to extend its coverage across more than 30 cities

Strengthened our resource security

Overview

India's irony is that even though it is the largest agricultural country across the world with the highest new cropped area, it is wood fibre-deficient.

Besides, even as downstream paper consumption is increasing, the Indian government does not permit industrial plantations, making it imperative for manufacturers to import pulp, affecting resource security.

In the past, JK Paper sustained growing mill operations through long-distance wood purchases from as far as 1200 kms. This increased logistics costs, resource insecurity in view of erratic material availability and carbon footprint.

Challenges and responses

Resource security is a challenge owing to the non-availability of industrial plantation permits in India. To mitigate this long-standing risk, the Company focused on farm forestry, relevant manufacturing infrastructure and switch in raw material from bamboo to hardwood.

To make up for low wastepaper recovery (~30%) due to inefficient collection, low availability of quality raw material at competitive costs and counter rising resource imports, the Central Government drafted a new National Forest Policy, permitting the corporate sector to grow, harvest and market trees on government-owned lands.

Decisive restructuring

As a future-focused manufacturer, the Company embarked on a decisive restructuring of its resource procurement model. A decade ago, the Company began to invest in the long-term development of plantations in the vicinity of its mills. The Company motivated and assisted farmers within a radius of 200 kms from its manufacturing facilities to plant hardwood species (eucalyptus, subabul and casuarina) with a buyback assurance. The Company introduced farmers to modern-day farm forestry practices, enhancing productivity per hectare. The Company's farm forestry initiative offered farmers the prospect of sustainable livelihoods and equitable realisations; the Company benefited through round-the-year raw material security and price stability.

Successful showcase

What started as a tentative experiment through the complement of purchase assurance, seed support and agricultural supervision has now transformed into one of the most successful plantation initiatives undertaken within India's paper industry. The exercise has extended across more than 1,60,000 hectares, extended to five states (Gujarat, Maharashtra, Chhattisgarh, Odisha and Andhra Pradesh), benefited more than 50,000 farmers, increased the proportion of the Company's resource procurement from within 200 kms and not only helped recharge India's rural economy through procurement but also increased green cover by enhancing Trees Outside of Forest (TOF).

As a future-focused manufacturer, the Company embarked on a decisive restructuring of its resource procurement model.

How JK Paper has transformed itself over the years

49% Proportion of raw material procured from local catchment of the Company's plants, 2016-17

71% Proportion of raw material procured from local catchment of the Company's plants, 2017-18

96% Proportion of raw material procured from local catchment of the Company's plants, 2018-19

Carbon-positive

The result of this engagement has also had a larger impact. Over the last few years, the Company has transformed to wood- and carbon-positive status, planting more trees than utilising. The Company developed short-rotation clones (two to three years) to enhance yields and income per hectare.

The result is that following the successful demonstration of the vast potential of this plantation initiative, farmers have agreed to allocate a larger farm area for wood plantations, enhancing rural prosperity.

Highlights, 2018-19

In 2018-19, the Company distributed more than 40 million saplings across more than 5,000 farmers. As an environmentally responsible manufacturer, the Company moderated wastewater discharge, reduced freshwater consumption and moderated effluent generation per tonne of paper.

The Company increased the proportion of raw material procured from local catchments local to its manufacturing facilities from 41% in 2015-16 to 96% during 2018-19, making local farmers the principal beneficiaries of the Company's growth.

The Company planted 414 Lac trees in 2018-19, and has a plantation footprint of more than 1,60,000 hectares cumulatively, strengthening its prospective resource security.

The Company helped enhance yield per hectare on farmer holdings through the use of superior and early maturing clones.

How JK Paper has enriched the lives of farmers

"I am now asking my fellow villagers to undertake eucalyptus plantations and change their lives too."

"I had 1.6 hectares of fallow land in 2014 when JKPM *burra babus* encouraged me to undertake eucalyptus plantation. 'This will be a life-changer for you', they had said. After five years, when I harvested for the first time, I earned ₹360,000 after deducting harvesting expenses. I was now able to afford a pucca house for my family. I am now advising my fellow villagers to plant eucalyptus and transform their lives as well."

Baidahi Nayak, Sanabadigaon village, Odisha

R&D activities

- The Company developed and introduced a new eucalyptus clone (CPM U283 turbo) with wood productivity of 50-65 cubic metres per hectare per year (under irrigated conditions) and a high bleached pulp yield across a two-to-three-year rotation cycle.
- The Company developed a hybrid of Leucaena leucocephala and Leucaena collinsii, resistant to psyllid pests and offering a higher wood productivity.
- The Company developed 10 hybrids of Eucalyptus urophylla and Eucalyptus globulus; it conducted progeny trials at Unit CPM and Unit JKPM with the objective to generate higher pulp yield and superior wood productivity.
- The Company installed an electric sample seed scarifier to increase subabul germination and survival.
- The Company established a gene bank-cum-progeny trial facility at Unit JKPM for the conservation of germplasm that could assist in prospective R&D programmes.

The Company has focused on the development of shorter gestation clones of two to three years.

Outlook

The Company works with responsible and progressive resource suppliers and is continuously engaged in a comprehensive evaluation of their resource quality, delivery compliance, technology absorption and product consistency, among others.

The Company has focused on the development of shorter gestation clones of two to three years. It developed four high-productive, disease-resistant eucalyptus clones with corresponding multi-locational trials likely to begin in 2019-20 for commercial introduction in 2020-21.

"I am advising other farmers to undertake large-scale subabul plantations to maximise their incomes."

"Until 2015, I had 2.5 hectares under cotton cultivation. JK Paper motivated me to plant subabul with high-yielding saplings that they provided. When I harvested in 2019, I earned ₹990,000. The fertility of my land improved. I am advising other farmers to undertake large-scale subabul plantation to minimise risks and maximise incomes."

Jayesh Shashikand Josh, Harsunda, Gujarat

Strengthening a culture of manufacturing excellence

Overview

India's pulp and paper industry is marked by a high capital cost that makes it imperative for manufacturing facilities to be operated at a high capacity utilisation with the objective to generate superior efficiencies and amortise fixed costs more effectively.

Besides, the large number of operational variables has made it imperative to invest in an overarching culture of manufacturing excellence. This culture emphasises continuous improvement, passion-driven shopfloor motivation, high sense of team work and extensive supervision with the objective to correct deviations with speed.

Over the years, the Company's inspired shopfloors have translated into superior manufacturing productivity from the given infrastructure (more out of less), superior and consistent product quality, stronger consumption efficiency and lower downtime.

JK Paper's manufacturing facilities – Unit JKPM in Odisha and Unit CPM in Gujarat – possessed an aggregate capacity of 4.55 lac tonnes of paper in 2018-19. These plants delivered an average capacity utilisation of 108.7% during the year under review.

Strengths

Unit - JKPM

- Invested with state-of-the-art technology, upgraded periodically.
- Arguably the lowest-cost paper manufacturing facility in India.
- ~65% of the power appetite addressed with renewable energy
- Raw material requirements sourced from local catchment areas near manufacturing units.

Unit - CPM

- In-house engineering capability helps de-bottleneck manufacturing lines at a 35% lower cost than OEMs.
- Continuous engagement in cost optimisation.
- Paper machine reported ~123.5% capacity utilisation.

Challenges and responses

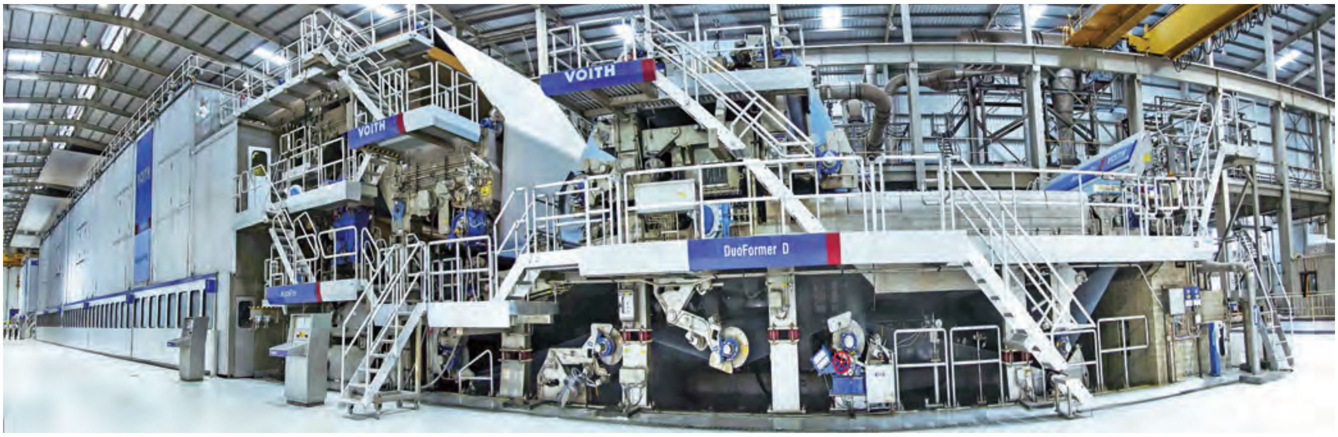
The Indian paper sector is challenged across a number of fronts.

Water costs for the Indian paper industry averages ~₹32 per cubic metre, rising at 10% y-o-y. The Company moderated power costs (coal and steam) to counter the impact of rising water costs.

The Company used ~65% imported pulp for the manufacture of packaging board. The rising cost of pulp is likely to be countered through the commissioning of a new pulp mill, enhancing pulp security.

High on-time in-full score

The Company reported an on-time in-full score of ~88% in 2018-19, validating the Company's ability to completely deliver products on schedule.



The JKPM unit edge

The strategic location of Unit - JKPM empowers the plant to source its raw materials from local catchment areas near its manufacturing facilities.

Highlights, 2018-19

Unit - JKPM

- Increased pulp production by 2% to 2.24 Lac Bone Dry Metric Tonnes (BDMT).
- Increased paper production by 1% to 3.04 Lac tonnes.
- Improved raw material yield.
- Started recovering methanol and using it in lime kilns to halve furnace oil consumption.
- Became one of the earlier paper companies in the country to commission a methanol plant.
- Undertook debottlenecking initiatives and upgraded from the old gear system to a silent drive system.

Unit - CPM

- Increased pulp production by 7% BDMT.
- Increased paper production by 6% in 2018-19.
- Increased packaging board production by 9%.
- Moderated steam, water and coal consumption.
- Debottlenecked capacities, strengthening throughput.
- Substituted ~21% pulp requirement with fillers, reducing costs.

Key numbers - Unit JKPM (paper)

104.4 % capacity utilisation during 2018-19

3.2 % reduction in kWh/tonne of paper during 2018-19

2.8 % reduction in water usage per tonne of paper during 2018-19

9.2 % reduction in coal usage per tonne of paper during 2018-19

Outlook, 2019-20

- The Company intends to increase pulp capacity to address growing packaging board demand.
- The Company will strengthen product customisation.
- The Company intends to debottleneck its manufacturing capacity.
- The Company intends to enhance packaging board capacity to meet growing demand.
- The Company intends to increase pulp substitution with fillers.
- The Company intends to increase the quantum of pulp derived from every tonne of wood to ~44% through the enhanced planting of clonal saplings.

Key numbers - Unit CPM (paper)

123.5 % capacity utilisation during 2018-19

2.6 % reduction in kWh/tonne of paper during 2018-19

4.8 % reduction in water usage per tonne of paper during 2018-19

4.4 % reduction in coal usage per tonne of paper during 2018-19

Key numbers - Unit CPM (packaging board)

111.3 % capacity utilisation during 2018-19

7.7 % reduction in kWh/tonne of paper during 2018-19

5.1 % reduction in water usage per tonne of paper during 2018-19

7 % reduction in coal usage per tonne of paper during 2018-19

The CPM unit edge

Unit - CPM accesses wood at a lower cost compared to the JKPM plant. Large tracts near the plant provide room for expansion. Unit - CPM is strategically located near the core packaging board markets of Mumbai, Pune and Ahmedabad.

How we reinforced our brand recall

Overview

In a business often dismissed as commodity where product differentiation is perceived to be negligible, there is a premium on the need to brand products with the objective to generate a superior recall.

Over the years, the Company invested in product differentiation – lustre, burst factor, smoothness, absorption and cleanliness – with the objective to strengthen its recall as a responsible and competent manufacturer.

Even as there is a premium on prudent corporate positioning, there is a concurrent need for India's paper industry to emphasise its position as a rural economy driver engaged in responsible farm forestry on degraded lands, R&D investments, development of high-yielding drought-tolerant and disease-resistant wood varieties and collaborative engagements between manufacturing companies at one end and farmers at the other.

Key numbers	9%	4%	5.5%	~13%
	Growth in packaging board volumes, 2018-19	Growth in writing and printing paper volumes, 2018-19	Growth in copier volumes, 2018-19	Growth in revenues, 2018-19

Strengths

- JK Paper's respect for sustainability has established its reputation as a responsible corporate citizen.
- The Company's brand recall is defined by words like 'trust' and 'superior quality'.
- The Company provides a range of consumer products (office paper, writing and printing paper and specialty paper, among others), reinforcing its position as a one-stop solution provider.
- The Company is a dependable provider of high-end packaging board, marked by enduring business-to-business relationships with some of the most respected and demanding customers.
- The Company is respected for market leadership in the office paper segment.
- The Company is wood- and carbon-positive.
- The Company is engaged in school-based marketing campaigns that communicate sectoral responsibility.

Challenges and responses

The biggest challenge to the paper industry is the myth that paper consumption is synonymous with deforestation. The Company mitigates this challenge by organising awareness campaigns in schools on how JK Paper is a carbon-positive company and how paper consumption not only has nothing to do with cutting trees but also helps increase the green cover by planting more trees. Further, the Company also focuses on social media campaigns to reach a larger audience.

Highlights, 2018-19

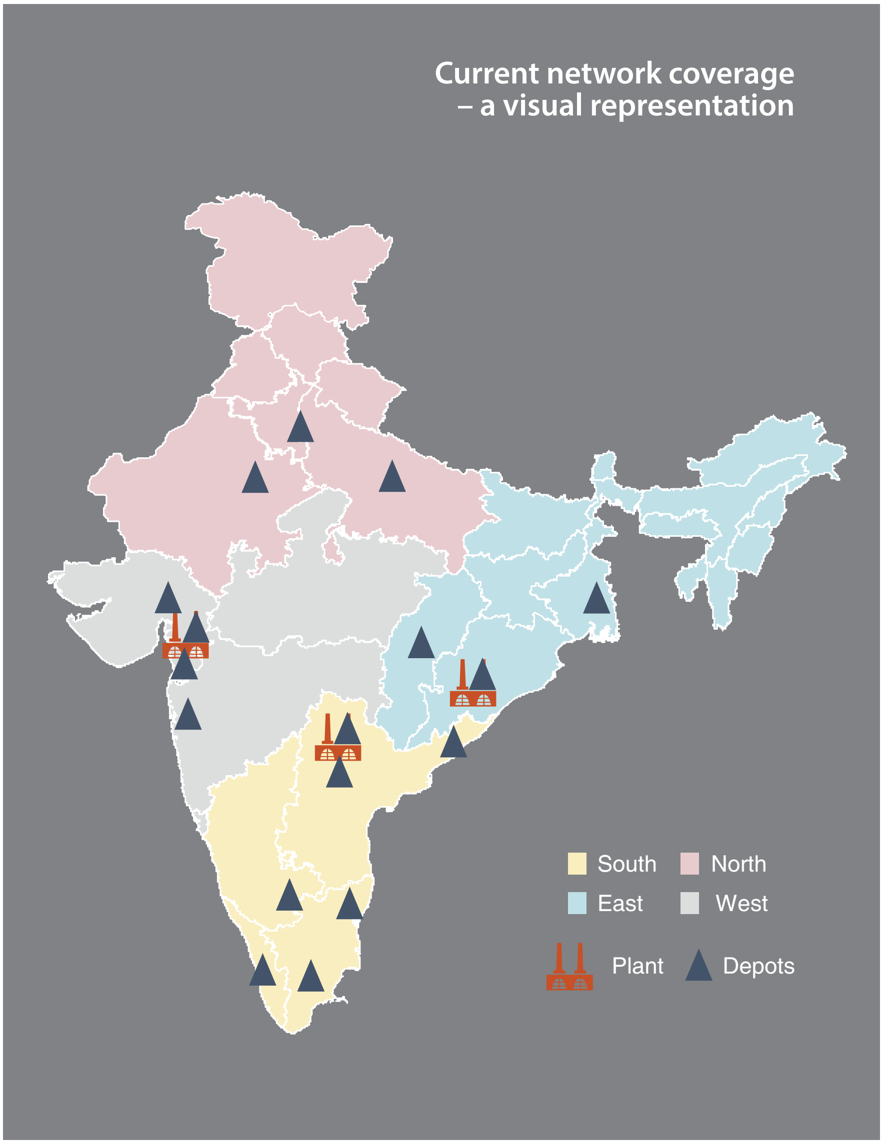
- The Company sponsored the fourth edition of the Times Literature Festival - Delhi, increasing visibility.
- The Company increased market visibility through signages.
- The Company initiated school campaigns to transform student mindsets about paper and alleged deforestation.
- The Company extended product access to retailers and consumers, enhancing its last mile visibility.
- The Company rechristened 'JK Paper' visibility instead of promoting individual products.
- The Company increased its reach through the e-commerce route selling directly to the customers.
- The Company continues its *Super Sitare* programme to incentivise outperforming wholesalers and dealers.
- The Company expanded its reach through Jobber contact programme, highlighting the copier paper brand.

Outlook, 2019-20

- The Company intends to launch an electronic media campaign promoting the responsibility of the sector and Company towards sustainability.
- The Company intends to encourage women writers in India through an annual award.
- The Company intends to further expand its last mile reach across India.

The Company's brand recall is defined by words like 'trust', and 'superior quality'.

How we widened and deepened our sales and distribution network



Overview

In a vast India, the challenge lies in distributing products wider and deeper to provide products to where consumers need them.

Besides, there is an ongoing challenge to address latent demand, reflected in the country's extensive under-consumption of paper: per capita consumption of 13 kg of paper in India is a fraction of the global average of 57 kg.

However, paper consumption in India is rising faster on account of increased incomes, aspirations, literacy and product consumption. This makes it imperative to not merely service existing markets but also create markets through a wider portfolio on the one hand and a wider presence on the other.

Besides, there is a premium on the ability to counter paper imports, higher commodity prices, and digital disruption through enhanced availability and geographic penetration.

Over the years, the Company strengthened its sales and distribution structure by collaborating closer with corporate customers for promoting its writing and printing as well as its packaging board products. By engaging directly with the printing and publishing community, the Company reduced its dependence on conventional trade partners.

Strengths

- The Company's robust distribution network and direct contact programme for key clients strengthened a corporate consumer pull.
- The Company leveraged its enduring engagement with publishers and printers.
- The Company capitalised on a near 100% retention of trade partners (wholesalers, dealers and retailers) in 2018-19.
- The Company had a robust distribution network comprising 238 trade partners (including overseas partners), more than 4,000 dealers and 18 depots (as on 31st March, 2019).
- The Company increased revenues by ~13%.

Challenges and responses

The business of paper marketing is restricted by the inadequate availability of talented professionals. The Company is addressing this challenge through agencies identifying related talent and by benchmarking remuneration with sectoral standards.

The other challenge has been a dearth of competent trainers for the sales and distribution functions. The Company is addressing this challenge through ongoing collaborations with specialised agencies and experts.

Paper imports continue to pose a challenge for the Indian paper manufacturers. The Company is also addressing the challenge of imports through cost leadership, direct interface with retail consumers and a superior engagement with trade partners.

Highlights, 2018-19

- The Company engaged with downstream converters to enhance packaging board acceptability and offtake.
- The Company improved its reach across retailers and consumers.
- The Company created a database of institutional customers with growing packaging board requirements; it engaged with these companies through fortnightly direct contact programme.
- The Company generated a 13% increase in revenues to ₹3,469.19 Cr and strengthened average realisations.
- The Company increased focus on distributors' sales training.

Outlook, 2019-20

- The Company intends to market products effectively and profitably in its regions of presence, carving out a superior wallet share.
- The Company intends to widen its distribution footprint to the last mile.
- The Company intends to address growing demand from South India through the recently acquired Sirpur plant.
- The Company will expand its product range following the Sirpur Paper Mills acquisition.

Redefining sectoral benchmarks

The Company is widening and deepening its semi-urban and retail distribution network beyond the >10 Lac population towns to the >5 Lac population towns.

The Company is investing deeper in direct contact programmes to increase its revenue share from marquee clients.

Our finance review

Overview

In a capital-intensive business, there is a priority to generate a return considerably higher than the cost of capital.

While most of the initiatives resulting in this superior return are derived from various manufacturing, marketing, resource procurement and branding initiatives, there is a premium on the right financial structure, funding mix, repayment terms and capital asset financing.

During the year under review, the Company strengthened financial control, enhancing liquidity, margins and competitiveness.

Strengths

Credit rating: The Company focused on deleveraging its Balance Sheet to improve credit rating from A/Positive in 2017-18 to A+/Stable in 2018-19.

Loan repayment: The Company ensured timely debt repayment to moderate interest outflow from 5.1% of net sales in 2017-18 to 3.8% of net sales during 2018-19, while strengthening interest cover from 4.47 to 7.57.

Gearing: The Company's gearing by the close of 2018-19 was 0.34, indicating its financial strength and enhanced room for borrowing, if needed.

Debt cost: The average cost of consolidated debt for the Company was 8.5% at the close of 2018-19; the lowest debt tranche had been mobilised at less than 9%.

Net debt-EBITDA: The net debt-EBITDA ratio declined from 1.66x during 2017-18 to 0.75x during 2018-19.

Investor relations: The Company engaged deeper with the investor community through quarterly performance-based conference calls and participation in various meetings, enhancing their understanding of the Company's performance and prospects

Capital management: The Company reduced its working capital requirement to 8 days of turnover equivalent in 2018-19 compared to 32 days during 2015-16.

Receivables: The Company strengthened its receivables management by reducing 5 days in 2018-19

Challenges and responses

- The high cost structure in the economy was a challenge. The Company increased sourcing from within 200 kms radius and reduced fuel and water consumption, which in turn reduced the cost of production.
- The paper industry is a capital-intensive sector, besides the cost of funds in India is on the higher side. To mitigate this challenge, the Company uses a mix of domestic and foreign debt.
- Mobilising funds for projects and other solutions in a cost-effective manner was another challenge. The Company leveraged long-standing relationships with financial institutions coupled with increasing access to global funds at a lower cost, cushioned the Company from this challenge.

Highlights, 2018-19

- The Company successfully mobilised required debt for Sirpur Paper acquisition at a comparative cost with a door-to-door maturity of 12 years, strengthening cash flows.
- The Company repaid ₹284 Cr of long-term debt in 2018-19.
- The consolidated gearing of the Company moved from 0.64 to 0.34 during the year under review.

Outlook, 2019-20

- The Company is optimisitc of prospects in the paper industry and protecting leadership in the copier segment, resulting in superior offtake in the near future.

Key numbers

620

bps, increase in EBITDA margin in 2018-19 over 2017-18

3.10

times, improvement in interest cover in 2018-19 over 2017-18

Our human resource review

The last mile approach of JKPL

The Company's last mile responsiveness comprises the identification of outstanding managers and customised training. This learning environment strengthened people retention to 92%, higher than the sectoral average

Overview

In a business where the biggest priority is to generate a consistently higher throughput from given equipment and infrastructure, there is a premium in motivating employees to consistently outperform.

At JK Paper, we believe that this consistent outperformance is derived from a differentiated workplace culture. At our Company, this culture has been reinforced through prudent recruitment, ongoing training, role expansion, delayered communication tiers, operational transparency and career progression.

Over the years, the Company's people management has been woven around the pillars of engagement, development and performance. The Company recruited from prestigious pan-Indian institutes, mentored and groomed professionals and combined in-sectoral recruitment with non-paper industry recruitment backgrounds. Besides, the Company enhanced a culture of caring, integrity, intellectual honesty, openness, fairness, trust and excellence.

The result of this ferment is that employees embrace challenges, address directly what would normally have been outsourced, outline targets bottom-up and engage in multi-functional teams to collectively address objectives.

It has translated into enhanced throughput from given equipment and infrastructure, high operation efficiency, consistently superior product grades and a complete fit with downstream customer applications.

Strengths

- Longstanding recall as a Great Place to Work within India's paper sector.
- Group-level structured employee development programme for individual companies.
- Workforce delivery marked by innovative, differentiated and quality service.
- Easy accessibility of the senior management.
- Respect for being a sectoral statesman and thought leader.
- The Company's core value is people-centricity.

Challenges and responses

The Company addressed the challenge of low competence through increased training and mentoring (especially of those from non-paper backgrounds).

The Company strengthened its learning and development framework through '70:20:10' principle (70% focus on on-the-job learning, 20% on coaching cum mentoring and 10% focused on classroom / virtual training).

The Company supplemented its longstanding manufacturing focus with enhanced customer-centricity through deeper employee engagement and enhanced customer-friendliness.

Highlights, 2018-19

- The Company launched e-Gyan, an e-learning portal for soft skills and interactive courses on various topics.
- The Company reinforced its 'customer first' culture through periodic theme-based programmes at the manufacturing facilities and head office.
- The Company undertook initiatives like Sharing Mind, Sampark and Coffee with President, among others, to enhance engagements between the workforce and senior managers.
- The Company conducted employee satisfaction survey and regular engagement programmes (Funtakshari, Minute to Win It, Online Independence Day Quiz, among others), leading to an increased employee engagement score of 91 compared to previous survey score of 84.
- The Company hosted sporting contests (badminton and cricket), picnics and celebrations of important days (International Women's Day).
- The Company undertook the Wrong 2 Right initiative, with employees submitting testimonials on a public forum about errors and their rectification.
- The Company undertook a study on organisational effectiveness. Based on their suggestions, the Company added four verticals (retail, product development, operational excellence and outsourcing).
- Under the 'Great Place to work' the Company was recognised amongst the top 100 Indian companies.
- The Company laid the foundation of a performance-driven reward culture.

Outlook, 2019-20

- Focus on people development catalysed by customised programmes.
- Introduce opportunities like intra-job and inter-job rotations, enhancing holistic knowledge building.
- Implement a stronger e-learning programme by developing a mobile app that enhances employee accessibility.
- Organise contests wherein employees compete with each other.

Key HR engagements at JKPL

- The Sharing Minds programme revolves around business heads engaging with employees in small groups for informal communication.
- Sampark involves unit heads and senior executives engaging informally with employees.
- Coffee with President provides the selected 'Employee of the Quarter' with the opportunity of a one-on-one interaction with the Company's President.
- Santusthi comprises employees volunteering for social work, emphasising the JKPL value of 'caring for people'.

Our Corporate Social Responsibility

India's Vice President Shri Venkaiah Naidu at BYST Grampreneurs Summit

Overview

JK Paper's Corporate Social Responsibility (CSR) strives to meet the development needs of the country, especially the communities that we work with, the underlying philosophy being to create socially harmonious and financially viable communities, provide them with sustainable livelihood opportunities, support weak and marginalised sections through initiatives that include them in the development process and build their capacity for greater productivity. The projects are designed to not only benefit the population but leverage the inherent social capital for their overall development in the long term.

Our CSR footprint has a geographical spread in three blocks of Rayagada, Odisha and two blocks in district Tapi, Gujarat, covering over 32,000 households across 252 villages. We also support dairy enterprise development in Gajraula, Uttar Pradesh.

Our CSR has earned appreciation from the State and national development agencies, resulting in partnerships with NABARD and other reputed institutions like IIT Bhubaneswar & CIBAT Gujarat, among others, enabling us to extend our footprint to newer geographies. The projects include plantations under the NABARD project and will cover over 2,800 hectares benefiting over 10,000 farmers with an eventual target of addressing 60,000 farmers in six coastal districts of Odisha. Partnerships are also in the offing in areas of rural marketing, whereby the Company will facilitate the setting up of Rural Mart and a Rural Haat to establish a market linkage for the products made by SHGs, reducing their vulnerability on account of an absence of credible market linkages.

Women

With a view to empower women and make them economically independent, the Company helped form 274 self-help groups with a membership count of 2,877, empowering them to source loans from NABARD and commission small income-enhancing enterprises.

Highlights, 2018-19

- The Company provided a helping hand to 47 self-help groups engaged in fungiculture, tamarind processing and flour grinding.
- The Company facilitated loans of ₹70 Lac to 70 self-help groups.
- The Company opened accounts for 255 self-help groups (of 274 associated with the Company).
- The Company helped increase income per member from ₹2,500 per month in 2017-18 to ₹3,200.
- The Company made available ₹23.60 Lac for 150 self-help groups (Mission Shakti).
- The Company provided a goatery group with access to infrastructure, advice and customers, the group being owned and managed by rural women.
- The Company inaugurated a rural mart in January 2019 at Rayagada with NABARD to establish market linkages for SHG products.

Hill broom binding enterprise by SHGs

The Company helped form 274 self-help groups with a membership count of 2,877, empowering them to source loans from NABARD and commission small income-enhancing enterprises.

Farmers

Farming is the primary livelihood source around the Company's manufacturing facilities.

The Company engaged with government agencies to undertake initiatives to enhance farmer incomes and awareness of scientific techniques. JK Paper and NGO Sparsh organised training camps in integrated livestock management, vaccination and de-worming. At Unit - CPM, 154 farmer clubs were formed, which engaged with 2,417 farmers including 205 women.

Highlights, 2018-19

- The Company organised training sessions for leaders of the farmer clubs in collaboration with NABARD, Krishi Vigyan Kendra, Agricultural Technology Management Agency and Horticulture Department.
- The Company piloted a solar-powered micro-irrigation project in Maudiguda for 45 farmers with 26 acres, to cultivate three crops a year and double their incomes.
- The Company identified eight group-based micro-irrigation sites initiated in eight villages with the help of IIT Bhubaneswar.
- The Company organised exposure visits for 60 farmers from Bhadrak and Puri districts to casuarina fields in Srikakulam (Andhra Pradesh) and JK Paper Mills, Rayagada under the aegis of the Capacity building and Adoption Technology (CAT) programme of NABARD.
- The Company organised exposure visits for 50 farmers from 26 villages of the Muniguda district to enhance their understanding of integrated farming, crop rotation and water management.
- The Company increased cropping area 10 fold to 1,459 acres, increased farm incomes from ₹45,000 to more than ₹1,00,000 and helped reduce livestock healthcare costs.

Developing Tribal Entrepreneurship

The Rayagada district is predominantly tribal and has traditionally been an economy sustained by rain-fed agriculture and minimal animal husbandry. However one of the development challenges has been to unleash a spirit of entrepreneurship among the youth and encourage them to set up their own enterprises. The Company created a Youth Entrepreneurship Development Project (YEDP) at Rayagada with the support of Bharat Yuva Shakti Trust (BYST), the objective being the following:

- Raise awareness and sow the seeds of entrepreneurship among the young people on a large scale in Rayagada.
- Counsel and train young people in entrepreneurial activities.
- Fund and mentor youth businesses through BYST's bank partners and mentors.
- Ensure the creation of wealth and employment
- Catalyse long term sustainability of the local community.
- Create a group of youth icons to inspire potential young entrepreneurs.

Impact (September 2017 to March 2019)

Parameters	Cumulative Target as per MoU (2017-2019)	Cumulative achievements (September 2017 to March 2019)
Youths addressed	12,000	13,148
Youth counselled	2,400	3,015
Training (STEP)	480	676
Ventures created	80	85
Loans disbursed (Lac)	240	143
Mentors inducted	60	72
Turnover	-	3.50 Cr (approximately)

JK Paper-BYST partnership

The Company signed an MoU with Bharat Yuva Shakti Trust (BYST) to create 130 entrepreneurs in three years across three Rayagada blocks. The initial phase commenced in September 2017 and was completed in March 2019. The Company reached 13,148 youth, counseled 3,015 youth and trained 676 youth. Some 85 ventures were commissioned and ₹142.82 lac in loan was disbursed.

Adult literacy class in progress

Youth

The Company laid a keen emphasis on skill development through tailoring, driving, mobile repair and MSME initiatives, among others. Unit - CPM improved and upgraded the ITI at Ukai through the public-private partnership mode to kick-start a vocational training programme. The total enrolment was 669 in 2018-19.

Highlights, 2018-19

- The Company formed 40 youth clubs across 25 villages by mobilising 892 individuals.
- The Company ran a campaign across 25 villages to enhance awareness of sanitation where 500 village youths participated in a sanitation drive.
- The Company trained local youth in driving light motor vehicles connected them to companies and individuals seeking drivers; the Company also facilitated them with loans to start their own vehicle hire service.
- The Company imparted vocational tailoring training to adolescent girls and provided them with soft loans to set up tailoring units (helping them earn upto ₹7,000 per month).

Education

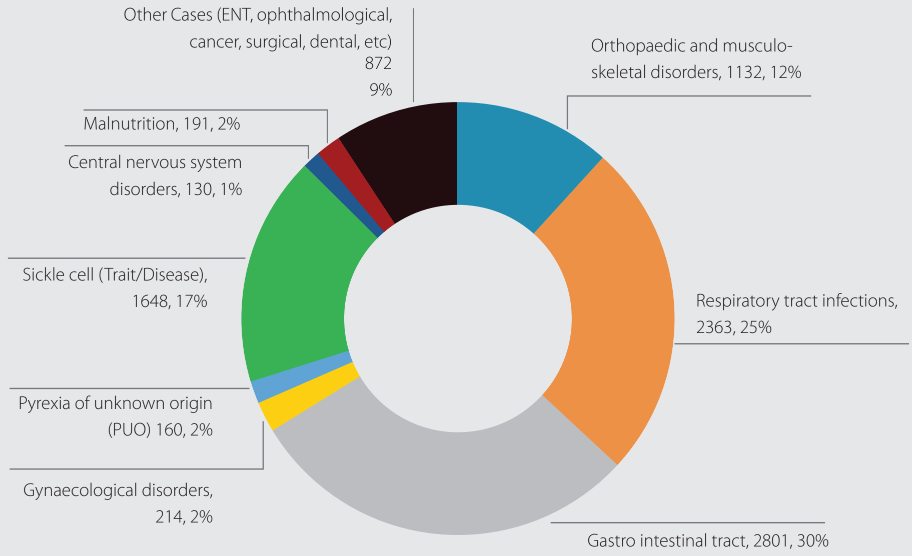
JK Paper's engagement with education dates back to its inception at Rayagada. Over time, the engagement has expanded to include adult, financial literacy and support to the specially challenged.

Highlights, 2018-19

- The Company provides quality education at the primary, secondary and tertiary levels through schools in Rayagada (Odisha) and Songadh (Gujarat).
- The Company commissioned six remedial coaching centres in local schools and colleges to provide tutorial support to slow learners.
- The Company continues to support Nutan Gyanvardhini, a special school for the educational rehabilitation of 30 children with special needs from the Rayagada and Kolnora blocks.

The Company has been running an adult education programme for more than a decade and has till date enabled around 18,000 individuals to read and write.

Healthcare



Distribution of cases attended during 2018-19

Nutan Gyanvardhini - key aspects

- Vocational training offered for the rehabilitation of differently-abled children.
- Regular parent meetings organised to assess child development
- Children provided with nutritious breakfast and lunch daily as well as bus transportation to school
- General health check camps organised twice a month.

JK Paper supports health care development by providing free medical checks, treatment and medicines. The Company is improving healthcare access for women through dedicated platforms (balika mandals) to handhold adolescent girls in personal hygiene, reproductive and sexual health. As of 31st March 2019, 15,615 individuals had been covered through 324 medical camps under the Company's guidance. The health outreach programme empowered community volunteers prevent seasonal disease outbreaks.

Highlights, 2018-19

- Paid visits to 25 villages helping 11,641 people via community volunteers.
- Completed birth registrations in 25 villages, helping 104 beneficiaries.
- Immunised 1,788 beneficiaries across 25 villages.
- Organised 17 awareness-enhancing programmes for 1,500 pregnant and lactating mothers.
- Increased institutional maternal deliveries by 94%; raised immunisation compliance to 100%.
- Screened ~57,000 cataract patients and performed 5,700 surgeries at the JK Centre for Tribal Eye Health (partnership with LV Prasad Eye Institute).
- Launched Project Roshni in Rayagada to enhance eye health and address cataract instances.
- Organised a community-led sanitation programme with youth federations and self-help groups.
- Provided youth federation members with cleaning equipment across 25 villages.
- Deployed a mobile medical unit to help economically-disadvantaged indigenous communities in the area.
- Offered treatment and individual counseling to 1,276 patients suffering from sickle cell anaemia.
- Formed sickle cell committees in intervening villages, comprising the village head and principal of the local school, among others.

Members of goatery enterprise

Rural infrastructure development

The pace of infrastructure development is a crucial indicator of how the community is able to access services and enhance local prosperity. The Company engaged in the building of overhead water tanks, crematoriums and village approach roads.

Awards and recognitions, 2018-19

- Received the Odisha INC Green CSR Award 2018 from the Health, Law, Information and Public Relations Minister, Mr. Pratap Jena. Dr. Prafulla Dhal, General Manager (Corporate Social Responsibility) accepted this prestigious award on behalf of the Company for its embracement of eco-friendly technologies to ensure zero wastage and the sustainable development initiatives undertaken in the nearby areas in tow with Sparsh.
- Received the Best Performance Award at the Krushi and Pranisampad Mahostav from the Rayagada district administration.
- Received the Best Performance Award (Corporate Social Responsibility) from the Central Board for Workers Education.
- Received a Certificate of Appreciation for being a socially-responsible corporate from the Federation of Indian Chambers of Commerce and Industry.
- Received the CSR Excellence Award from the Odisha CSR Forum in acknowledgement of Sparsh's work in the area of sustainable livelihood creation.

Project Roshni - key aspects

- Provided free cataract surgery, including medicine, stay, food and logistics
- Screened 187 people for cataract; surgeries were conducted in 38 villages with NGO Sparsh in 2018-19.

The JK Paper business model

Sectoral context

Population growth: India has emerged as the second-most populous country, adding ~15 million people to its population annually – a growing market for the Company's products.

Demographics: A lower median age implies a higher number of working Indians, outlining earning and spending potential. Taking into account the age group of more than 25 years being one of the highest spending age group, the current age dynamics are expected to strengthen retail offtake and paper / paperboard offtake in India.

Increasing literacy: Literacy in post-Independence India has risen from 18% around 1950 to 80% in 2017 and a projected 100% by 2021, expected to enhance the offtake of textbooks, notebooks and assorted products. Consequently, the demand in the printing and writing paper segment is expected to grow at a CAGR of 4.2% to 5.7 million tonnes in 2019-20.

Increasing commercialisation: With the rise in commercial activity, demand for writing /printing / office paper is gaining traction. The top seven cities in India are estimated to account for a total of 218 million square feet of office space by 2022, strengthening demand for the Company's products.

Growing incomes: Per capita incomes in India strengthened from ₹1,03,870 in 2016-17 to ~₹1,25,397 in 2018-19, strengthening the consumption of paper and paperboard.

Robust outlook: India's share in global paper demand is gradually growing as domestic demand is increasing at a steady pace while demand in the Western nations is contracting. In spite of the sustained growth witnessed by the industry, per capita paper consumption in India stands at ~13 kg, well below the global average of 57 kg and significantly below 200 kg in North America. This indicates that there is ample room available for the market to grow in India over the medium-term.

Packaging prospects: Demand for packaging paper and boards caters to

FMCG, food, beverage, pharmaceutical and textile industries, expected to grow at a CAGR of 8.9% to 11.4 million tonnes in 2019-20.

Online retail: The online market is likely to be valued at US$ 200 billion by 2028 compared with US$ 30 billion in 2018, catalysed by smartphone users (pegged to reach 829 million by 2022). This could enhance demand for packaging board.

Plastic ban: The ban on single-use plastic in Maharashtra from 2018 is likely to boost prospects of paper companies. Local governments in more than 50% of India's 29 states and seven Union Territories drafted a legislation to ban single-use plastic. This bodes well for the Company's packaging paper segment.

JK Paper's response

Direct approach: The Company is leveraging the direct contact programme to increase the share of business with marquee clients. This is not only moderating the Company's dependence conventional channels but also provides new opportunities in new markets.

Retail distribution: The Company is capitalising on retail distribution growth to extend beyond the >10 Lac population towns to the >5 Lac population towns. The Company's retail distribution commenced in NCR, Chennai and Lucknow and will spread across more than 30 cities.

Last-mile approach: India is arguably the fastest-growing major paper and packaging board market in the world. The Company is addressing this potential through cost leadership and reinventing its last-mile marketing personality.

R&D focus: The Company focused on developing clonal seedlings with a shorter gestation period, disease-resistant clones of eucalyptus, electric sample seed scarifier for subabul to increase germination and survival and a gene bank-cum-progeny trial facility at Unit - JKPM for the conservation of germplasm for R&D programmes.

Synergistic acquisition: The Sirpur acquisition provides a growth opportunity to the Company to expand its business. This could more than double the Company's uncoated printing and writing paper capacity and also supplement its speciality products portfolio.

Outcomes

Revenue outperformance: The Company reported a revenue growth that was 13% the sector's growth in the last year ending 2018-19.

Rising margins: The Company grew EBITDA margins 1,270 bps in the four years ending 2018-19.

Declining indebtedness: The Company repaid ₹573 Cr in debt in the four years ending 2018-19.

Valuation: The Company strengthened market capitalisation by ₹1,917 Cr (₹630 Cr in 2015-16 to ₹2,547 Cr in 2018-19) in the four years ending 2018-19.

Reward: The Company declared a dividend of 35% with a cash outflow of ₹75.21 Cr (last year ₹53.72 Cr) as dividend during 2018-19.

Market share: The Company maintained its leadership in the office paper segment across the country.

Acquisition: The Company reported possibly the fastest acquisition in India's paper sector (when it acquired Sirpur Paper in 2018).

Average realisation: The Company strengthened average realisation per tonne in the four years ending 2018-19.

The Company reported possibly the fastest acquisition in India's paper sector (when it acquired Sirpur Paper in 2018)

JK Paper's integrated report

Our strategy

Strategic focus	Innovate and excel	Cost advantage	Supplier-of-choice	Robust people practices	Responsible corporate citizenship	Focus on value creation
Key enablers	Nurtured a culture of cost management and qualitative excellence by laying a keen emphasis on R&D to develop clonal saplings with shorter maturity periods. Over the years, the Company successfully brought down the maturity period from seven years to five and is now focusing on bringing it down to three years.	Focused on cost management through efficient raw material sourcing and investments in superior manufacturing technologies. In order to emerge as the most cost-efficient sectoral player, the Company started sourcing raw materials from within a radius of 200 kms from its plants. On the back of cost reduction measures, JK Paper gained an upper hand over peers.	Emerged as a supplier-of-choice owing to the Company's focus on ensuring quality consistency and re-inventing the last-mile approach to emerge as a more customer-centric corporate.	Strived to achieve the highest levels of engagement aided by different HR initiatives undertaken over the years. The Company believes in growing with employees and tries to identify prospective managers and train them regularly.	Engaged in community-strengthening initiatives to benefit farmers, the youth and women in the realms of education, healthcare, livelihood and rural infrastructural development. The Company channelised over ₹3.35 Cr towards CSR activities during 2018-19.	Enhanced value through the manufacture of different grades of quality paper and packaging boards. The Company offers the best quality products pan-India. Further, the Company's new initiative to access customers and retailers is also a value-addition for end customers, owing to which JK Paper not only provides customers with value-added products but also value-added service.
Material issues addressed	Used cutting-edge technology and R&D initiatives to develop high-yielding saplings.	Improved raw material procurement and debottlenecked facilities.	Boosted brand recall among customers.	Improved employee engagement and raised transparency levels.	Fostered community engagement and enhanced prosperity.	Addressed customer needs effectively.
Capitals impacted	Manufactured, Intellectual and Financial	Financial, Manufactured and Social	Intellectual, Manufactured and Social	Intellectual and Human	Social and Natural	Intellectual, Manufactured and Social

Our resources

- **Financial capital:** The financial resources that the Company seeks are based on the funds it mobilises from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.
- **Manufactured capital:** The Company's assets, technologies and equipment constitute its manufactured capital. The logistics for the transfer of raw materials and finished products are integral to its manufacturing competence.
- **Human capital:** The Company's management, employees and contractual workers form a part of its workforce.
- **Intellectual capital:** The Company's focus on cost optimisation, operational excellence, processes as well as repository of proprietary knowledge account for its intellectual resources.
- **Natural capital:** The Company sources raw materials sourced in a manner that does not adversely affect the environment.
- **Social capital:** The Company's relationships with communities and partners (vendors, suppliers and customers) influence its role as a responsible corporate citizen.

Value created

Financial capital

- Turnover: ₹3,469.19 Cr
- Earnings per share: ₹24.57
- RoCE: 20.6%

Manufacturing capital

- Quantum of paper produced: 3.94 Lac tonnes
- Quantum of packaging board produced: 1 Lac tonnes
- Average capacity utilisation: 109%

Human capital

- Employees: 2,535
- Training imparted: 766.6 person days
- Average age: ~39
- Retention rate: 92.1%

Intellectual capital

- Cumulative average senior management experience: ~31 years

Natural capital

- Trees planted in 2018-19 : 414 Lac
- Reduction in power consumption (y-o-y): 4%
- Reduction in water consumption (y-o-y): 3.9%
- Reduction in coal consumption (y-o-y): 6.1%

Social and relationship capital

- Number of farmers engaged with: >50,000
- Number of CSR beneficiaries: >60,000

Value shared with

- **Investors:** The Company enriched investors through dividends and capital appreciation.
- **Distributors and suppliers:** The Company enhanced value for distributors and retailers through sustained business growth and return on their invested capital.

The Company's assets, technologies and equipment constitute its Manufactured Capital. The logistics for the transfer of raw materials and finished products are integral to its manufacturing competence.

Management discussion and analysis

GLOBAL ECONOMIC OVERVIEW

Following a decade-high growth of 3.8% in 2017, the global economy slowed down in 2018, following major setbacks in the form of heightened risks of US-China trade war, a delayed Brexit, renewed US sanctions on Iran, escalating oil prices and tightening financial conditions.

The downside risks still remain, as US and China are yet to reach any conclusive trade agreement. Meanwhile the US sanctions on Iran and removal of the temporary waivers given to 8 countries including India, could have repercussions on oil prices, already up 35-40% in 2019 and projected to rise above US$ 80 per barrel. This could have an adverse impact on global growth through the channels of currency, trade and capital flows. Higher oil bills will worsen the current account balance of the emerging economies, especially those who are major oil importers, viz. India and China, and who are also driving global growth. The emerging economies will be more vulnerable to rising inflation and hike in interest rates, leading to capital flight. Although there have been some improvements in the global financial market sentiment, the challenges to growth in the Euro area remain, especially with the delayed Brexit. Emerging markets and developing economies are expected to sustain the momentum of growth till 2020, but there is limited headroom in expansionary fiscal space, while advanced economies could continue to face growth pangs.

As a result, the global economy that was earlier projected to grow at 3.9% in 2019 is now set to grow by only 3.3% in 2019 before recovering to 3.6% in 2020.

INDIAN ECONOMIC OVERVIEW

India is not only one of the fastest growing major economies but also the fastest to grow in the last decade post-global financial crisis of 2008. But that momentum, which saw growth reaching above 8%, has eased and is expected to grow at 6.8% in 2018-19. Inflation control had helped maintain consumption growth, but it also led to agrarian distress, leading to moderation in consumption spending on declining rural incomes.

While reining inflation gave headroom to RBI to lower policy rates, the limited availability of liquidity after the NBFC crisis in the second half of last year kept lending rates elevated, making RBI's rate cuts almost a non-event. Although RBI tried to offset the liquidity deficit, most notably by the twin dollar swaps, they were not enough. This was further aggravated by the likelihood of the Government overshooting the fiscal deficit target. Elevated oil price is a further drag on growth.

India continued its ascent on the World Bank's Ease of Doing Business radar, jumping 65 places in last five years to a record 77th position in the latest survey that captured the performance of 190 countries. The commencement of the US-China trade war opened a new opportunity for India, particularly in the agro sector. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

The demand slowdown was apparent in some pockets, especially in the automobile, FMCG and other consumer goods sectors. However, forecasts of a normal monsoon, coupled with direct income transfer schemes (PM-KISAN) along with higher public spending on rural infrastructure, are expected to provide a fillip to a rural economy. With capacity utilising improving, private investment is expected to revive, giving further boost to growth. Overall growth is expected to recover across the foreseeable future.

GLOBAL PAPER & PACKAGING INDUSTRY OVERVIEW

Paper addresses growing humankind needs in areas like education, sanitation, packaging and communication.

North America is a dominant pulp and paper producer followed by Western Europe and East Asia though increasing consumption in India and China is likely to shift the needle towards the countries.

The global paper and paperboard market was estimated at ~415 million tonnes in 2018 and expected to grow to 470 million tonnes by 2030 with a growing premium on environmental compliance, responsible resource use and effluents neutralisation.

The paper industry is marked by the upstream presence of forestry, wood, agriculture, water and coal and downstream applications extending to packaging and printing. All the upstream, midstream and downstream industries are affected by global economic growth and lifestyle trends. Newspaper applications and a growing gadget usage are adversely affecting newsprint as well as writing and printing paper demand. On the other hand, e-commerce is strengthening the offtake of packaging paper. The industry is starting to focus on cardboard and packaging paper, expected to emerge as the biggest sectoral demand drivers.

Further, globally specialty papers are going to drive paper demand in the mid-term. The prime drivers behind this robust growth comprise increasing urban population, developing economies transforming into colossal markets and growth of the food & beverage sectors.

INDUSTRY POSITIONING

Opportunities

- E-commerce is growing rapidly, translating into an increased traction for packaging paper and paperboard.
- Tissue and hygiene products are experiencing increasing demand on account of growing hygiene awareness.
- With a number of countries replacing plastic bags with paper equivalents, paper industry opportunities are growing.
- Increasing literacy is driving higher writing & printing paper consumption in developing economies.

Threats

- Increasing digitisation is seen as a threat, replacing paper with virtual equivalents.
- The availability and affordability of fibre are a continuous challenge.

Among various segments within paper, packaging has been the driver for growth globally and this trend is expected to drive growth well into the next decade. Within packaging , container boards and carton boards will drive the next round of growth.

Paper packaging is a versatile and cost-efficient method to protect, preserve, and transport a wide range of products. Additionally, it can be customised as per customer or product-specific needs. Rising consumer consciousness regarding sustainable packaging, along with strict regulations being imposed by various environment protection agencies, regarding the use environment-friendly packaging products, is driving the market for paper packaging.

The fact that the developed economies in North America and Europe possess strong paper-recycling capabilities, supported by established infrastructure, has driven the adoption of paper-based packaging. Additionally, the rapid growth of online shopping has fuelled the usage of packaging and paper-based bags. These trends are bound to be replicated in developing economies where adoption rates have been low at present.

INDIAN PAPER AND PULP INDUSTRY OVERVIEW

Per capita paper consumption in India is around 13 kg, while the global average is about 58 kg. Per capita paper consumption is projected to increase to about 17 kg by 2024-25. India's share in the world production of paper is about 3.7%. The annual turnover of the Indian paper industry is estimated to be ₹80,000 Cr with around ₹4,500 Cr contribution to the exchequer.

The domestic demand of paper and paperboards in India is estimated at 17.1 million tonnes in 2017-18, growing at a CAGR of 6.5%. Furthermore, India emerged as the fastest-growing major paper market across the world, growing at a robust rate of ~7% in 2018-19, outpacing most other large economies during the same period.

The industry is classified into four segments - printing and writing, packaging paper and board, specialty papers and newsprint. Packaging paper and board's share is over 50% of the total Indian paper market, growing at over 8% annually. Some of the paperboard sub-segments such as virgin fibre based boards and cup stock grew at over 12%.

Rising urbanisation, increasing penetration of organised retail, higher growth in FMCG, pharmaceutical and processed food industries, among others, are the key growth drivers of the segment. Rising literacy rate and universalisation of education through legislative steps like Right to Education, governmental measures like Sarva Shiksha Abhiyan and mid-day meal schemes as well as increased spending on education are the main reasons for growth in the demand for printing and writing paper.

Further, owing to the increasing focus on education coupled with ever-increasing commercialisation in India, the writing and printing paper segment accounts for about 30% market share in the domestic paper market. Domestic demand for writing and printing paper in 2017-18 was pegged at 5.1 million tonnes.

Other paper varieties, including specialty papers, account for about 4% of the paper market by volume. This segment includes tissue papers, which is the fastest-growing segment, albeit on a much smaller base. Its demand is derived out of a general improvement in the standard of living and out-of-home consumption.

The industry provides employment to >0.5 million people directly and ~1.5 million people indirectly.

GROWTH DRIVERS

- **Demography and lifestyles:** Changes in lifestyles eating on the go, online shopping, fast food consumption etc., population growth, increasing health-consciousness and ageing population, increase in demand for pharmaceutical and personal care, changes in shopping behaviour and rising standards of living.
- **Economics:** Middle class growth and increasing disposable income as well as increasing household consumption.
- **Product trends and technology:** Improved printability and barrier properties; new technologies and innovative packaging; nanocellulose, biodegradable barriers and intelligent and active packaging; new product launches and packaging innovation; health consciousness and more stringent food safety regulations.
- **Retail, increased emphasis on brand and legislation:** Development of retail trade, food safety regulations and paper packaging to build brand image towards sustainability perception, reducing waste. (Source : Poyry)

CHALLENGES

- **Access to raw material:** Sourcing wood fibre has been a longstanding challenge in India owing to a lack of industrial plantation policy in the country. Furthermore, the recovery rate of wastepaper in India is as low as ~30% owing to the lack of an effective collection mechanism. The unavailability of quality raw material at competitive prices has meant that paper companies are dependent on imported pulp, wastepaper and even imported pulpwood to meet their raw material requirements. These companies often pay a premium for availing imported raw materials, denting the profitability of the industry.
- **Competition from imports:** In the past seven years, imports of paper and paperboard increased from ~0.5 million tonnes in 2010-11 to ~1.7 million tonnes in 2017-18. The sharp increase in imports comes on the back of a progressive reduction in the basic customs duty by India on paper imports under the free trade agreements signed with the ASEAN countries, Japan and South Korea. Domestic manufacturers are grappling with issues like increasing raw material and energy costs as well as intense competition from cheap imports flooding the domestic market due to preferential tariffs extended under the free trade agreements.

PRODUCT REVIEW

Office paper and copier

The Company offers a diversified range of office papers and copier across the value chain – from economic to premium – used in printers, fax machines and photocopiers. The demand for office papers and copier is mainly being driven by the ever-increasing number of literate and working Indians and growing commercial activities.

Strengths

- **Sectoral leadership:** Over the past few years, the copier paper segment has borne the brunt of myths associated with the paper industry. Nevertheless, JK Paper has emerged as a market leader by dispelling myths by leveraging strategic awareness-raising campaigns.
- **Brand recall:** The Company's rich legacy, coupled with the qualitative excellence of its products, strengthened JK Paper's brand recall and established it as the largest-selling copier paper brand not just in India but also in international markets such as Sri Lanka.
- **Cutting-edge technology:** The Company leverages its state-of-the-art machinery housed at Unit – JKPM, which is the best in the country to produce superior quality copier papers.

Highlights, 2018-19

- Exported 36,507 tonnes of copier and office papers.
- Restructured its distribution channel to reach out to a large number of stationers and jobbers.

Packaging boards

Riding on the back of the increasing demand coming in from the FMCG, F&B, pharmaceutical and textile sectors, the packaging board segment is poised to grow in the near future. The paper packaging industry touched the 10 million tonnes mark in 2018. JK Paper is a key player in the premium virgin fibre boards segment, crossing the 1,00,000 tonnes mark by achieving a growth of over 10% compared to 2017-18. The Company offers a range of high-end coated packaging boards to service the varied needs of the packaging industry. The Company also announced an addition to its packaging board capacity at Unit CPM to cater to the growing demand of the domestic market.

Strengths

- **Strategic location:** The Company's packaging board output comes from Unit - CPM, which is proximate to key markets in Western India - the biggest revenue-contributing zone for the segment.
- **Qualitative excellence:** Over the years, the JK Paper brand has become synonymous with quality, thanks to its continuous R&D efforts. The Company's farsighted initiatives in this regard have allowed it to develop qualitatively consistent products and paved the way for it to emerge as a customer-centric organisation.

Highlights, 2018-19

- Produced over 1,00,000 tonnes of packaging boards.
- Launched J K Stiff cup, PE Coated Board and Blister pack board etc.

Coated papers

The Company is amongst the two Indian players to manufacture coated paper domestically. A large portion of the demand is met by imports. The Company is in a unique position to service customers better by providing tailor-made solutions, ensuring on-time deliveries and offering proactive after-sales services. The Company has a capacity of 54000 tonnes of coated paper but it also outsources a significant volume from international manufacturers of the types that are not manufactured in India. Coated papers are used in applications such as magazines, books, brochures, posters and wedding cards, among others.

Strengths

- The Company is a strong segment player owing to quality products.
- Tailor-made solutions.
- On-time delivery and proactive after-sales service.

Highlights, 2018-19

- Produced 53,550 tonnes of coated paper

Maplitho and Speciality papers

The Company manufactures uncoated writing and printing paper, which enjoy a wide range of applications. Some specialty applications include MICR cheque paper, parchment, ledger, bond etc. The Company's maplitho paper is one of the bestselling products. JK Paper's proven ability to supply customised maplitho paper to its customers speaks volumes about the Company's client-friendly approach down to the last mile.

Strengths

- Large range of maplitho.
- Effective servicing.
- Tailor-made solutions.

Highlights, 2018-19

- Launched JK Ecosip for paper straws, JK Fabprint for specialised paper for fabric.

FUNCTIONAL REVIEW

Raw material management

For virgin fibre-based pulp and paper operations, the cost of wood is the largest input cost. In India, paper companies led by JK Paper have increasingly invested in farm forestry programs. This has helped reduce the lead distance from which the wood has to be transported into our manufacturing facilities, reducing our overall input cost.

Owing to a continuous focus on afforestation, JK Paper has emerged as a carbon-positive company, which means that the Company has sequestered more carbon than it generates. JK Paper afforested >1.6 lac hectares across Odisha, Andhra Pradesh, Chhattisgarh, Gujarat, Maharashtra and West Bengal as on 31st March 2019. The Company's farm forestry initiative has not only benefited >50,000 members of the farming community but also allowed the Company to reduce its input wood cost.

Health safety and environment

JK Paper complies with all relevant qualitative, environment and safety norms. The Company was accredited with ISO 9001:2008 certification for its quality management, ISO 14001:2004 certification for its environment-friendly policies and OHSAS 18001:2007 certification for the keen emphasis it has laid on ensuring employee health and safety at the workplace. Moreover, the Company is FSC-certified, which speaks volumes about the Company's stringent compliance with relevant forestry policies.

JK Paper installed a 3,000-cubic-metre-per-day capacity sewage treatment plant, which made it possible to monitor effluents generation in Jaykaypur, Odisha. In sync with its identity of being an eco-friendly corporate, JK Paper focused on using ever-increasing quantities of treated effluent water for irrigation purposes.

The Company has operationalised an online monitoring system to assess real-time air quality and flue gas quality, treated effluent quality and transmitted the data to servers of the State and Central Pollution Control Boards.

The Company strives to be a responsible corporate citizen. As a means to this end, it has been consistently working on improving the quality of life of the people residing in the vicinity of its plants by undertaking socially-responsible initiatives in the realms of education, livelihood generation and healthcare, among others.

Human resources

JK Paper believes that the quality of employees is key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct.

Further, the Company was accredited by 'Great Places to Work'. JK Paper's last mile responsiveness comprises the identification of outstanding managers and customised training. This learning environment strengthened the Company's people retention to 92%, higher than the sectoral average.

In the past seven years, imports of paper and paperboard have increased from ~0.5 million tonnes in 2010-11 to ~1.7 million tonnes in 2017-18.

Procurement

The year 2018-19 was challenging for material procurement after years. The global issues like trade protectionist policy of countries, environment impact and new legislations created an imbalance in demand and supply scenario, resulting in a sharp increase in chemical prices like caustic lye, hydrogen peroxide, whitening agent, dyes etc, which was aggravated by Rupee devaluation in Q3 of the year 2018. China closed many intermediary chemical plants due to a tightening of environment legislations, which impacted the availability of paper chemicals. Raw materials and the price of some paper chemicals increased multifold. The mixed waste paper embargo increased the chemical pulp requirement and higher global pulp prices dented the bottom line of paper board. The government increased the MSP of agro crops in this year. This was coupled with less production; the maize price was continuously increased after Q3, which impacted starch prices. The production was curtailed by producers due to a lesser availability of maize and situation is likely to improve only after a good kharif crop this year. JK Paper historically has maintained good business relations with vendors and always treats them as business partners which helped in a great way to tide over the supply crisis. The few longer-term contracts entered at the beginning of the year helped fend off prices but the overall impact remained negative this year after many years. The supply price uncertainty has now reduced the horizon of contracts and suppliers are not extending prices by more than a quarter now. The JK Paper participated in Tranche IV of coal auctions for the non-power consumers conducted by Coal India and secured the coal quantity for the next five years. The coal demand has increased in this sector and auction prices have gone much above the notified prices. The outlook of year 2019-20 is looking better and stable. The prices are likely to soften from Q2 in year 2019-20; however unpredictability of any adverse scenario shall remain in the current political global situation and become the new norm in business.

RISK MANAGEMENT

Competition risk: The entry of new players can reduce the Company's market share.

Mitigation: With the huge headroom for growth available in the country, the paper industry has become a borderless market for international players. The Company is not just competing with domestic peers but also with international giants who are offering products at lower prices. JK Paper has attempted to overcome this challenge by differentiating itself on the back of its customer-centric last-mile approach and its brand strengths.

Digitisation risk: In a rapidly digitising world, paper demand could decline.

Mitigation: The Company has been continuously striving to serve its customers with superior products and its sectoral leadership in the copier paper segment stands as a testament to its qualitative excellence.

Compliance risk: Inability to comply with statutory norms could invite censure.

Mitigation: The Company has invested in cutting-edge technologies to debottleneck its plants. This has enabled the Company reduce consumption of power, coal and water to all-time lows in 2018-19. The Company's ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications speak volumes about its stringent compliance with relevant qualitative, environmental and safety norms.

Raw material risk: Raw material scarcity can dent profitability.

Mitigation: The main raw material for pulp is wood and JK Paper has focused on developing high-yielding saplings with shorter gestation periods to surge ahead of its peers. JK Paper's growing investment in farm forestry initiatives in Odisha, Andhra Pradesh, Chhattisgarh, Gujarat and Maharashtra, covering an area of 1.6 lac hectares, ensures round-the-year access to raw materials.

Import risk: Growing import levels could affect growth.

Mitigation: The Company's technological expertise, sizeable capacity and marketing focus have strengthened its competitiveness against imports. The Company started using fillers to substitute pulp, reducing its dependence on imported pulp. Consequent to better operating parameters the Company's cost of production is competitive and competes well in the market.

Resource risk: Excessive water use can affect resource security in areas proximate to mills.

Mitigation: Water consumption per tonne at the Company's mills almost halved, following the deployment of conservation measures, low water-use technology and increasing use of treated effluent water.

FINANCIAL HIGHLIGHTS

(₹ Cr)

	2018-19	2017-18
Gross Sales	3,469.19	3,069.68
Net Sales	3,233.64	2,826.25
Profit before interest and depreciation and Tax (PBIDT)	926.05	639.10
Profit before depreciation and tax (PBDT)	803.66	496.08
Profit before tax (PBT)	678.35	375.19
Profit after Tax (PAT)	437.20	260.14

DETAILS OF SIGNIFICANT CHANGES (i.e. change of 25% or more compared to the immediate previous financial year)

Financial Ratios

S.No	Particulars	Definition	UOM	2018-19	2017-18	% Change	Remarks for variation
(i)	Debtors Turnover	Debtors / Gross Turnover	Days	8	13	37%	Better working capital management.
(ii)	Inventory Turnover	Inventory / Gross Turnover	Days	34	47	28%	Better working capital management.
(iii)	Interest Coverage Ratio	EBITDA/Finance Cost	Times	7.57	4.47	69%	Better performance of the Company lower finance cost.
(iv)	Current Ratio	Current Assets/Current Liability	Times	1.55	1.08	43%	Better working capital management.
(v)	Operating Profit Margin	EBITDA/Net Sales	%	28.6%	22.6%	27%	Better performance of the Company.
(vi)	Net Profit Margin	PAT/Net Sales	%	13.5%	9.2%	47%	Better performance of the Company.
(vii)	RONW	PAT/Equity	%	21.4%	15.8%	35%	Better performance of the Company.

The Company reported an increase of 13% growth in its net sales due to increased better recoveries on its sales, control over costs and enriched product mix. EBITDA increased by 45% to ₹926.05 Cr from ₹639.10 Cr. The Company's total net indebtedness came down by ₹362 Cr (34.1%) and accordingly, finance costs have come down by 14%, partly influenced by a reduction in interest rates post the rating upgrade. As a consequence of these, Profit after Tax (PAT) increased by 68% to ₹437.20 Cr.

During the year, the Company continued repayments of its debt and improved performance, enabling it to secure a rating upgrade to A+/Stable. During the year, the Company placed NCDs worth ₹335 Cr with IFC (W). These NCDs are repayable over a maturity of 10 years. The Company's fixed rate borrowings stood at 39.04% as on March 31, 2019. Approximately, 21.3% of the Company's gross borrowings of ₹1,350 Cr were in Foreign Currency. Out of this, 100% of the Foreign Currency loans were covered for interest rate variations and 81.8% covered for variations of foreign exchange fluctuations on the principal, using a mix of instruments including Forward Contracts, Call Options and Spread Contracts.

The Company's net debt: equity ratio stood at 0.34 and its total net debt to EBITDA ratio was 0.75, reflective of strong financial fundamentals, which gives the Company the ability to negotiate a cyclical impact on its operations.

The Company strengthened its investor engagements through quarterly investor conference calls and meetings. As a result, the number of shareholders increased from 42,735 to 66,060 between March 31 2018 to March 31, 2019.

The Company will be raising funds required for its proposed expansion at Unit CPM though an appropriate mix of foreign currency loans and rupee loans.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on scheduled intervals. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

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.

Directors' Report

To the Members,

The Directors have pleasure in presenting the 58th Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March, 2019.

FINANCIAL RESULTS

₹ in Crore (10 million)

	2018-19	2017-18
Gross Sales	3,469.19	3,069.68
Profit Before Finance Costs and Depreciation (PBIDT)	926.05	639.10
Profit before Depreciation and Tax (PBDT)	803.65	496.08
Profit After Tax (PAT)	437.20	260.14

DIVIDEND

In view of better financial results, the Directors are pleased to recommend an enhanced Dividend of ₹3.50 per share (₹2.50 previous year) on the expanded Equity Share Capital. The Dividend outgo would amount to ₹75.21 crore (inclusive of Dividend Distribution Tax of ₹12.82 crore).

RESERVES AND APPROPRIATIONS

The amount available for appropriation, including surplus from the year stood at ₹1009.14 crore. The Directors propose this to be appropriated as under:

(₹ crore)

General Reserve	200.00
Debenture Redemption Reserve	4.74
Dividend (2017-18)	44.56
Corporate Dividend Tax	9.16
Surplus carried to Balance Sheet	750.68

An amount of ₹12.72 crore has been transferred to Securities Premium Reserve on conversion of FCCB.

PERFORMANCE REVIEW

Your Company recorded its best ever financial performance with Gross Sales of ₹3,469.19 crore (up 13% over the previous year) and Profit After Tax (PAT) of ₹437.20 crore (up 68%). Sales volume also increased to 522,815 MT.

This was possible due to enhanced realisations on account of improved market conditions, enriched product mix, higher capacity utilization (108.7%), better control on raw material prices and improved operating efficiencies. JK Paper continued its thrust on expanding geographical reach and availability of its products by strengthening the distribution network and responding to market needs by introducing new products. The Company's efforts at promoting plantation activity in the vicinity of its manufacturing units resulted in a greater proportion of raw material requirement being met out of material sourced from shorter distances. This has sharply cut down the total delivered cost of wood at our units. Both the Units continued to improve their operating efficiencies to optimize utilization of most inputs. As a consequence, EBIDTA went up by 45% to ₹926.05 crore translating in a margin of 28.6% of net sales compared to 22.6% during last year.

The Company's improved performance and reduced leveraging enabled it to get a rating upgrade to A + (stable) for long term debt from CRISIL and India Ratings and A1+ (short term) from India Rating. Lower debt and more efficient working capital management enabled the company to reduce its finance costs by 14.4%. With these, the Profit Before Tax stood at ₹678.35 crore compared to ₹375.19 crore last year.

The Industry scenario both domestic and overseas, the market and demand supply balance and other operating conditions are elaborated in the Management Discussions and Analysis section.

ACQUISITION BY JK PAPER

During the year, your Company together with its Subsidiary acquired The Sirpur Paper Mills Limited (SPML). SPML products used to enjoy reputation and customer confidence over several decades. However, beginning 2008-09, SPML started incurring losses and the entire net worth was eroded by March 31, 2014.

The Company had suspended its operations and some operational creditors made an application under the Insolvency and Bankruptcy Code (IBC) 2016. The said application was admitted by the Hon'ble National Company Law Tribunal (NCLT) Hyderabad.

With a view to protect over 2000 direct jobs and provide livelihood to more than ten thousand farmer families through plantation activities over a period of time, the Telangana State Government had announced tailor made benefits for revival of SPML. On 19-07-2018, the Resolution Plan submitted by JKPL and its Subsidiary was approved by the NCLT. The Company settled all the dues as per the Resolution plan and the management was taken over on 01-08-2018, on making it one of the earliest successful resolutions in the country under the IBC Process.

Revival/reconditioning activities commenced at SPML which was shut for over 4 years, on August 1, 2018. SPML had 8 machines which produced a maximum of around 99,000 TPA as its highest production before the shut down during 2014-15. It was decided to revamp and modernize four paper machines along with the pulp mill and phase out four smaller machines. With the modification, SPML's capacity will be 1,36,000 TPA. The paper machines will be re-started in stages and the Mill is expected to be operational in the second half of Financial Year 2019-20. The Company has invested ₹371 crore in the takeover of SPML. The Mill is also being reconditioned and revived at an additional cost of about ₹400 crore.

This integrated pulp & paper unit, has an advantageous geographic location in close proximity of Peddavagu River, raw material sources and Singareni Collieries, the Sirpur Kaghaznagar railway station and is well connected to national highway No. NH-7, which facilitates cost effective transportation of raw material and finished goods to customers. With the location advantage, modernised machines and the incentives offered by the Government of Telangana, it is hoped that the Mill will become profitable in near future.

This acquisition will provide synergistic advantage to JK Paper both in terms of a strategically located manufacturing facility as well as access to raw material. It will more than double JK Paper's uncoated printing & writing (white wood free) paper capacity and also supplement its product portfolio including some specialty products. The acquisition will take the combined capacity for the Company to 5,91,000 MT.

EXPANSION PROJECT

The Company commenced virgin fibre boards (VFB) production in the year 2005-06 with an initial capacity of 60,000 TPA at unit CPM which was enhanced to 90,000 TPA and current production is about 100,000 TPA. This segment is growing at an annual compounded rate of 12% and is amongst the fastest growing paper and board segments. This segment is expected to maintain healthy growth rates in the coming years due to changes in organised retail and the quest for more eco-friendly aesthetic packaging.

Looking at this growing demand particularly in the high end VFB and to participate in the market growth, the Company had decided to set up a new Packaging Board facility along with an integrated chemical pulp mill at Unit CPM. Orders for critical equipments and some other areas have been finalised. The Packaging Board Project is likely to cost about ₹1900 crore (net of GST). Once completed the capacity for VFB will increase to 270,000 TPA along with a pulping capacity of 160,000 TPA. The new project is likely to take 24 months from zero date to commence production. Post completion of this project JK Paper will be the second largest producer of VFB in the country.

The Company also made several de-bottlenecking and cost optimising investments in critical areas like head box, steam and power systems, finishing equipment, refiners, chemical processing, effluent discharge etc. in its existing facilities during the year totalling over ₹94 crore.

CAPITAL STRUCTURE

During the year under review, remaining FCCBs of Euro 2.4 million were converted, resulting in increase in paid up Equity Capital of the Company from ₹175.50 crore to ₹178.24 crore. The Company has issued 33,500 rated, unlisted, secured, redeemable, non-convertible debentures aggregating to ₹335 crore on private placement basis.

COMPLIANCE WITH SECRETARIAL STANDARDS

The applicable Secretarial Standards issued under Section 118 of the Companies Act 2013 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:

a. Awarded IPMA Paper Mill of the year 2017-18 by the Indian Paper Manufacturers Association (IPMA).

b. CII Energy Efficient Unit & Innovative Project at 19th National Award for Excellence in Energy Management.

c. Certificate of Appreciation at the National Energy Conservation Award 2018 in Pulp and Paper Sector, by BEE, Govt. of India.

d. Certificate of Appreciation for good practices in Quality system' at 6th FICCI Quality System Excellence Award for Industry 2018.
e. Certificate of Appreciation for Commitment in Learning & Development to achieve Business Excellence at 13th Edition Annual BML Munjal Awards-2018, by Hero Corporate Service Private Ltd.
f. Winner of 12th TPM Circle competition in Jishu Hozen activity by CII TPM Club of India.
g. Certificate of Appreciation along with 3-star rating in safety at SHE Excellence Award -2018 by CII, Eastern Region, Kolkata.
h. 17th Annual Greentech Safety Gold Award 2018.
i. Winner of CII Jishu Hozen Champion's Trophy 2018.

INDUSTRIAL RELATIONS

Industrial Relations at both units continued to remain peaceful and cordial throughout the year barring some minor incidents which were amicably resolved by continuous dialogues and support by our existing unions, worker's representatives, local stakeholders and district administration. We value the long association of our 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 & attendance to the optimum. We encourage continuous interaction, dialogues and participation of local villagers, stakeholders in collaborating various social intervention through our various CSR programs.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2019 in the prescribed form MGT -9 is attached as Annexure-1 to this Report and forms part of it.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees or securities and investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the financial statements.

The Company has not made any provision during the financial year 2018-19 for the purchase of, or subscription for, shares in the Company by trustees of JK Paper Employees' Welfare Trust for the welfare of the employees of the Company, for the shares to be held by or for the benefit of the employees of the company.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2019, 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 Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further, the Company has not entered into any contract or arrangement or transaction with the Related Parties which could be considered material in accordance with the Policy of the Company on materiality of Related Party Transactions. In view of the above, disclosure in FORM AOC-2 is not applicable.

The Related Party Transaction Policy as approved by the Board is available on the website of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Smt. Vinita Singhania retires by rotation and being eligible offers herself for re-appointment at the ensuing Annual General Meeting (AGM).

During the year under review **Shri A.S. Mehta** was appointed as "President & Director" of the Company w.e.f. 01.10.2018 till 31.3.2022, pursuant to the Special Resolution, passed by Shareholders of the Company through Postal Ballot on 28.09.2018. He has also been appointed, w.e.f. 01.10.2018, (i) as whole time Key Managerial Personnel and (ii) as an Additional Director of the Company by the Board of Directors to hold office as Director upto the date of the ensuing AGM of the Company.

Shri S.K. Roongta was appointed as an Additional Director of the Company w.e.f 12.2.2019 to hold office as Director upto the date of the ensuing AGM of the Company.

Shri O. P. Goyal has ceased to be a Whole Time Director of the Company w.e.f. 30.09.2018, upon completion of his existing term. He has also ceased w.e.f.30.09.2018 to be a (i) Director and (ii) whole time Key Managerial Personnel, of the Company. The Board wishes to acknowledge the services rendered and valuable contribution made by Shri O.P Goyal during his tenure in office as Whole Time Director and in various other capacities for over 3 decades.

Shri Wilhelmus Johannes Maria Wienk was nominated as a Nominee Director on the Board of the Company pursuant to the Subscription Agreements for Foreign Currency Convertible Bonds (FCCBs), between the Company and three European Development Institutions. Since these FCCBs have now been redeemed/ converted into Equity Shares of the Company and the said FCCB Holders are not holding any equity shares of the Company, he has resigned as a Director of the Company w.e.f. 12.11.2018. The Board wishes to place on record its sincere appreciation for valuable support and suggestions received from Mr Wienk during his tenure.

All the six Independent Directors of the Company, namely Shri Arun Bharat Ram, Shri M.H. Dalmia, Shri R.V. Kanoria, Shri Shailendra Swarup, Shri Udayan Bose and Shri Sandip Somany, who were appointed by the members at the AGM held on 27th September 2014 under Section 149 of the Act for a term of five consecutive years, are proposed to be reappointed by the Shareholders at the ensuing AGM of the Company by Special Resolution(s), as Independent Directors of the Company, to hold office for another term of (a) three consecutive years for Shri Arun Bharat Ram & Shri M.H.Dalmia, (b) four consecutive years for Shri Shailendra Swarup and (c) five consecutive years for Shri R.V.Kanoria, Shri Sandip Somany & Shri Udayan Bose, w.e.f 23rd August 2019.

All the Independent Directors of the Company have given requisite declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and also Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

There was no change in Managing Director, Chief Finance Officer and Company Secretary, during the year under review. Shri Harsh Pati Singhania, Vice Chairman & Managing Director of the Company received an honorarium of ₹4.60 lac, for the period from 13th November 2018 to 31st March 2019, as an Advisor from The Sirpur Paper Mills Ltd., a step down subsidiary and a related party of the Company.

INTERNAL CONTROL SYSTEM

The Company follows 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 as and when needed 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 periodically reviewed by the Audit Committee and corrective actions are initiated. In addition, the Company also follows a Compliance monitoring software tool to capture status of all applicable statutory compliances on line.

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

Your Company considers the community as its key stakeholder and is 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.

The Company has a Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act 2013 and rules made there under. The contents of the CSR Policy are disclosed on the website of the Company.

Annual Report on the CSR activities undertaken by the Company during the financial year under review, in the prescribed format is annexed to this Report as Annexure-2.

AUDITORS

(a) Statutory Auditors and their Report

M/s Lodha & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold office from the conclusion of the 56th Annual General Meeting (AGM) held in the year 2017 till the conclusion of 61st AGM of the Company to be held in the 2022, subject to ratification of the appointment by the members at the respective AGMs. However, the provision relating to ratification of such appointment by Members at every Annual General Meeting stands deleted w.e.f. 7th May 2018 by the Companies (Amendment) Act 2017 and accordingly the said ratification is henceforth not required. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self explanatory.

(b) Secretarial Auditor and Secretarial Audit Report

The Board of Directors appointed Shri Namo Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2018-19. The

Report given by him for the said financial year in the prescribed format, pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this Report as Annexure-3. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

(c) Cost Auditor and Cost Audit Report

The Cost Audit for the financial year ended 31st March 2018 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi and as required 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 2019, 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 financial year under review, the Company, as Resolution Applicant along with its Subsidiary, had acquired, The Sirpur Paper Mills Ltd, on 1st August 2018 pursuant to the Order of the Hon'ble Hyderabad Bench of National Company Law Tribunal, dated 19th July, 2018 under the Insolvency and Bankruptcy Code, 2016, which became a subsidiary of the Company.

MATERIAL CHANGES AND COMMITMENTS

The Company has finalized capital purchase orders for its proposed project at Unit CPM. The details of expenditure are given in the para on Expansion Project.

CONSERVATION OF ENERGY ETC.

The details as required under Section 134(3)(m) 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 Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure-5. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, form part of this Report. However, in terms of provisions of Section 136 of the said Act, the Report and Accounts are 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 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 five 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. The 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. The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.

e. Details regarding Risk Management.

f. Dividend Distribution Policy.

g. Details relating to the constitution of Internal Complaints Committee 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Sustainability and Business Responsibility Report of the Company for the year ended 31st March 2019 is given in a separate section and forms part of this report.

CONSOLIDATED FINANCIAL STATEMENTS

During the financial year under review, The Sirpur Paper Mills Limited became your Company's subsidiary.

The consolidated financial statements have been prepared by the Company in accordance with the applicable 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 & joint ventures included in the Consolidated Financial Statements is presented in a separate section in this Annual Report. Please refer to AOC-1 annexed to the Financial Statements in the Annual Report.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, Consolidated Financial Statements along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website 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, in accordance with the provisions of the Companies Act, 2013 and rules thereunder.

The particulars in respect of the deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2019 is annexed to this Report as Annexure-6.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, 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, Shareholders, 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

New Delhi

Bharat Hari Singhania

Date : 8th May, 2019

Chairman

ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2019

Annexure 1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2019

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L21010GJ1960PLC018099
2.	Registration Date	04.07.1960
3.	Name of the Company	JK Paper Limited
4.	Category/Sub-category of the Company	Public Company Limited by Shares/Non-Government Company
5.	Address of the Registered office & contact details	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 Email ID:- sharesjkpaper@jkmail.com | Website: www.jkpaper.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of Registrar and Transfer Agent, if any.	M/s MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area Phase – I, New Delhi -110 020 Ph. No. : 91-11- 41406149-50 | Fax No. : 91-11-41709881 Email ID : admin@mcsregistrars.com | Website: www.mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Paper and Paper board	1701	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Jaykaypur Infrastructure & Housing Ltd. JK Paper Mills, Jaykaypur – 765 017 Rayagada, Odisha	U45201OR2008PLC010523	Wholly Owned Subsidiary	100	2(87)
2	Songadh Infrastructure & Housing Ltd. P. O. Central Pulp Mills- 394660 Fort Songadh, Distt.Tapi, Gujarat	U45203GJ2009PLC055810	Wholly Owned Subsidiary	100	2(87)
3	JK Enviro-tech Ltd. P. O. Central Pulp Mills- 394660 Fort Songadh, Distt.Tapi, Gujarat	U73100GJ2007PLC075963	Subsidiary	92.85	2(87)
4	JK Paper International (Singapore) Pte.Ltd. 10 JalanBesar, #10-03, Sim Lim Tower Singapore (208787)	Not Applicable	Wholly Owned Subsidiary	100	2(87)
5	The Sirpur Paper Mills Limited 5-9-22/1/1, 1st Floor, Adarsh Nagar Hyderabad, Telegana- 500463	L21010TG1938PLC000591	Subsidiary	71.26*	2(87)

*Represents aggregate % of shares held by the Company alongwith its subsidiary namely JK Enviro-tech Limited.

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters***									
(1)	Indian									
a)	Individual/ HUF	1406443	0	1406443	0.80	1416443	0	1416443	0.79	-0.01
b)	Central Govt	0	0	0	0	0	0	0	0	0
c)	State Govt(s)	0	0	0	0	0	0	0	0	0
d)	Bodies Corp.	84883568	0	84883568	48.37	84883568	0	84883568	47.62	-0.75
e)	Banks / FI	0	0	0	0	0	0	0	0	0
f)	Any other	0	0	0	0	0	0	0	0	0
	Sub-total (A) (1)	86290011	0	86290011	49.17	86300011	0	86300011	48.41	-0.76
(2)	Foreign									
a)	NRI –Individuals	0	0	0	0	0	0	0	0	0
b)	Other –Individuals	0	0	0	0	0	0	0	0	0
c)	Bodies Corp.	0	0	0	0	0	0	0	0	0
d)	Banks / FI	0	0	0	0	0	0	0	0	0
e)	Any Other	0	0	0	0	0	0	0	0	0
	Sub-total(A) (2):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Total shareholding of Promoter (A) = (A)(1) + (A)(2)*	**86290011**	**0**	**86290011**	**49.17**	**86300011**	**0**	**86300011**	**48.41**	**-0.76**
B.	**Public Shareholding**									
1.	**Institutions**									
a)	Mutual Funds	1830888	0	1830888	1.04	1363766	0	1363766	0.77	-0.27
b)	Banks / FI	51276	0	51276	0.03	129989	0	129989	0.07	0.04
c)	Central Govt	12021	0	12021	0.01	12021	0	12021	0.01	0
d)	State Govt(s)	0	0	0	0	0	0	0	0	0
e)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
f)	Insurance Companies	1898342	0	1898342	1.08	1010448	0	1010448	0.57	-0.51
g)	FIIs	11624202	0	11624202	6.62	10897457	0	10897457	6.11	-0.51
h)	Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i)	Others	0	0	0	0	0	0	0	0	0
	(i) International Finance Corporation	7690000	0	7690000	4.38	0	0	0	0	-4.38
	Sub-total (B)(1):-	**23106729**	**0**	**23106729**	**13.16**	**13413681**	**0**	**13413681**	**7.53**	**-5.63**
2.	**Non-Institutions**									
a)	Bodies Corp.									
	i) Indian	11445568	150	11445718	6.52	12838492	150	12838642	7.20	0.68

* The total shareholding of Promoters at (A) above includes 4,98,71,712 Equity Shares (28.42%) as on 1.4.2018, 4,98,81,712 Equity Shares (27.98%) as on 31.3.2019 and a change of 0.44% during the year pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009. The same does not form part of the Promoters as defined in the Companies Act, 2013.

Category of Shareholders		No. of Shares held at the beginning of the year (As on 01.04.2018)				No. of Shares held at the end of the year (As on 31.03.2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii) Overseas	0	0	0	0	0	0	0	0	0
b)	Individuals									
	i) Individual shareholders holding nominal share capital upto ₹1 lakh	19970614	30449	20001063	11.40	25035316	26621	25061937	14.06	2.66
	ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	21993115	4013500	26006615	14.82	29550040	4013500	33563540	18.83	4.01
c)	Others									
	(i) Trust and Foundation	1259878	0	1259878	0.72	1264978	0	1264978	0.71	-0.01
	(ii) Non Resident Individuals	4583836	297000	4880836	2.78	2937776	297000	3234776	1.81	-0.97
	(iii) OCB	2500000	0	2500000	1.42	2500000	0	2500000	1.40	-0.02
	(iv) Societies	10000	0	10000	0.01	5000	0	5000	0.00	-0.01
	(v) NBFCs registered with SEBI	0	0	0	0	61020	0	61020	0.03	0.03
	Sub-total (B)(2):-	**61763011**	**4341099**	**66104110**	**37.67**	**74192622**	**4337271**	**78529893**	**44.06**	**6.39**
	Total Public Shareholding (B)=(B)(1)+ (B)(2)	**84869740**	**4341099**	**89210839**	**50.83**	**87606303**	**4337271**	**91943574**	**51.59**	**0.76**
C.	**Shares held by Custodian for GDRs & ADRs**	0	0	0	0	0	0	0	0	0
	Grand Total (A+B+C)	**171159751**	**4341099**	**175500850**	**100**	**173906314**	**4337271**	**178243585**	**100**	**0**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2018)			Shareholding at the end of the year (as on 31st March 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Bengal & Assam Company Ltd.	36418299	20.75	-	36418299	20.43	-	-0.32
	Total	**36418299**	**20.75**	**-**	**36418299**	**20.43**	**-**	

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year (as on 1st April 2018)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	**Bengal & Assam Company Ltd.**				
	At the beginning of the year	36418299	20.75	36418299	20.75
	Change in Promoter's Shareholding	No Change			
	At the end of the year i.e., 31.03.2019.			36418299	20.43

(iv) Shareholding Pattern of top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year (1st April 2018)		Cumulative Shareholding at the end of the year (31st March 2019)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	BMF Investments Limited	30089797	17.15	30089797	16.88
2	Florence Investech Limited	11833332	6.74	11833332	6.64
3	P.K. Khaitan jointly with S.K. Somany-Trustees, JK Paper Employees Welfare Trust	9828655	5.60	9828655	5.51
4	J.K. Credit & Finance Limited	3575000	2.04	3575000	2.01
5	Edgefield Securities Limited	2500000	1.42	2500000	1.40
6	Dolly Khanna	245859	0.14	1910749	1.07
7	Acadian Emerging Markets Small Cap Equity Fund LLC	1300477	0.74	1334129	0.75
8	Pulp and Paper Research Institute	1237978	0.70	1237978	0.69
9	Nav Bharat Vanijya Limited	1191000	0.68	1191000	0.67
10	Juggilal Kamlapat Udyog Limited	1190000	0.68	1190000	0.67

Note: Around 97% of the Shares of the Company are held in dematerialized form and are traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel

1. Shri Bharat Hari Singhania, *Chairman*

For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2018)		Cumulative Shareholding during the Year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	100000	0.06	100000	0.06
Date wise Increase/Decrease in Shareholding during the year	No Change			
At the end of the year i.e. 31.03.2019			100000	0.06

2. Shri Harsh Pati Singhania, *Vice Chairman & Managing Director*

For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2018)		Cumulative Shareholding during the Year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	171250	0.10	171250	0.10
Date wise Increase/Decrease in Shareholding during the year	No Change			
At the end of the year i.e. 31.03.2019			171250	0.10

3. Smt. Vinita Singhania, *Director*

For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2018)		Cumulative Shareholding during the Year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	225550	0.13	225550	0.13
Date wise Increase/Decrease in Shareholding during the year	No Change			
At the end of the year i.e. 31.03.2019			225550	0.13

NOTE: Sh. Arun Bharat Ram, Sh. Dhirendra Kumar, Sh. M.H. Dalmia, Sh. R.V. Kanoria, Sh. Sandip Somany, Sh. Shailendra Swarup, Sh. Udayan Bose, Sh. S.K. Roongta and Sh. A.S. Mehta, Directors of the Company and Sh. V. Kumaraswamy, Chief Finance Officer and Sh. Suresh Chander Gupta, Vice President & Company Secretary of the Company were not holding any shares in the Company at the beginning of the year, i.e, as on 1st April 2018 and at the end of the year i.e, as on 31st March 2019 and hence there was no increase/decrease in their shareholding during the financial year 2018-19.

#The Paid up Equity Shares of the Company increased from 17,55,00,850 to 17,82,43,585 during the year consequent upon the conversion of the Foreign Currency Convertible Bonds (FCCBs) (Series 5) into 27,42,735 Equity Shares of the Company to the holders of such FCCBs.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1230.20	50.19	29.14	1309.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	12.07	0.53	3.05	15.65
Total (i+ii+iii)	1242.27	50.72	32.19	1325.18
Change in Indebtedness during the financial year				
• Addition	537.73	-	21.98	559.71
• Reduction	455.02	50.72	19.18	524.92
Net Change	82.71	-50.72	2.80	34.79
Indebtedness at the end of the financial year				
i) Principal Amount	1317.30	-	32.41	1349.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.67	-	2.59	10.26
Total (i+ii+iii)	**1324.97**	**-**	**35.00**	**1359.97**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total Amount
		Sh. Harsh Pati Singhania (Vice Chairman & Managing Director) (From 1.4.2018 to 31.3.2019)	Sh. O.P. Goyal* (Whole-time Director) (From 1.4.2018 to 30.9.2018)	Sh. A.S. Mehta ** (President & Director) (From 1.10.2018 to 31.3.2019)	
1	Gross salary				
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.74	1.95	2.03	11.72
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.91	0.02	0.01	0.94
(c)	Profits in lieu of salary under section 17(3) Income- tax Act, 1961				
2	Commission - as % of profit	16.75	0.05	0.10	16.90
3	Others: Contribution to Provident Fund and Insurance	0.56	0.07	0.07	0.70
	Total (A)	25.96	2.09	2.21	30.26
	Ceiling as per the Act	₹69.85 crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			

(The Company does not have Sweat Equity/Scheme for stock option.

*Shri O.P. Goyal ceased to be a Whole time Director w.e.f. 30.09.2018.

** Sh. A.S. Mehta was appointed as President &Director w.e.f. 1.10.2018.

B. Remuneration to other Directors

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
1.	Independent Directors	Sh. Arun Bharat Ram	Sh. M.H. Dalmia	Sh. R. V. Kanoria	Sh. Sandip Somany	Sh. Udayan Bose	Sh. Shailendra Swarup	
	• Fee for attending Board/ Committee Meetings	0.07	0.02	0.05	0.02	0.06	0.02	0.24
	• Commission	0.16	0.16	0.16	0.16	0.16	0.16	0.96
	Total (1)	0.23	0.18	0.21	0.18	0.22	0.18	1.20

2.	Other Non-executive Directors	Sh. Bharat Hari Singhania (Chairman)	Sh. Dhirendra Kumar	Smt. Vinita Singhania	Sh. Wim Wienk^	Shri S.K. Roongta**	
	• Fee for attending Board / Committee Meetings	0.07	0.03	0.03	0.01	0.01	0.15
	• Commission	2.00	0.16	0.16	0.10	0.02	2.44
	Total (2)	2.07	0.19	0.19	0.11	0.03	2.59
	Total(B)= (1+2)						**3.79**
	Total Managerial Remuneration (A+B)						34.05
	Overall Ceiling as per the Act	₹76.83 Crore (being 11% of the net profits of the Company as per Section 198 of the Companies Act, 2013)					

* Total Managerial Remuneration to Vice Chairman &Managing Director, Whole-time Director, President & Director and other Directors (being the total of A and B) includes, sitting fees of ₹0.38 crores.

**Sh. S.K. Roongta joined as a Director w.e.f. 12.02.2019

^Sh. Wilhelmus Johannes Maria Wienk, ceased to be a Director w.e.f. 12.11.2018.

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(₹ in Crore)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Sh. V. Kumaraswamy, Chief Finance Officer	Sh. Suresh Chander Gupta, Vice President & Company Secretary	Total
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.02	0.94	3.96
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0.02	0.02	0.04
(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Others: Contribution to Provident Fund and Insurance	0.08	0.001	0.08
	Total	3.12	0.96	4.08

(The Company does not have Sweat Equity/Scheme for stock option. Commission-Not Applicable)

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

On behalf of the Board of Directors

New Delhi
Bharat Hari Singhania

Date : 8th May, 2019
Chairman

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2019

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs-

   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, 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. The details of the CSR Policy has been posted on the website of the Company and the web-link for the same ishttp://www.jkpaper.com/images/pdf/Corporate-Social-Responsibility-Policy.pdf

2. The Composition of the CSR Committee:

   The CSR Committee comprises of the following Directors:

   - Shri Harsh Pati Singhania (Chairman of the Committee), Non-independent
   - Shri Shailendra Swarup, Independent
   - Shri A.S.Mehta, Non-independent

3. Average Net Profit/(loss) of the Company for last three financial years: ₹234.65 crore.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹4.69 crore. However, Committee members decided to spend an enhanced amount of ₹4.75 crore.

5. Details of CSR spent during the financial year

   a. Total amount to be spent for financial year: ₹4.75 crore

   b. Amount unspent, if any: ₹1.40 crore

   c. Manner in which the amount spent during the financial year:

(₹ in lacs)

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects/programs (1) Local area/ others- (2) Specify the State and district where projects or Programs were undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overhead:	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Mobile Medical Camps Managing Sickle Cell Anaemia Eye Care Services	Eradicating hunger, poverty and malnutrition; promoting health care including preventive health care & sanitation including contribution to the 'Swachch Bharat Kosh' set up by the central government for the promotion of sanitation and making available safe drinking water.	Tapi (Gujarat)	38.15	27.65	27.65	Sparsh
2.	Providing safe drinking water Providing sanitation facilities/Solid Waste Management		Tapi (Gujarat)	28.86	32.55	32.55	Sparsh
3.	Combating Malnutrition		Tapi & Nandod (Narmada)	3.00	3.00	3.00	Sparsh

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects/programs (1) Local area/ others- (2) Specify the State and district where projects or Programs were undertaken	Amount outlay (budget) project or programs-wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs (2) Overhead:	Cumulative expenditure upto the reporting period	Amount spent Direct or through implementing agency
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
4.	Promoting basic educational infrastructural services in tribal area/ Remedial Education & Scholarships	Promoting education, including special education and employment enhancing vocational skills especially among children, women, elderly, and the differently abled & livelihood enhancement projects.	Others (Umarpada, Surat, Gujarat)	10.58	10.20	10.20	Sparsh
			Rayagada (Odisha)	45.00	-	-	-
5.	Promotion of Sustainable Agriculture and Allied Activities Entrepreneurship Development (Livelihood Business Enterprise Project) Farmer Club, Group Based Solar Irrigation, Rural Mart, Rural Haat, Seed Support, Mushroom Cultivation		Tapi (Gujarat)	192.93	158.05	158.05	Sparsh
6.	Supporting SHGs to income enhancement	Promoting gender equality and empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;	Tapi (Gujarat)	54.33	44.27	44.27	Sparsh
7.	Construction of Multi Purpose Sheds in schools/other infra related works	Rural Development Projects	Tapi (Gujarat)	102.15	59.37	59.37	Sparsh
	TOTAL			**475.00**	**335.09**	**335.09**	

6. Reasons for shortfall:

(i) An outlay of ₹56 lakhs provided for Solar Irrigation at 10 sites in Rayagada has not been taken as spent since the boring at the sites encountered rocky terrain, the work therefore could not be completed before 31st March, 2019, it is expected that all sites will be operational by 30th June 2019.

(ii) A partnership project with an outlay of ₹24 lakhs with NSDC on women enterprise development has been deferred to next year as the SHG's identified for this program lacked adequate capability and they need capacity building training on enterprise development.

(iii) Remedial Education Centers Projects could not be implemented in FY 2018-19 as the permissions required from the district authorities got delayed. Permissions for 6 centers out of 10 applied have been received and will be started in the academic session beginning May 2019. ₹10 lakhs was earmarked for this project.

(iv) Rural Haat project budgeted at ₹20 lakhs could not be started on account of delay in project sanctioning at NABARD.

(v) ₹30 lakh budgeted for Interactive Remote Teaching (IRT) was not spent as the feasibility study conducted pointed out inadequate availability of broadband as a major barrier in the project implementation.

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

	A.S.Mehta	Harsh Pati Singhania
Date : 8th May, 2019	President & Director	Chairman, CSR Committee

Annexure 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2019

[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 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute 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, 2019 (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, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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, 2009/2018;

  (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 -(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- (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- (Not applicable to the Company during the Audit Period);

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998/2018- (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 the following laws as being specifically applicable to the Company, which have been complied with:-

  (a) Paper and Paper Board Cess Rules, 1981

  (b) Indian Forest Act, 1927

I have also examined compliance with applicable clauses of the following:

(i) Mandatory Secretarial Standard 1 and Secretarial Standard 2 issued by the Institute of Company Secretaries of India,

(ii) 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.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with provisions of the Act.

Adequate Notice is given to all directors at least seven days in advance to schedule the Board Meetings. 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 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 compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, the Company -

(i) Acquired The Sirpur Paper Mills Limited under the Resolution Plan approved by National Company Law Tribunal, Hyderabad Bench, vide its order dated 19.7.2018 under Insolvency and Bankruptcy Code, 2016 and subscribed for 90,00,000 equity shares of ₹10 each of the said Company;

(ii) Subscribed for equity/preference shares of JK Enviro-Tech Limited for an aggregate amount of ₹222 crore and the status of the said company changed from 'wholly owned subsidiary' to a 'subsidiary' of the company;

(iii) Became the Holding Company of The Sirpur Paper Mills Limited through the aforesaid JK Enviro-Tech Limited;

(iv) Allotted redeemable Non-Convertible Debentures (Series I) to International Finance Corporation for ₹335.00 crore, in terms of Members resolution passed at the Annual General Meeting held on 17.8.2018;

(v) Increased Paid up Share Capital to ₹178.24 crore after allotment of 27,42,735 equity shares of ₹10 each, at a premium of ₹46.37 each, on conversion of Foreign Currency Convertible Bonds (Series-5); and

(vi) Subscribed for 8,10,000 ordinary shares of USD 1 each in JK Paper International (Singapore) Pte Ltd, a wholly owned subsidiary.

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, 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.

Namo Narain Agarwal
Secretarial Auditor
FCS No. 234, CP No. 3331

Place: New Delhi
Date: 6th May 2019

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) The steps taken for conservation of energy:

1) Installed LED lights in various locations throughout Unit JKPM and Unit CPM replacing conventional lights.
2) Vacuum pump system motors replaced with sq cage motors in place of slip ring improving the power factor. Savings of over ₹12 Lacs/ year.
3) In house steam & Condensate modification, resulting reduction in steam consumption.
4) Installed Micro TG to avoid energy wasted through PRDS.
5) Installation of new energy efficient motors in Unit CPM resulting in savings of ₹5.4 lacs/annum.
6) VFD for SA fan in boiler, achieved saving is ₹9 lacs/annum with an investment of 1 lac.
7) Major reduction in specific steam for power achieved by proper scheduling of condenser cleaning using high pressure water jet.
8) Energy saving by operation optimization in CFB#4 - optimization of Furnace pressure at inlet to cyclone, Optimization of excess air by programming auto combustion logic.

ii) The capital investment on energy conservation equipments:

The Company has invested ₹16.5 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, ADAPTATION AND INNOVATION

The efforts made towards technology absorption:

1) At unit JKPM Mitigated smell of Pulp Mill & Recovery plant by recovering Methanol from Stripped Off Gases (SOG) & resulting reduction in Furnace oil consumption in Lime Kiln.
2) Micro TG was installed to avoid energy loss through PRDS.
3) Utilization of ETP Secondary Sludge in Recovery Boiler.
4) Increase in PM-1 Speed & reduction in Steam consumption by installing Silent Drive, Steam & Condensate system.
5) Bulk & Stiffness improved by rebuilding PM-1 Calendar.
6) Installation of PM-3 Hydraulic Headbox with Dilution control system to reduce 2sigma variations.
7) Installed Vacuum pumps with water separators in Paper Machines.
8) Higher capacity liquor heater installed in Evaporator to reduce the steam consumption.
9) PM-1 runnability improved by installing in-house couch roll doctor and couch pit thickener at wet end.

i) The benefits derived as a result of above efforts:

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

ii) Research & Development:

During the year, the Company has spent ₹308 lacs on Research & Development. The company performed various Research & Development activities. Various trials were conducted on the shop floor to upgrade the existing quality of product to meet the customer perception and maintain quality and product leadership.

1. New Products developed and introduced during the current year.

   (a) HSMT for Match Stick application (b) Ecosip,for Paper Straw application (c) Cream Cote for Mobile Cover application (d) Cost Reduction of Top coat color by using special coating material. (e) Blister pack board for Blister application.

2. R & D activities in Plantation

   (a) Developed & commercially released new Eucalyptus clone having high wood productivity (b) Released Subabul specific nitrogen fixing Rhizobium namely CB-3126. This Rhizobium inoculation is being provided to farmers with Subabul seeds to enhance their wood productivity per unit area. (c) Developed hybrid between Leucaena luecocephala & L. collinsii which is resistant to psyllid insect & has higher wood productivity. Progeny trial is going on for development of future generation clones. (d) Developed 10 hybrids which are placed under progeny trials at CPM & JKPM. These hybrids are showing potential growth in progeny trials. These hybrids are targeted for higher pulp yield & wood productivity. (e) Planted progeny trials for high yielding Eucalyptus at CPM & JKPM for development of future generation clones. (f) Installed seed grading & scarification machine for Subabul seed treatment to increase germination percentage & survival percentage in Subabul plantations (g) Progeny trials are placed for capturing positive effect of mutation. Recorded increase in growth. (h) Identified 3 new potential clones of Subabul namely CPM-3, CPM-29 & CPM-32 with higher pulp yield & wood productivity. Multi-locational trials will be placed for these potential clones in Gujarat & Maharashtra in June 2019

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in Crore (10 Million)

(a)	Foreign Exchange earned	226.23
(b)	Foreign Exchange outgo:	
	- CIF Value of Imports	667.04
	- Others	13.87

On behalf of the Board of Directors

Bharat Hari Singhania

Chairman

New Delhi

Date : 8th May, 2019

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 the FY 2018-19 ended 31st March 2019

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, 57.02; Shri Arun Bharat Ram, 6.25; Shri Dhirendra Kumar, 5.36; Shri M.H. Dalmia, 4.91; Shri R.V. Kanoria, 5.88; Shri Sandip Somany, 4.98; Shri Shailendra Swarup, 5.08; Shri Udayan Bose, 6.05; Smt. Vinita Singhania, 5.15; Shri S.K.Roongta (appointed w.e.f. 12.2.2019), 0.75 and Shri Wim Wienk (ceased w.e.f. 12.11.2018), 2.90 (b) Executive Directors: Shri Harsh Pati Singhania, VC & MD, 716.71, Shri A.S.Mehta, President & Director (appointed w.e.f. 01.10.2018) 61.15 and Shri O.P. Goyal, WTD (ceased w.e.f. 30.9.2018), 57.81.

B. The percentage increase in remuneration of each director, chief finance officer, company secretary - Shri Bharat Hari Singhania, Chairman, 100.53%; Shri Harsh Pati Singhania, VC & MD, 34.41%; Shri A.S.Mehta, President & Director, – Not applicable since became a Director during the Financial Year 2018-19; Shri Arun Bharat Ram, 87.19%; Shri Dhirendra Kumar, 57.72%; Shri M.H. Dalmia, 53.45%, Shri R.V. Kanoria, 63.85%, Shri Sandip Somany, 49.17%, Shri Shailendra Swarup, 52.70%, Shri Udayan Bose, 68.46%, Smt. Vinita Singhania, 55.42%, Shri S. K. Roongta, Not applicable since became a Director during the Financial Year 2018-19;Shri V. Kumaraswamy, CFO, 17.97%, and Shri Suresh Chander Gupta, VP &CS, 17.63%.

C. The percentage increase in the median remuneration of employees –5.32%. The number of permanent employees on the rolls of Company - 2472.

D. Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2018-19 was 13.20% and increase in the managerial remuneration for the same financial year was 30.14%.Higher increase in managerial remuneration is due to profit linked commission and performance linked incentive as per scheme of the Company.

E. We affirm that the remuneration paid during the year 2018-19 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 the financial year ended 31st March 2019

(a) Accepted during the year –₹17.14crore;

(b) Remained unclaimed as at the end of the year – ₹0.88crore;

(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
Bharat Hari Singhania
Chairman

New Delhi
Date : 8th May, 2019

Sustainability & Business Responsibility Report

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@jkmail.com
6	Financial year reported	1stApril, 2018 to 31stMarch, 2019
7	Sector(s) that the Company is engaged in	Manufacturing
8	Three key products/services manufactured/ provided by the Company	Office documentation paper Uncoated paper and board Packaging board
9	Total number of locations where business activity is undertaken by the Company	Rayagada, Odisha, India Songadh, Gujarat, India
10	Markets served by the Company	India (4,000 dealers and over 200 wholesalers and have 16 depots) & 50 countries

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital	INR 178.24 crore
2	Total turnover	INR 3469.19 crore
3	Total profit after tax	INR 437.20 crore
4	Total spending on CSR as percentage	0.76%
5	List of the activities in which expenditure in 4 above has been incurred:	

CSR Activity	Expenditure (INR Lacs)
Health care	27.65
Sanitation and Drinking water	32.55
Combating malnutrition	3.00
Livelihood projects	158.05
Education	10.20
Women empowerment & gender equality.	44.27
Community infrastructure development viz., roads, public spaces repair & maintenance of public utilities	59.37
Total	**335.09**

SECTION C: OTHER INFORMATION

1	Does the Company have any Subsidiary Company/ Companies?	1. Jaykaypur Infrastructure & Housing Ltd. 2. Songadh Infrastructure & Housing Ltd. 3. JK Enviro-tech Ltd. 4. JK Paper International (Singapore) Pte.Ltd. 5. The Sirpur Paper Mills Limited
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)	No, the subsidiary companies do not participate in the BR Initiatives of the Company
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%]	No, the 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	A S Mehta
3	Designation	President & Director

b) Details of BR head:

1	DIN number	00030694
2	Name	A S Mehta
3	Designation	President & Director
4	Contact number	011-30179503
5	Email	asmehta@jkmail.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	Codes 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	CSR Policy
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	Codes 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 18001(Quality Management System), ISO 14001 (Environment Management System), OHSAS 18001 (OccupationalHealth & 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	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 www.jkpaper.com/index.php?option=com_content&view=article&id=88&Itemid=38

**No. The independent Agency's evaluation work is ongoing.

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

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

   This is the Company's first foray into publishing the Business Responsibility Report for the year under review.

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?

   We are committed to highest standards of corporate governance practices within our organisation. It forms an integral part of our values, ethics and business practices which is aimed at creating and enhancing long-term value of stakeholder. We practise and promote corporate ethics to enhance transparency in our operations and accountability amongst the stakeholders. By virtue of the basic philosophy of the code of conduct, there lies a strong alignment of the 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 lowest 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 providing 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.

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.

   Eight investor complaints were received during the financial year ended 31st March 2019, 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 depositors, 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.

   Since its inception, the Company has been focussed 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 2,400 lac trees in the last four years.

   The Company carries extensive research and development to develop short rotation clones (2-3 years) for the improvement of plantation yields, which results in increased returns to farmers. We have developed short-rotation clones (about three years) to enhance yields and farm productivity and actively provide training and development to farmers to achieve higher 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 reduced from 2.10 in FY 2017-18 to 2.08 in FY 2018-19.

   Energy: The energy intensity (total energy consumed per ton of product) has reduced from 1203 Kwh/ MT in FY 2017-18 to FY 1142 in FY 2018-19.

   Water: Water consumption per ton of product has reduced from 54.8M3/ MT in FY 2017-18 to 53.3M3/MT 2018-19.

   (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)?

   (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

   The Company acknowledge show significantly its supply chain can impact the environment and society at large. In order 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 last 4-5 years, the Company has had a multi-pronged strategy of increasing plantation coverage in the nearby areas thereby enabling local procurement. Furthermore, the Company invests its efforts in carrying out extensive research and development to ensure long-term sustainability of raw materials for operations via responsible sourcing and promote local procurement.

   The Company is working towards developing clones for the improvement of plantation yields, which results in increased returns to farmers. This is to enhance yields and farm productivity and actively provide training and development to farmers to achieve higher yield. 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.

   Apart from the aforementioned, capacity building of farmers is taken up through different awareness programmes, field trainings and practical demonstrations 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. Exposure visits of farmers to the Company's production and research facilities, demonstration plantations, plantations of progressive farmers and also to our manufacturing units is undertaken for creating awareness.

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 <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   The Company believes that waste created in operations is a potential resources for various other activities. Hence, it has strategically shifted its focus towards harnessing this potential resource to the best use within the operations by optimising existing processes. This has furthered the 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. For instance, lime sludge is used as raw material to make egg trays and recycled board etc. We ensure that 100% of fly-ash is used to manufacture the fly-ash bricks and board rejects are entirely recirculated within the board plant.

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

1. Please indicate the total number of employees. 2472
2. Please indicate the total number of employees hired on temporary/contractual/casual basis. 3981
3. Please indicate the number of permanent women employees. 27
4. Please indicate the 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? 32.31%
7. Please indicate the 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 such complaints pertaining to child labour, forced labour, involuntary labour, sexual harassment were reported in the current financial year.

Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
Child labour/forced labour/involuntary labour	NIL	NIL
Sexual harassment	NIL	NIL
Discriminatory employment	NIL	NIL

1. 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 – Data under review

   The skills and knowledge of the Company's workforce are among its greatest strengths. The Company believes in 70-20-10 philosophy of training and education. Maximum learning and development, i.e. 70%, takes places through hands-on involvement and practical experience, 20% is achieved through classroom training and the remaining 10% through textual learning. Continuous learning and development are essential. In FY 2018-19, the Company imparted an average of 70 hours of training per employee on topics such as safety, as well as technical training specific to the employees' different roles. 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.

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.

   The Company values the support of its stakeholders and respects the interests 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 program 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?

   Currently, the Company does not have any Human Rights policy, although it appreciates that human rights are inherent, universal, indivisible and interdependent in nature. The Company, within its sphere of influence, promotes the awareness and realization 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 managing 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 of 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.

Principle 6: Business 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, 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.? Y/N. If yes, please give hyperlink for webpage 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 mainly owned by small and marginal farmers associated with JK Paper's plantation program. This program provides additional income for participating farmers, besides reducing harmful greenhouse gases and global warming.

   For further details, refer http://www.jkpaper.com/index.php?option=com_content&view=article&id=32&Itemid=33

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

   The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization 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.

   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 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 exceedance, 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 (Quality Management System), ISO 14001 (Environmental Management System), and OHSAS 18001 (Occupational Health & Safety Management System) to sharpen its focus towards achieving sustainability goals.

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 two projects related to the Clean Development Mechanism under UNFCCC. Vide approval dated 15th July 2009, the Company's CDM project on "Improving rural livelihoods through carbon sequestration" in the nearby areas in Koraput, Kalahandi& Rayagada districts was approved under UNFCCC.

   Further the company implemented a program 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 is 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.

   The Company undertakes various energy efficiency measures at its manufacturing locations which include optimisation of voltage level through tap position changing on transformer, installation of energy efficient luminaries and motors on various machines, running motors with low current by converting delta to star connection, etc. Also, the Company ensures 100% conversion of fly ash into fly ash bricks. More details on the same is available at: http://www.jkpaper.com/ index.php?option=com_content&view=article&id=32&Itemid=33

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

   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 re-use. 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 2018-19, there were zero non-compliances with environmental laws and/or regulations and the company did not pay any fines towards any case pending from previous years.

Principle 7: Business, 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)

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 continuously advocates the use of alternative fuels, energy conservation and afforestation. For social development projects, the Company partners with organisations such as Bharatiya Yuva Shakti Trust (BYST), SPARSH (NGO), National Skill Development Corporation (NSDC) etc. to seek their participation and involvement in implementing various initiatives.

Principle 8: Business 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 programs have diversified to women empowerment, entrepreneurship sustainable agriculture and climate resistant farm technologies along with modern health care and education. The Company has a Corporate Social Responsibility (CSR) Policy in accordance with the provisions of the Companies Act 2013 and rules made there under. The contents of the CSR Policy are 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 mills 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 programs 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?

   Out of a total of expenditure of ₹3.35 cr, ₹2.90 cr was incurred through Sparsh and the balance by the Company.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   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 Business 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.

   Customer complaints received during the year 486 and 19 were in the process of being resolved as on 31st March 2019. Pending at the end of the financial year 4%

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? If so, provide details thereof, in about 50 words or so.

   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.

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 a 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 practised by its entire management cadre.

2. BOARD OF DIRECTORS

2.1 Board of Directors:

The Board of Directors presently consists of Twelve Directors of which two are Executive Directors and ten are Non-executive Directors. Out of ten Non-executive Directors, six are Independent Directors. Details are as given hereunder:

Sl. No.^	Name of the Director	Category	No. of Board Meetings attended during 2018-19	Whether attended last A.G.M. (17.08.2018)	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Directorships $	Other Committee Memberships**	Other Committee Chairmanships**
1.	Sh. Bharat Hari Singhania, Chairman	Non- Executive non-Independent	4	No	4	1	-
2.	Sh. Harsh Pati Singhania, Vice Chairman & Managing Director	Executive	5	Yes	2	-	-
3.	Sh. Arun Bharat Ram∆	Independent	5	No	3	-	-
4.	Sh. Dhirendra Kumar	Non- Executive non-Independent	4	No	5	2	-
5.	Sh. M.H.Dalmia∆	Independent	3	No	-	-	-
6.	Sh. R. V. Kanoria∆	Independent	4	No	7	3	2
7.	Sh. Sandip Somany∆	Independent	3	No	4	-	-
8.	Sh. Shailendra Swarup∆	Independent	3	No	6	3	-

Sl. No.^	Name of the Director	Category	No. of Board Meetings attended during 2018-19	Whether attended last A.G.M. (17.08.2018)	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Director-ships $	Other Committee Memberships**	Other Committee Chairmanships**
9.	Sh. Udayan Bose∆	Independent	5	Yes	2	-	2
10.	Smt. Vinita Singhania	Non- Executive non-Independent	5	No	5	-	-
11.	Shri S.K. Roongta (w.e.f. 12.2.2019)	Non-Executive non-Independent	1	N.A.	9	5	1
12.	Shri A.S. Mehta President & Director (w.e.f. 1.10.2018)	Executive	2	N.A.	4	3	1

*Shri O.P. Goyal (DIN: 00030115) ceased to be a Whole time Director/Director w.e.f. 30.09.2018 (attended 3 Board meetings and last AGM) and Sh. Wilhelmus Johannes Maria Wienk (DIN: 05177396), nominee of FCCB Holders, resigned as a Director w.e.f. 12.11.2018 (attended 1 Board meeting).

∆The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and in the opinion of the Board they fulfil the conditions specified in the Listing Regulations and are independent of the management of the Company.

$ excluding Private Ltd Companies, Foreign Companies and Companies under Section 8 of the Companies Act, 2013. Independent Directorships held by the Directors are in accordance with the Listing Regulations.

^ DIN of the above named Directors in seriatim: 1. DIN: 00041156, 2. DIN: 00086742, 3. DIN: 00694766, 4. DIN: 00153773, 5. DIN: 00009529, 6. DIN: 00003792, 7. DIN: 00053597, 8. DIN: 00167799, 9. DIN: 00004533, 10. DIN:00042983, 11. DIN: 00309302, and 12. DIN: 00030694.

** only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.

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

2.2 Name of the listed entities where director is a director, other than JK Paper Limited:

Sl.No.	Name of the Company	Category
(i) Shri Bharat Hari Singhania, Chairman		
1.	JK Lakshmi Cement Limited	Executive Director
2.	JK Tyre & Industries Limited	Executive Director
3.	JK Agri Genetics Limited	Non Executive Director
4.	Bengal & Assam Company Limited	Non Executive Director
(ii) Shri Arun Bharat Ram		
1.	SRF Limited	Executive Director
(iii) Shri Dhirendra Kumar		
1.	The Scottish Assam (India) Limited	Non Executive Non-Independent Director
2.	Bengal Tea & Fabrics Limited	Independent Director
(iv) Shri R.V. Kanoria		
1.	Kanoria Chemicals & Industries Limited	Executive Director
2.	Nestle India Limited	Independent Director
3.	Ludlow Jute & Specialties Limited	Non Executive Non- Independent Director
(v) Shri Sandip Somany		
1.	HSIL Limited	Executive Director
(vi) Shri Shailendra Swarup		
1.	Gujarat Flurochemicals Limited	Independent Director

Sl.No.	Name of the Company	Category
2.	Bengal & Assam Company Limited	Independent Director
3.	Subros Limited	Independent Director
(vii) Shri Udayan Bose		
1.	Pritish Nandy Communications Limited	Independent Director
(viii) Smt. Vinita Singhania		
1.	JK Lakshmi Cement Limited	Executive Director
2.	Bengal & Assam Company Limited	Non Executive Non-Independent Director
3.	HEG Limited	Non Executive Non-Independent Director
4.	Udaipur Cement Works Limited	Non Executive Non-Independent Director
(ix) Shri S.K. Roongta		
1.	Jubilant Life Sciences Limited	Independent Director
2.	ACC Limited	Independent Director
3.	Jubilant Industries Limited	Independent Director
4.	Talwandi Sabo Power Limited	Independent Director
5.	CL Educate Limited	Independent Director
(x) Shri A.S. Mehta, President & Director		
1.	Florence Investech Limited	Independent Director
2.	JK Agri Genetics Limited	Independent Director

Note: Shri Harsh Pati Singhania, Vice Chairman & Managing Director and Shri M.H. Dalmia, Director do not hold directorships in any listed entity, other than JK Paper Limited.

Date and number of Board Meetings held

Five Board Meetings were held during the year 2018-19 i.e., on 4th April, 2018, 14th May 2018, 31st July 2018, 12th November 2018 and on 12th February 2019.

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.

3. SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 12th February 2019. 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 except Shri M.H. Dalmia and Shri Shailendra Swarup to whom leave of absence was granted.

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 familarisation programmes for Independent Directors. The details of such familarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is http://www.jkpaper.com/images/pdf/Familiarisation%20Programme%20of%20INDs.pdf.

5. BOARD SKILLS, EXPERTISE OR COMPETENCE

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

6. PERFORMANCE EVALUATION

As required, the Nomination and Remuneration Committee of Directors specified the manner for effective evaluation of performance of the Board, its Committees and individual Directors in accordance with the provisions of the Companies Act, 2013 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 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 the members of the committee in the meetings, etc.

The Board and the Nomination and Remuneration Committee also carried out evaluation of the performance of individual 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 Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The Committee presently consists of four Directors, out of which three are Non-executive Independent Directors and one is Executive Director. Four meetings of the Audit Committee were held during the year 2018-19 as detailed hereunder:

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

Dates of meetings	No. of members attended
14th May 2018	4
31st July 2018	4
12th November 2018	3
12th February 2019	4

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

Name	Status	No. of Meetings attended
Shri Udayan Bose	Chairman	4
Shri Arun Bharat Ram	Member	4
Shri R.V.Kanoria	Member	3
Sh. A.S. Mehta *	Member	2
Sh. O. P. Goyal**	Member	2

* Shri A.S. Mehta became a member of the Committee w.e.f. 1st October, 2018.

** Shri O.P. Goyal ceased to be a member of the Committee w.e.f. 30th September 2018.

All the Committee Meetings were attended by the Head of Internal Audit, Vice President & Company Secretary and the representative of Statutory Auditor. The Head of Finance Function also regularly attends the Committee Meetings. The Vice President & Company Secretary acts as the Secretary of the Committee.

8. NOMINATION AND REMUNERATION COMMITTEE

8.1 Nomination and Remuneration Committee

The Nomination and Remuneration Committee presently consists of five Directors, out of which three are Non Executive Independent Directors namely Shri Arun Bharat Ram, (Chairman), Shri R.V. Kanoria and Shri Udayan Bose and two are Non Executive Non-Independent Directors namely Shri Bharat Hari Singhania and Shri Dhirendra Kumar. The Composition and the terms of reference of the committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Four meetings of the Nomination and Remuneration Committee were held during the year 2018-19 as detailed hereunder:

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

Dates of meetings	No. of members attended
14th May 2018	4
31st July 2018	5
12th November 2018	3
12th February 2019	5

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

Name	Status	No. of Meetings attended
Shri Arun Bharat Ram	Chairman	4
Shri Bharat Hari Singhania	Member	2
Shri R.V.Kanoria	Member	3
Shri Udayan Bose	Member	4
Shri Dhirendra Kumar	Member	4

8.2 Nomination and Remuneration Policy

In accordance with the provisions of the Companies Act 2013 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, independence of a Director as well as a policy on Board Diversity. The said policy has been revised by the Nomination and Remuneration Committee of the Company and is available at the website of the Company and the weblink is www.jkpaper.com. 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 as 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 Independent Director as per the applicable laws & regulations. (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 and senior management 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 Board will review the performance of a Director as per the structure of performance evaluation adopted by the Board for Directors including Executive Directors.

(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.

8.3 Remuneration paid to Directors

A. Executive Directors

The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the financial year ended 31st March, 2019 to the Executive Directors of the Company is as follows: Shri Harsh Pati Singhania, Vice Chairman & Managing Director: ₹6.65 crore plus ₹19.31 crore payable as commission and performance linked incentive as applicable; Shri A.S. Mehta, President & Director; ₹1.54 crore plus ₹0.67 crore payable as commission and performance linked incentive as applicable for the period from 1st October 2018 to 31st March 2019 and Shri O.P. Goyal, erstwhile Whole time Director ₹1.48 crore plus ₹0.61 crore payable as commission and performance linked incentive as applicable for the period from 1st April 2018 to 30th September 2018.

The Company does not have any Stock Option Scheme. 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.

B. Non-Executive Directors

The Company has paid sitting fees aggregating to ₹37.90 lacs 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 2018-19. In addition to sitting fees, commission of ₹200 lacs is payable to Shri Bharat Hari Singhania, Chairman and ₹16 lacs each to Shri Arun Bharat Ram, Shri Dhirendra Kumar, Shri R.V.Kanoria, Shri Udayan Bose, Shri Sandip Somany, Shri Shailendra Swarup, Shri M.H.Dalmia and Smt. Vinita Singhania, ₹9.91 lacs to Shri Wilhelmus Johannes Maria Wienk and ₹2.11 lacs to Shri S.K. Roongta, in accordance with the Special Resolution passed by the members of the Company at the Annual General Meeting held on 14th September 2016. Number of Equity shares of ₹10/- each of the Company held by the Non-Executive Directors: Sh. Bharat Hari Singhania (1,00,000 Equity Shares) and Smt. Vinita Singhania (2,25,550 Equity Shares).

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

9. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee presently consists of four directors, namely Shri Udayan Bose (Chairman), Shri R.V. Kanoria, Shri Arun Bharat Ram and Shri A.S. Mehta, President & Director. The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations, as amended.

Three meetings of the said Committee were held during the year 2018-19 as detailed hereunder:

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

Dates of meetings	No. of members attended
14th May 2018	3
12th November 2018	2
12th February 2019	3

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

Name	Status	No. of Meetings attended
Shri Udayan Bose*	Chairman	-
Shri R.V.Kanoria	Member	2
Shri Arun Bharat Ram	Member	3
Shri A.S. Mehta**	Member	2
Shri O.P.Goyal***	Member	1

* Shri Udayan Bose became Chairman of the Committee w.e.f.12th February, 2019.

**Shri A.S. Mehta became a member of the Committee w.e.f.1st October, 2018.

*** Shri O.P. Goyal ceased to be a member of the Committee w.e.f.30th September 2018.

Shri Suresh Chander Gupta, Vice President & Company Secretary is the Compliance Officer.

Eight investor complaints were received during the financial year ended 31st March 2019, all of which were promptly resolved to the satisfaction of the investor concerned.

The Board has delegated the power of share transfer to the Committee of Directors and the share transfer formalities are attended to as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the year ended 31st March 2019, 19 meetings of the said Committee of Directors were held.

10. GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2015-16	P.O. Central Pulp Mills – 394 660 Fort Songadh, Distt.Tapi, Gujarat	14-09-2016	12.30 P.M.
2016-17	Same as above	14-09-2017	12.30 P.M.
2017-18	Same as above	17-08-2018	12.30 P.M.

(ii) None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

(iii) One Special Resolution was passed by way of Postal Ballot during the financial year ended 31st March 2019. The Company extended e-voting facility through Central Depository Services (India) Limited (CDSL), as an alternate for its Members to enable them to cast their vote electronically instead of dispatching physical postal ballot forms. Shri Namo Narain Agarwal, Company Secretary in practice was appointed as Scrutinizer for conducting the postal ballot/e-voting process. After receiving the Scrutinizer's Report, it was announced that the Special Resolution was passed with requisite majority on 28th September 2018. The voting pattern on the said resolution is as under:

Resolution - Special Resolution for appointment of Shri A.S. Mehta as President & Director of the Company with effect from 1st October 2018 till 31st March 2022 on the terms of remuneration as set out in the Statement pursuant to Section 102(1) of the Companies Act,2013:

- % of votes cast in favour of the Resolution: 99.998%

- % of votes cast in against the Resolution: 0.002%

(iv) Special Resolutions passed in previous 3 Annual General Meetings:

(a) At the last Annual General Meeting of the Company held on 17th August 2018, following Special Resolutions were passed:

(i) Issue of NCDs of upto ₹500 crore on private placement basis.

(ii) Continuation of Shri Bharat Hari Singhania (DIN: 00041156) to be a Non-Executive Director of the Company.

(iii) Continuation of Shri Dhirendra Kumar (DIN: 00153773) to be a Non-Executive Director of the Company.

(iv) Continuation of Shri Arun Bharat Ram (DIN: 00694766) to be a Non-Executive Independent Director of the Company.

(v) Continuation of Shri M.H. Dalmia (DIN: 00009529) to be a Non-Executive Independent Director of the Company.

(b) At the Annual General Meeting of the Company held on 14th September 2017, Special Resolution was passed for issue of Non-Convertible Debentures (NCDs) upto ₹335 crore on private placement basis.

(c) At the Annual General Meeting of the Company held on 14th September 2016, Special Resolution was passed to re-appoint and approve the terms of remuneration of Vice Chairman & Managing Director of the Company for a period of five years with effect from 1st January 2017.

11. 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

All the Related Party Transactions are dealt with in accordance with the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The Company has also formulated a policy on dealing with Related Party Transactions and also on the materiality of Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is http://www.jkpaper.com/images/pdf/Related-Party-Transaction-Policy.pdf.

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

(ii) Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange 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/the 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.

(iv) Prevention of Sexual Harassment of Women at Workplace: Your Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment has set up a Complaint Committee at its work place(s) to redress the complaints of women employees and requisite disclosures in relation thereto are as under:

a. number of complaints filed during the financial year: Nil

b. number of complaints disposed of during the financial year: Nil

c. number of complaints pending as on end of the financial year: Nil

(v).1 Risk Management: The Company has an elaborate risk management system to inform Board Members about risk assessment and minimization procedures.

(v).2 Risk Management Committee: Pursuant to the provisions of Regulation 21 of Listing Regulations, the Board of the Company has constituted the Risk Management Committee, comprising of following members:

S.No.	Name	Designation
	Directors	
1.	Sh. R.V. Kanoria - Independent Director	Chairman
2.	Sh. S.K. Roongta - Non Executive Non Independent Director	Member
3.	Sh. A.S. Mehta- President & Director	Member
	Executives	
4.	Sh. V. Kumaraswamy- Chief Finance Officer	Member
5.	Sh. Partha Biswas – Chief (Marketing & Sales)	Member

The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Regulation 21 of the Listing Regulations.

(vi) 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.

(vii) Details of utilization of funds raised through preferential allotment: The Company had issued 33,500 rated, unlisted, secured, redeemable, non-convertible debentures (Series I) of face value of Rupees One lac each ("Debentures – Series I") aggregating to ₹335 crore on private placement basis and the fund raised through such preferential allotment have been fully utilised during the financial year ended March 2019, for the purpose(s) as mentioned in the Debenture Trust Deed.

(viii) A certificate has been issued by Mr. 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 SEBI/Ministry of Corporate Affairs or any such statutory authority.

(ix) 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 2019.

(x) During the financial year ended 31st March 2019, the Company and its subsidiary namely The Sirpur Paper Mills Limited has paid total fees for various services including statutory audit, amounting to ₹31.71 lacs, including taxes, to the Statutory Auditor, namely M/s Lodha & Co., Chartered Accountants. 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 Auditor is a part.

(xi) Subsidiary Companies: The financial statements, in particular, the investments made by the unlisted subsidiary companies, if any, are reviewed by the Audit Committee of the Company.

The minutes of the Board meetings of the unlisted subsidiary companies are placed at the Board meeting of the Company. A statement of all significant transactions and arrangements entered into by the 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 is http://www.jkpaper.com/images/pdf/Policy%20for%20Determining%20Material%20Subsidiary.pdf.

During the year, the Company did not have any material unlisted subsidiary as defined in Regulation 16 of the Listing Regulations.

(xii) Corporate Social Responsibility Committee: The Company has a 'Corporate Social Responsibility Committee of Directors' which comprises of three Directors out of which one is independent and two are Executive Directors. The composition and role of the Committee are in conformity with the provisions of Section 135 of the Companies Act, 2013. Two Meetings of the Committee were held during the financial year ended 31st March 2019 i.e., on 14th May 2018 and 12th February 2019.

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

Name	Status	No. of Meetings attended
Shri Harsh Pati Singhania	Chairman	2
Shri Shailendra Swarup	Member	1
Shri A.S. Mehta *	Member	1
Shri O.P.Goyal**	Member	1

* Shri A.S. Mehta became a member of the Committee w.e.f.1st October, 2018.

** Shri O.P. Goyal ceased to be a member of the Committee w.e.f.30th September 2018.

(xiii) Dividend Distribution Policy:

1 Preamble

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Regulations") require the top 500 listed companies (by market capitalisation) to disclose a Dividend Distribution Policy in the Annual Report and on the Corporate Website of the Company.

Accordingly, the Board of Directors of the Company has approved the Dividend Distribution Policy of the Company at its meeting held on 8th May, 2019.

2 Objective

The objective of this Policy is to provide a broad Dividend Distribution Framework to all the Stakeholders of the Company.

The Board shall refer to the guidelines laid out in this Dividend Distribution Policy while announcing any Dividend in a Financial Year keeping in mind the provisions of the Companies Act 2013 & Rules made therein & other applicable legal procedures.

The Company currently has only one Class of Shares viz: Equity Shares.

3 Factors to be considered while declaring dividend.

While recommending/ declaring Dividend, the Board shall take into account various Internal & External factors which shall inter-alia include:

(1) Profitability of the Company during the relevant year

(2) Past Dividend trends

(3) Leverage profile

(4) Future capital expenditure programmes including organic and inorganic growth opportunities.

(5) Company's Liquidity Position and Cash flow position.

(6) Economic conditions and regulatory environment.

(7) Any other relevant factors that the Board may deem fit to consider.

4 Utilisation of retained earnings.

The retained earnings will be used inter alia for the Company's growth plans, working capital requirements, investments, debt repayments, meeting contingencies or for other needs of the Company.

5 Declaration of dividend

The Board may declare/recommend Interim / Final Dividend out of the profits of the Company for that year arrived at in conformity with the Companies Act. Only in exceptional circumstances, the Board may consider utilizing its Retained Earnings for Declaration of Dividend subject to other applicable legal provisions.

The dividend payout in each financial year, including interim dividends, will be dependent on the existing and expected underlying financial performance, market conditions, cash flow position and future requirements of funds and also non-financial factors prevailing during such financial year

6 Review & modification of dividend distribution policy.

The Dividend Distribution Policy is subject to Review & Revision on periodical basis, as may be considered necessary by the Board. In case, the Board proposes to declare Dividend based on the basis of parameters other than those mentioned in the

Dividend Distribution Policy, it shall disclose such changes alongwith the rationale therefor.

7 Disclaimer

This document neither solicits investments in the Company's securities, nor it is an assurance of guaranteed returns (in any form), for investments in the Company's equity shares.

12. MEANS OF COMMUNICATION

Quarterly, half yearly and annual financial results are normally published in the Economic Times newspaper (in all editions including Gujarati translation) 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". Management Discussion & Analysis and Sustainability and Business Responsibility Report form part of the Annual Report.

Presentations made to institutional investors or to the analysts, if any, are promptly displayed on the website of the Company.

13. GENERAL SHAREHOLDERS' INFORMATION:

(i)	**Annual General Meeting (AGM) :-**	
	(a) Date and Time :	Friday, 23rd August 2019 at 12.30 P.M.
	Venue :	P.O. Central Pulp Mills- 394660, Fort Songadh, Distt. Tapi, Gujarat.
	(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 :**	16th August 2019 to 23rd August 2019 (both days inclusive)
(iii)	**Dividend Payment Date :**	Within three weeks from AGM
(iv)	**Financial Calendar :**	Year Ending March 31
	Annual General Meeting for the year ending March 31, 2020	Between June and September 2020
(v)	**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

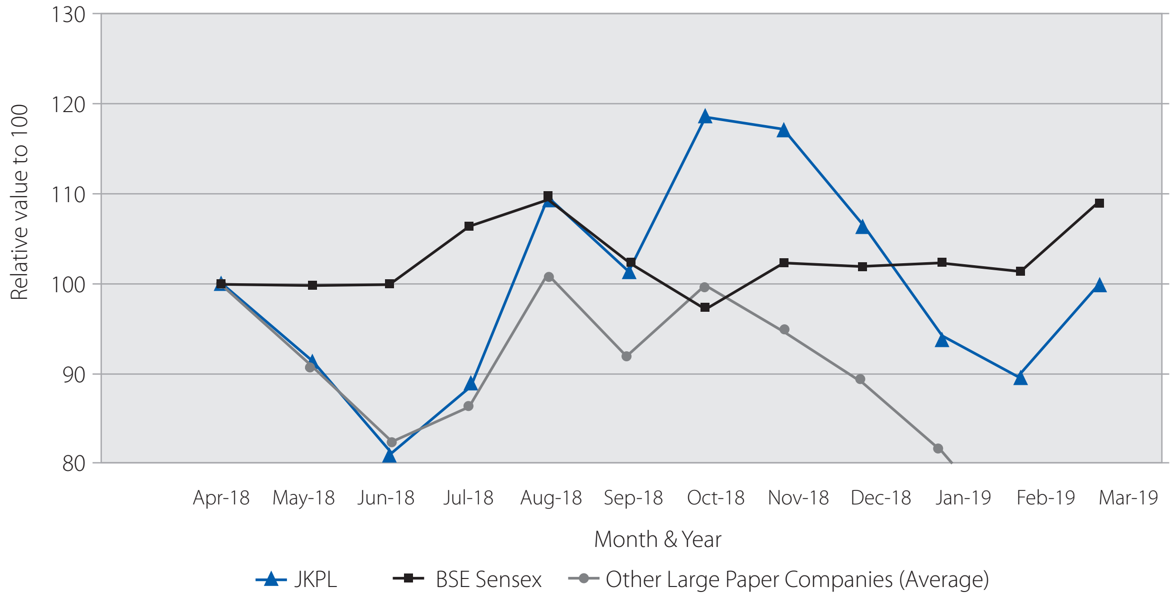
The annual listing fee for the financial year 2019-20 has been paid to both the aforesaid Stock Exchanges.

(vi) 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 (₹)
2018				
April	152.00	135.50	152.00	135.10
May	153.50	125.20	153.60	125.25
June	132.05	103.45	132.00	103.45
July	131.25	97.85	131.40	97.30
August	193.95	133.05	194.20	132.75
September	191.95	139.75	191.70	139.80
October	174.00	138.55	174.00	138.35
November	189.70	158.65	189.40	158.20
December	174.10	145.35	173.95	145.00
2019				
January	157.00	124.00	157.45	124.00
February	140.15	118.60	140.50	119.15
March	153.35	129.95	153.55	129.35

(Source: www.bseindia.com) (Source : www.nseindia.com)

(vii) JK Paper Ltd.'s Share Performance vs. BSE Sensex & Other Large Paper Companies' Share Performance (Average) [April 2018 to March 2019]:



(Source: www.bseindia.com)

(viii) Dematerialisation of shares and liquidity: The Equity Shares of the Company are presently tradeable in compulsory demat segment. The ISIN No. for Equity Shares of the Company for both the depositories is INE789E01012. As on 31st March 2019, 97.57% of the Company's Equity Share Capital was in dematerialised form.

In respect of Shares held in electronic 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.

(ix) Share transfer system: The transmission of shares in physical form is normally processed and completed within 15 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants. Pursuant to SEBI notification dt. 30th November 2018 read with regulation 40 of Listing Regulations except in case of transmission or transposition of securities, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialised form with a depository.

(x)(a) Distribution of Equity Shareholding (both in physical and electronic form) as on 31st March 2019:

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	53943	81.26	6439073	3.61
501 to 1,000	5741	8.65	4506564	2.53
1,001 to 5,000	5126	7.72	12084611	6.78
5,001 to 10,000	781	1.18	5790448	3.25
Over 10,000	792	1.19	149422889	83.83
Total	**66383**	**100.00**	**178243585**	**100.00**

(b) Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March 2019:

Category	No. of Equity Shares held	Percentage of Shareholding
Domestic Companies	9,78,00,251	54.87
Resident Individuals & Trusts	6,13,06,898	34.40
FIs, Mutual Funds & Banks	25,04,203	1.40
Foreign Investors/FPIs/ NRIs	1,66,32,233	9.33
Total	**17,82,43,585**	**100.00**

(xi) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity: NIL

(xii) Commodity price risk or foreign Exchange risk and hedging activities: During the financial year ended 31st March 2019, 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 is having a Risk Management framework 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 material consumed, is around 43%. During the year ended 31st March 2019, the Company consumed 7.89 lac MT of Hardwood & Bamboo valuing ₹545.45 Crores. The Company does not have any exposure hedged through commodity derivatives.

(xiii) 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)

(xiv) Address for correspondence for Share Transfer and related matters:

1. Registrar and Share Transfer Agent (RTA)
M/s MCS Share Transfer Agent Limited,
F-65, Okhla Industrial Area, Phase – I, New Delhi-110 020
Ph. (011) 41406149-52
Fax No.(011)-41709881
E-mail: helpdeskreply@mcsregistrars.com
Website: www.mcsregistrars.com

2. Vice President & Company Secretary
JK Paper Limited
Gulab Bhawan (Rear Block - 3rd Floor), 6A, Bahadur Shah Zafar Marg, New Delhi-110 002
Ph. 011-30179100 (ext : 560, 564)
Fax No. 91-11-23739475
Email : sharesjkpaper@jkmail.com
Website : www.jkpaper.com

(xv) List of all credit ratings obtained by the Company along with any revisions thereto during the financial year ended 31st March 2019:

A. Rating From CRISIL	
At the beginning of Financial Year	
Long Term Rating	CRISIL A/Positive
Short Term Rating	CRISIL A1
Upgraded during the year	
Long Term Rating	CRISIL A+/Stable
Short Term Rating	No Change (CRISIL A1)
B. Rating From India Rating	
At the beginning of Financial Year	
Long Term Rating	IND A/Stable
Short Term Rating	IND A1
Upgraded during the year	
Long Term Rating	IND A+/Stable
Short Term Rating	IND A1+

(xvi) This Corporate Governance Report of the Company for the financial year ended 31st March 2019 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xvii) 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 financial statements (both standalone and consolidated) of the Company for the year ended 31st March 2019 are with unmodified audit opinion; (c) Separate posts of Chairperson and CEO: Sh. Bharat Hari Singhania is the Chairman of the Company and Sh. Harsh Pati Singhania is the Vice-Chairman & Managing Director of the Company; and (d) Reporting of Internal Auditor: The Head of Internal Audit of the Company administratively reports to the President & Director. However, his Internal Audit Reports are placed before the Audit Committee.

(xviii) 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.

(xix) 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 2018-19.

However, during the financial year 2018-19, the Company had not transferred any Equity shares to Investor Education and Protection Fund Authority pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016

14. 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 2019.

Harsh Pati Singhania
Vice Chairman & Managing Director

15. CODE FOR PREVENTION OF INSIDER TRADING

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, 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 year ended on 31st March, 2019, 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 para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2019.

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 to 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 number: 301051E

N. K. Lodha
Partner
Membership number 85155

Place: New Delhi
Date: June 18, 2019
UDIN: 19085155AAAAAY8259

Financial Statements

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 2019, the Statement of Profit and Loss (including Other Comprehensive Income), 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 the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 financial statements under the provisions of the Companies Act, 2013 and the Rules made 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.

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 for the financial year ended March 31, 2019. 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. For each matter below, our description of how our audit addressed the matter is provided in that context:

Description of Key Audit Matter	Audit procedures to addressed the key audit matter
1. Revenue Recognition Recognition of Revenue , measurement , presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Note No.1(III)(i) of Accounting Policy) There is possibility for material misstatement within revenue, particularly in relation to revenue being recorded in the different period, due to cut off errors or management bias. We considered this to be a key audit matter.	Our response to the risk Our audit procedures includes: • On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. • We performed revenue cut-off testing, by reference to shipment / bill dates of sales recorded either side of the financial year end had legally completed. • Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts ; and • We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers".

Description of Key Audit Matter	Audit procedures to addressed the key audit matter
2. **Valuation of financial instruments (held at fair value including securities and financial Guarantees)** The company has given letter of comfort to banker against borrowing facilities extended to a step subsidiary of ₹166 crs . The Company has also invested ₹111 crs in to preference share capital of a subsidiary where dividend rate is not at par with market instruments . Hence we have considered, valuation of financial instruments as key audit matter considering complexities and financial impact involved over financial statements.	Our audit procedures includes: Control testing: • We tested the design and operating effectiveness of key Controls. • Controls over the validation, completeness, implementation and usage of valuation models. Independent reperformance: • Our own valuation specialists independently challenged management on the valuations where they were outside our expected range. Methodology choice: • In the context of observed industry practice, our own valuation specialists assisted us in challenging the appropriateness of significant models and methodologies used in calculating fair values, risk exposures, completeness of risk factors, and in calculating FVAs.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the 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 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 during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, 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.

RESPONSIBILITY OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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 the Board of Directors 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 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 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 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 Companies Act, 2013 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the 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 financial statements.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act,2013 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 Companies Act, 2013 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 financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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 an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) The managerial remuneration for the year ended 31st March, 2019 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

h) 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.;

   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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For LODHA & CO.
Chartered Accountants
Firm's Registration No.301051E

(N. K. Lodha)
Partner
Membership No. 85155

Place: New Delhi
Date: 8th May, 2019

Annexure – A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the JK Paper Limited on the standalone financial statements for the year ended 31st March 2019, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets have been physically verified by the management according to the program of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. The discrepancies noticed on such physical verification were not material.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at Balance Sheet date except the following:

Particular	Total No. of Cases	Gross Book Value (₹ In Crore)	Net Book Value (₹ In Crore)
Freehold Land*	1	20.24	20.24

*Also Refer Note No. 2(a) of standalone financial statements.

(ii) The inventories of the Company (except stock in transit, which has been verified from receipt of material) have been physically verified by the management at reasonable intervals and the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.

(iii) The Company has not granted any loans to bodies corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'), hence other parts of this clause are not applicable.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to76 of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal 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 the cost records under section 148(1) of the act in respect of the company's products to which the said rules are made applicable and are on the opinion that prima facie, the prescribed cost 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 is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, entry tax, goods and service tax, cess and other material statutory dues, with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2019.

(b) According to the records and information & explanations given to us, there are no dues in respect of income tax, sales tax, service tax, goods and service tax, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute except as given below:

Name of the statute	Nature of dues	Period to which amount relates	Amount involved (₹ in Crores)	Forum where dispute is pending
Central Excise Act, 1944	Central Excise	1981-1983	0.70	Deputy Commissioner Central Excise, Raygada
		1982-1983	0.41	Supreme Court
		1986-1995	1.31	High Court, Cuttack
		2005-2010	0.05	CESTAT Ahmedabad
		2007-2010	2.88	CESTAT Ahmedabad
		2005-2014	4.12	CESTAT Ahmedabad
		2011-2016	2.84	Commissioner (Appeals), Surat
		2004-2010	0.20	CESTAT ,Ahmedabad
		2000-2005	0.49	Commissioner, Bhubaneshwar
		2011-2012	0.36	Addl. Commissioner , Bhubaneshwar
		2015-2016	7.42	CESTAT, Mumbai
		2014-2017	0.10	Asst. Commissioner, Rayagada
Custom Act, 1962	Custom Duty	2011-2012 & 2012-2013	0.69	CESTAT Ahmedabad
Finance Act, 1944	Service Tax	2009-2010	0.25	Commissioner (Appeals), Surat
Sales Tax	Sales Tax	1983-84/ 1987-88	0.05	Sales Tax Department – Delhi
		1997-98	0.10	Sales Tax Tribunal – Cuttack
		2002-2003	0.01	Deputy Commissioner, Delhi
		2005-2009	0.16	Sales Tax Tribunal – Cuttack
		2006-2007	0.55	Gujarat Vat (Tribunal) Ahmedabad
		2012-2013	5.85	Additional Commissioner, Cuttack
		2013-2014	0.03	Asst. Commissioner, Commercial Tax, Raipur
		2015-2016	0.37	Addl. Commissioner (Sales Tax), Berhampur
Income Tax Act, 1961	Income Tax	FY 2012-13	2.50	CIT(Appeals)
		FY 2009-10	0.01	CIT(Appeals)
		FY 2010-11	0.01	CIT(Appeals)
		FY 2011-12	4.19	CIT(Appeals)

(viii) In our opinion, on the basis of audit procedures and according to the information and explanation given to us, the company has not defaulted in repayment of loans and borrowings to financial institutions and banks. The company has neither taken any loan from the government nor having any outstanding debentures during the year.

(ix) On the basis of information and explanation given to us, term loans have been applied for the purposes for which they were obtained. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments).

(x) Based on the audit procedures performed and on the basis of information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) On the basis of records and information and explanations made available and based on our examinations of the records of the company, the company has paid / provided managerial remuneration, in accordance with the requisite approvals mandated under Section 197 read with Schedule V of the Act. (Refer Note no.50(b))

(xii) On the basis of information and explanation given to us , the Company is not a Nidhi Company. Accordingly, reporting under clause 3 (xii) of the said order is not applicable.

(xiii) As per the information and explanations and records made available by the management of the company and audit procedures performed, for the related parties transactions entered during the year, the company has complied with the provisions of section 177 and 188 of the Act, where applicable. As explained and as per the records / details, the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards (Refer Note no.50).

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records , the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

(xvi) According to the information and explanation given to us , the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For LODHA & CO.
Chartered Accountants
Firm's Registration No.301051E

(N. K. Lodha)
Partner
Membership No. 85155

Place: New Delhi
Date: 8th May, 2019

Annexure – B to the Auditors' Report

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 2019 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 2019, 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. 85155

Place: New Delhi
Date: 8th May, 2019

Balance Sheet as at March 31, 2019

₹ in Crore (10 Million)

Particulars	Note	March 31, 2019	March 31, 2018
ASSETS			
Non-Current Assets			
Property,Plant and Equipment	2	2,567.43	2,602.70
Capital Work-in-Progress		37.10	31.56
Other Intangible Assets	3	0.27	0.21
Intangible Assets Under Development		15.10	2.84
Financial Assets			
Investments	4	275.93	36.85
Loans	5	41.13	53.42
Other Financial Assets	6	16.56	16.52
Other Non-Current Assets	7	15.34	6.12
		2,968.86	**2,750.22**
Current Assets			
Inventories	8	322.47	394.23
Financial Assets			
Investments	9	636.72	127.22
Trade Receivables	10	77.17	109.15
Cash and Cash Equivalents	11	9.24	18.85
Bank Balances other than above	12	5.80	103.17
Loans	13	73.04	-
Other Financial Assets	14	36.06	15.14
Other Current Assets	15	106.28	89.88
		1,266.78	**857.64**
Total Assets		**4,235.64**	**3,607.86**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	16	178.24	175.50
Other Equity		1,862.97	1,470.09
		2,041.21	**1,645.59**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	1,074.77	971.49
Other Financial Liabilities	18	59.60	51.70
Provisions	19	7.49	6.55
Deferred Tax Liabilities (Net)	20	234.93	139.37
		1,376.79	**1,169.11**
Current Liabilities			
Financial Liabilities			
Borrowings	21	18.04	76.03
Trade Payables	22		
Micro & Small Enterprises		0.84	0.55
Others		265.64	254.31
Other Financial Liabilities	23	345.06	334.86
Other Current Liabilities	24	174.74	118.91
Provisions	25	5.55	5.88
Current Tax Liabilities	26	7.77	2.62
		817.64	**793.16**
Total Equity and Liabilities		**4,235.64**	**3,607.86**
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

As per our report of even date.
For **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

N.K. LODHA
Partner
Membership No. 85155
New Delhi, the 8th May, 2019

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Vice President &
Company Secretary

B.H. SINGHANIA — Chairman
H.P. SINGHANIA — Vice Chairman & Managing Director
A.S. MEHTA — President & Director

ARUN BHARAT RAM, SHAILENDRA SWARUP, DHIRENDRA KUMAR, UDAYAN BOSE, M.H. DALMIA, VINITA SINGHANIA, R.V. KANORIA, S.K. ROONGTA — Directors

Statement of Profit & Loss for the year ended March 31, 2019

₹ in Crore (10 Million)

Particulars	Note	2018-19	2017-18
REVENUES :			
Sales		3,469.19	3,069.68
Less : Discounts		235.55	243.43
Net Sales		**3,233.64**	**2,826.25**
Other Operating Revenues	27	22.66	51.24
Revenue from Operations		**3,256.30**	**2,877.49**
Other Income	28	55.77	25.77
Total Revenue		**3,312.07**	**2,903.26**
EXPENSES			
Cost of Materials Consumed	29	1,278.11	1,254.37
Purchases of Stock-in-Trade		301.53	284.48
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	47.19	(10.36)
Employee Benefits Expense	31	262.26	231.71
Finance Costs	32	122.40	143.02
Depreciation and Amortisation Expenses	33	125.30	120.89
Excise Duty		-	33.22
Other Expenses	34	496.93	470.74
Total Expenses		**2,633.72**	**2,528.07**
Profit Before Interest, Depreciation & Tax (EBITDA)		**926.05**	**639.10**
Profit/(Loss) Before Tax		**678.35**	**375.19**
Tax Expense			
Current Tax (MAT)		144.99	73.03
Less : MAT Credit Entitlement		(99.24)	(69.41)
Provision / (Credit) for Deferred Tax		195.40	111.43
Profit for the period		**437.20**	**260.14**
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		(1.72)	(1.86)
(ii) Tax on (i) above		0.60	0.58
(iii) Equity Instruments through Other Comprehensive Income		(2.20)	0.01
(iv) Tax on (iii) above		-	-
Total Other Comprehensive Income for the period		**433.88**	**258.87**
Earnings per Equity Shares			
1) Basic (in ₹)		24.57	15.29
2) Diluted (in ₹)		24.51	14.65
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

As per our report of even date.
For **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

N.K. LODHA
Partner
Membership No. 85155
New Delhi, the 8th May, 2019

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Vice President &
Company Secretary

B.H. SINGHANIA — Chairman
H.P. SINGHANIA — Vice Chairman & Managing Director
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ARUN BHARAT RAM, SHAILENDRA SWARUP, DHIRENDRA KUMAR, UDAYAN BOSE, M.H. DALMIA, VINITA SINGHANIA, R.V. KANORIA, S.K. ROONGTA — Directors

Statement of Changes In Equity for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

₹ in Crore (10 Million)

March 31, 2018	Changes in Equity Share Capital during 2018-19	March 31, 2019
175.50	2.74	178.24

B. OTHER EQUITY

Particulars	Retained Earnings	Reserve and Surplus					Other Comprehensive Income (OCI)		Total
							Items that will not be Reclassified to profit or loss		
		Retained Earnings	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	General Reserve	Re-measurement of the net defined plans	Equity Instruments through OCI	
March 31, 2018	571.94	29.92	3.00	513.21	-	350.59	(6.97)	8.40	1,470.09
Profit for the year	437.20	-	-	-	-	-	-	-	437.20
FCCB Conversion	-	-	-	12.72	-	-	-	-	12.72
Transfer from Retained Earnings	(200.00)	-	-	-	-	200.00	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	(1.12)	(2.20)	(3.32)
Transfer to debenture redemption reserve	(4.74)	-	-	-	4.74	-	-	-	-
Dividend including Corporate Dividend Tax	(53.72)	-	-	-	-	-	-	-	(53.72)
March 31, 2019	750.68	29.92	3.00	525.93	4.74	550.59	(8.09)	6.20	1,862.97

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

As per our report of even date.
For **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

N.K. LODHA
Partner
Membership No. 85155
New Delhi, the 8th May, 2019

V. KUMARASWAMY
Chief Finance Officer

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Notes to the Standalone Financial Statement

Note 1. Company Overview, Basis of Preparation & Significant Accounting Policies

I. The Company Overview

JK Paper Ltd, a Public Limited Company listed on the National Stock Exchange of India Ltd and the Bombay Stock Exchange Ltd. 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 multifold 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 08, 2019.

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.

Accounting policies have been consistently followed 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.

Note 1. Company Overview, Basis of Preparation & Significant Accounting Policies *(Contd.)*

III. Significant Accounting Policies for the year ended March 31, 2019.

(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. The impact of adoption of Ind AS 115 is immaterial on the financial statements in current year 2018-19 on the recognition and measurement of revenue compared to erstwhile standard Ind AS 18.

Sale of goods

Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the Company no longer has effective control over the goods sold, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of Goods. 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. Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss.

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, 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 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 has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value. Consequently the fair value has been assumed to be deemed cost of PPE on the date of transition. Subsequently PPE are 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.

Notes to the Standalone Financial Statement *(Contd.)*

Note 1. Company Overview, Basis of Preparation & Significant Accounting Policies *(Contd.)*

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 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. 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 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

Revenue expenditure on Research and Development is charged to statement of Profit and loss in the year in which it is incurred and capital expenditure is added to Fixed Asset.

(vi) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability .Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Note 1. Company Overview, Basis of Preparation & Significant Accounting Policies *(Contd.)*

Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(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.

(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 statement of profit or loss. The losses arising from impairment are recognised in the Statement of 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

A Receivable is classified as a 'Trade Receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Notes to the Standalone Financial Statement *(Contd.)*

Note 1. Company Overview, Basis of Preparation & Significant Accounting Policies *(Contd.)*

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Investment in Equity Shares

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized in the Statement of Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

Investment in Associates, Joint Ventures and Subsidiaries

The Company has accounted for its investment in subsidiaries, associates and joint venture at cost.

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at cost. Any subsequent fair value gain or loss is recognized in the Statement of 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 &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.

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 the Statement of profit and 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 the statement of profit & 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 in the statement of profit & 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.

Notes to the Standalone **Financial Statement** *(Contd.)*

Note 1. Company Overview, Basis of Preparation & Significant Accounting Policies *(Contd.)*

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 the Statement of Profit and Loss except exchange differences arising on those Long term foreign currency monetary items, related to acquisition of depreciable capital assets being carried forward from previous GAAP, which are adjusted to cost of such assets and depreciated over their balance life pursuant to the option in Notification No. G.S.R 914(E) dated 29th December, 2011 issued by Ministry of Corporate Affairs. Non Monetary Foreign Currency items are stated at cost.

(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 year end. 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 statement of 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:

(i) When the entity can no longer withdraw the offer of those benefits; and

(ii) 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

(a) 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.

(b) 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.

(c) 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** *(Contd.)*

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.

Note 1. Company Overview, Basis of Preparation & Significant Accounting Policies *(Contd.)*

- 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) 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.

(xviii) Accounting standards, interpretations and amendments to existing standards that are effective from 1st April , 2019

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which are effective from 1st April, 2019

1. W.e.f. 1st April 2019 Ind AS 116 Leases will replace existing leases standard, Ind AS 17 Leases. Lessee will follow Single Lease Accounting. There is no classification as operating or finance Lease for lessee. Under Ind AS 116 Lessee will recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessee would recognize depreciation expense on the right of use asset and interest expense on the lease liability, classify the

Notes to the Standalone **Financial Statement** *(Contd.)*

Note 1. Company Overview, Basis of Preparation & Significant Accounting Policies *(Contd.)*

lease payments into principal and interest component. Management is currently reviewing the operating lease contracts in place to determine the impact of this standard.

2. The following standards or amendments made in below mentioned standards are not expected to have a material impact over financial statements:

   i) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

   ii) Ind AS 109 – Prepayment Features with Negative Compensation

   iii) Ind AS 19 – Plan Amendment, Curtailment or Settlement

   iv) Ind AS 23 – Borrowing Costs

   v) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

   vi) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

Notes to the Standalone **Financial Statement** *(Contd.)*

NOTE 2. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore (10 Million)

Description	Gross Carrying Value				Depreciation				Net Carrying Value	
	April 01, 2018	Additions/ Adjustments	Sales/ Adjustments	March 31, 2019	April 01, 2018	For the year	On Sales/ Adjustments	March 31, 2019	March 31, 2019	March 31, 2018
Land - Freehold (a)	275.33	-	-	275.33	-	-	-	-	275.33	275.33
- Leasehold	82.76	-	-	82.76	4.41	1.47	-	5.88	76.88	78.35
Building	287.27	7.57	0.41	294.43	30.98	10.99	0.38	41.59	252.84	256.29
Plant & Equipment (b)	2,216.68	77.91	8.60	2,285.99	248.28	107.70	5.74	350.24	1,935.75	1,968.40
Furniture and Fixture	1.88	2.03	0.01	3.90	0.81	0.22	-	1.03	2.87	1.07
Office Equipment	8.25	2.48	2.41	8.32	3.80	1.84	2.24	3.40	4.92	4.45
Vehicles & Locomotive	19.04	4.38	2.97	20.45	2.17	2.70	1.47	3.40	17.05	16.87
Railway Siding	2.57	-	-	2.57	0.63	0.15	-	0.78	1.79	1.94
Total	2,893.78	94.37	14.40	2,973.75	291.08	125.07	9.83	406.32	2,567.43	2,602.70
Previous year	2,808.36	89.52	4.10	2,893.78	174.07	119.66	2.65	291.08	2,602.70	

Notes:

a) Includes cost of 4.67 acres land given on lease to Employees State Insurance Corporation for construction of Hospital for Employees and cost of 34.72 acres land of ₹20.24 Crore (Previous year ₹20.24 Crore) for which title is yet to be transferred in name of the Company.

b) During the year ₹5.83 Crore has been deducted in Plant & Equipment due to Foreign Exchange Fluctuation (Net) (Previous year ₹25.92 Crore was added).

NOTE 3. OTHER INTANGIBLE ASSETS

Description	Gross Carrying Value				Amortisation				Net Carrying Value	
	April 01, 2018	Additions/ Adjustments	Sales/ Adjustments	March 31, 2019	April 01, 2018	For the year	On Sales/ Adjustments	March 31, 2019	March 31, 2019	March 31, 2018
Computer Software	3.90	0.29	-	4.19	3.69	0.23	-	3.92	0.27	0.21
Total	3.90	0.29	-	4.19	3.69	0.23	-	3.92	0.27	0.21
Previous year	3.87	0.03	-	3.90	2.46	1.23	-	3.69	0.21	

NOTE 4. NON- CURRENT INVESTMENTS

Particulars	Face Value ₹/Share	March 31, 2019		March 31, 2018	
		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	6.64	1,91,000	8.84
Unquoted, Equity shares fully paid up					
Investments Carried at Cost					
Investment in Equity instruments of Subsidiaries					
JK Enviro-Tech Limited	10/-	1,08,16,652	12.68	16,50,000	1.68
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
JK Paper International (Singapore) Pte. Limited	USD 1	30,45,000	22.06	25,00,000	16.43
The Sirpur Paper Mills Limited- (w.e.f 1st August 2018)		90,00,000	9.00	-	-
Unquoted, Preference shares fully paid up					
JK Enviro-tech Limited	100/-	2,11,00,000	184.87	-	-
Equity Component of Preference Share- JK Enviro-Tech Limited		-	29.94	-	-
Deemed Equity Contribution #		-	0.84	-	-
Investment in Others					
JK Paper Mills Employees' Co-operative Stores Limited (CY ₹2,500/- , PY ₹2,500/-)	10/-	250	0.00	250	0.00
			275.93		**36.85**
Aggregate book value of unquoted investments			269.29		28.01
Aggregate market value of quoted investments			6.64		8.84

Fair Value of Letter of Comfort given for The Sirpur Paper Mills Limited.

Notes to the Standalone Financial Statement *(Contd.)*

NOTE 5. NON CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Unsecured considered good :-		
Loans and advances to related parties (Subsidiaries)		
Jaykaypur Infrastructure & Housing Limited.	18.33	27.50
Songadh Infrastructure & Housing Limited.	5.33	8.00
Other Loans & Advances (at amortised cost)		
JK Paper Employees' Welfare Trust	17.47	17.92
TOTAL	41.13	53.42

NOTE 6. NON CURRENT FINANCIAL ASSETS - OTHERS

Particulars	March 31, 2019	March 31, 2018
Deposits with Government Authorities	1.58	5.98
Derivative Financial Instruments (at fair value through Profit & Loss)	4.94	7.62
Others	10.04	2.92
TOTAL	16.56	16.52

NOTE 7. OTHER NON CURRENT ASSETS

Particulars	March 31, 2019	March 31, 2018
Capital Advances	7.24	1.74
Deposits with Government Authorities and Others	8.10	4.38
TOTAL	15.34	6.12

NOTE 8. INVENTORIES

Particulars	March 31, 2019	March 31, 2018
Raw Materials #	171.52	211.99
Work-in-Progress @	20.11	11.28
Finished Goods	39.13	67.03
Stock in Trade	24.98	53.11
Stores & Spares #	66.72	50.82
Renewable Energy Certificates	0.01	-
TOTAL	322.47	394.23

Includes Raw Materials in transit ₹2.07 Crore (As at 31-03-18 ₹3.68 Crore) and Stores & Spares in transit ₹1.48 Crore (As at 31-03-18 ₹0.80 Crore).

@ Includes Pulp in process ₹10.77 Crore (As at 31-03-18 ₹3.81 Crore) and Semi Finished Goods ₹ 9.35 Crore (As at 31-03-18 ₹7.29 Crore).

NOTE 9. CURRENT INVESTMENTS

Particulars	March 31, 2019	March 31, 2018
Investments in Liquid Funds- at fair value through Profit & Loss		
Investment in Non Convertible Debenture	499.48	-
Investment in Mutual Fund	112.24	127.22
FD with Non Schedule Bank	25.00	-
TOTAL	636.72	127.22
Aggregate book value of quoted investments	112.24	127.22
Aggregate book value of unqoted investments	524.48	NIL

Notes to the Standalone **Financial Statement** *(Contd.)*

NOTE 10. TRADE RECEIVABLES

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Unsecured		
Considered Good#	77.17	109.15
Credit Impaired	0.35	0.20
	77.52	109.35
Less: Allowance for credit impairment	0.35	0.20
TOTAL	77.17	109.15

Includes ₹3.70 Crore (As at 31-03-18 ₹NIL) of The Sirpur Paper Mills Limited, related party.

NOTE 11. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2019	March 31, 2018
Current Accounts	9.02	18.48
Cheques/Drafts on hand	0.09	0.08
Cash on Hand	0.13	0.29
TOTAL	9.24	18.85

NOTE 12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	March 31, 2019	March 31, 2018
Other Bank Balances		
Unclaimed Dividend Accounts	0.20	0.13
Fixed Deposit with Scheduled Banks #	5.60	103.04
TOTAL	5.80	103.17

Includes ₹0.51 Crore (As at 31-03-18 ₹0.45 Crore) pledged with Government Authorities.

NOTE 13. CURRENT FINANCIAL ASSETS - LOANS

Particulars	March 31, 2019	March 31, 2018
Unsecured considered good		
Loans to related parties:		
JK Enviro-Tech Limited (Subsidiary)	1.20	-
Jaykaypur Infrastructure & Housing Limited (Subsidiary)	9.17	-
Songadh Infrastructure & Housing Limited (Subsidiary)	2.67	-
Bengal & Assam Co. Limited.-(Associate of)	60.00	-
TOTAL	73.04	-

Notes to the Standalone **Financial Statement** *(Contd.)*

NOTE 14. CURRENT FINANCIAL ASSETS - OTHER

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Unsecured considered good :-		
Advances to Related Parties- (Subsidiaries)		
Jaykaypur Infrastructure & Housing Limited.	0.02	4.79
The Sirpur Paper Mills Limited.	3.60	-
Advances Recoverable	0.46	2.65
Interest Accrued but not due	29.21	4.53
Advances to Employees	0.70	0.55
Derivative Financial Instruments (at fair value through Profit & Loss)	2.07	2.62
TOTAL	**36.06**	**15.14**

NOTE 15. OTHER CURRENT ASSETS

Particulars	March 31, 2019	March 31, 2018
Advances Recoverable	5.57	8.39
Advances to Suppliers	40.81	61.45
Indirect Tax Recoverable	50.45	14.49
Other Deposits	9.22	1.13
Prepaid Finance Charges	0.23	4.42
Doubtful Advances		
Other	0.60	0.49
	106.88	**90.37**
Less : Allowance for Doubtful Advances	0.60	0.49
TOTAL	**106.28**	**89.88**

NOTE 16. SHARE CAPITAL

Particulars	March 31, 2019	March 31, 2018
Authorised :		
Equity Shares - 30,00,00,000	300.00	300.00
(30,00,00,000 Equity Share of ₹10 each as at 31-03-2018)		
Redeemable Preference Shares - 2,00,00,000	200.00	200.00
(2,00,00,000 Share of ₹100 each as at 31-03-2018)		
	500.00	500.00
Issued, Subscribed and Paid-up :		
Equity Shares - 17,82,43,585 (17,55,00,850 Equity Share of	178.24	175.50
₹10 each fully paid up at 31-03-2018)		
	178.24	175.50
Notes :		
a. Reconciliation of Equity Share Capital (In numbers)		
Shares outstanding at the beginning of the year	17,55,00,850	15,59,58,865
Add : Shares issued during the year	27,42,735	1,95,41,985
Shares outstanding at the end of the year	17,82,43,585	17,55,00,850

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, 2019	March 31, 2018
Bengal & Assam Company Limited	3,64,18,299	3,64,18,299
BMF Investments Limited.	3,00,89,797	3,00,89,797
Florence Investech Limited	1,18,33,332	1,18,33,332
Trustees, JK Paper Employees Welfare Trust	98,28,655	98,28,655

NOTE 17. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
SECURED		
Term Loan		
From Banks	836.04	1,000.66
From Financial Institutions	135.70	178.65
Non Convertible Debentures (NCDs)	331.57	-
UNSECURED		
Foreign Currency Convertible Bonds (FCCB's)	-	19.33
Loan from Related Party	-	7.45
Public Deposits	28.66	27.41
	1,331.97	1,233.50
Less : Current Maturities of Long Term (Non-current) Borrowings	257.20	262.01
TOTAL	1,074.77	971.49

A. Term Loans of ₹383.03 Crore (FIs – ₹Nil, Banks ₹383.03 Crore) and NCD of ₹335 Crore are secured by means of first pari passu mortgage/ charge on the fixed assets of the Company . Out of the above Term Loan, ₹197.23 Crore (FIs - ₹Nil, Banks ₹197.23 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 ₹383.03 Crore are repayable in total 100 quarterly instalments from April 2019 to October 2024.

2 NCDs of ₹335.00 Crore is repayable in 15 Half yearly installment from September 2021 to July 2028.

B. Term Loans of ₹597.03 Crore (FIs – ₹136.00, Banks ₹461.03 Crore) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit JKPM of the Company. These Term Loans are/shall be repayable as under :-

1 Term Loans aggregating to ₹228.40 Crore are repayable in total 49 equal Quarterly-instalments from June 2019 to September 2027.

2 Term Loans aggregating to ₹234.79 Crore are repayable in total 24 equal half-yearly instalments from May 2019 to August 2023.

3 Term Loans aggregating to ₹133.84 Crore are repayable in total 69 Quarterly instalmenst from May 2019 to Mar 2024.

C. Term Loans aggregating to ₹1.56 Crore (FIs – ₹ Nil, Banks ₹1.56) are secured by specific charge on the Vehicle hypothicated against these loans. These Term Loans are repayable in total 45 monthly instalments from April 2019 to December 2022.

D. Secured Term loans from Financial Institutions and Banks have been reduced by ₹9.88 Crore (FIs – ₹0.30 Crore, Banks ₹9.58 Crore) and NCDs have been reduced by ₹3.43 Crore due to effective rate of interest.

E. Certain charges are in the process of satisfaction. Secured Term loans from Financial Institutions and Banks include ₹293.11 Crore foreign currency loans.

F. Public deposits are due for repayment in 2019-20, 2020-21 & 2021-22.

Notes to the Standalone Financial Statement *(Contd.)*

NOTE 18. NON CURRENT FINANCIAL LIABILITIES - OTHER

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Trade Deposits	56.11	48.25
Interest Accrued but not due on Loans	0.73	1.21
Derivative Financial Instruments (at fair value through Profit & Loss)	1.92	2.24
Financial Obligation Towards Letter of Comfort	0.84	-
TOTAL	**59.60**	**51.70**

NOTE 19. NON CURRENT PROVISIONS

Particulars	March 31, 2019	March 31, 2018
Provision for Employee Benefits (refer note 49)	7.49	6.55
TOTAL	**7.49**	**6.55**

NOTE 20. DEFERRED TAX LIABILITIES

Particulars	March 31, 2019	March 31, 2018
Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	477.42	421.72
Tax on carried forward unabsorbed Depreciation	-	(125.19)
Tax on Others	23.02	9.11
a. Total Deferred Tax Liability	**500.44**	**305.64**
Opening MAT Credit Entitlements	(166.27)	(96.86)
Current MAT Credit Entitlement	(99.24)	(69.41)
b. Total MAT Credit Entitlement	**(265.51)**	**(166.27)**
c. Net Deferred Tax Liability (a+b)	**234.93**	**139.37**

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

Particulars	March 31, 2019	March 31, 2018
SECURED		
Working Capital Borrowings from Bank	14.29	50.89
UNSECURED		
Vendor Bill Discounting	-	1.31
Buyer's Credit facilities from Bank	-	22.10
Public Deposits	3.75	1.73
TOTAL	**18.04**	**76.03**

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.

Notes to the Standalone **Financial Statement** *(Contd.)*

NOTE 22. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Trade Payable		
Total outstanding dues of Micro and Small Enterprises (refer note 48)	0.84	0.55
Total Outstanding dues of Creditors other than Micro and Small Enterprises	265.64	254.31
TOTAL	266.48	254.86

NOTE 23. CURRENT FINANCIAL LIABILITIES - OTHER

Particulars	March 31, 2019	March 31, 2018
Current Maturities of Non Current Borrowings	257.20	262.01
Interest Accrued but not due	9.53	14.43
Unclaimed Dividends #	0.20	0.13
Unclaimed Matured Deposits #	0.88	0.72
Unclaimed Interest on Unclaimed Matured Deposits #	0.16	0.11
Advances from related parties (Subsidiary)		
Songadh Infrastructure & Housing Limited	0.41	0.73
Derivative Financial Instruments (at fair value through Profit & Loss)	1.56	0.41
Capital Creditors	4.40	1.17
Other Payables	70.72	55.15
TOTAL	345.06	334.86

Investor Education and Protection Fund will be credited as & when due.

NOTE 24. OTHER CURRENT LIABILITIES

Particulars	March 31, 2019	March 31, 2018
Advance from Customers	8.17	7.17
Statutory Dues	44.33	16.00
Other Payables	122.24	95.74
TOTAL	174.74	118.91

NOTE 25. SHORT TERM PROVISIONS

Particulars	March 31, 2019	March 31, 2018
Provision for Employee Benefits	5.55	5.88
TOTAL	5.55	5.88

NOTE 26. CURRENT TAX LIABILITIES

Particulars	March 31, 2019	March 31, 2018
Provision for Income Tax (Net of Advance tax)	7.77	2.62
TOTAL	7.77	2.62

Notes to the Standalone **Financial Statement** *(Contd.)*

NOTE 27. OTHER OPERATING REVENUES

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Excess Provision no longer required written back	0.61	-
Miscellaneous Income	22.05	51.24
TOTAL	**22.66**	**51.24**

NOTE 28. OTHER INCOME

Particulars	March 31, 2019	March 31, 2018
Interest Income	40.48	10.31
Dividend Income	0.01	0.01
Profit on Sale/Fair value of Current investment	15.28	15.45
TOTAL	**55.77**	**25.77**

NOTE 29. COST OF MATERIALS CONSUMED

Particulars	March 31, 2019	March 31, 2018
Hardwood & Bamboo	545.45	611.13
Pulp	325.38	252.68
Chemicals	316.11	291.27
Packing Material	91.17	99.29
TOTAL	**1,278.11**	**1,254.37**

NOTE 30. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	March 31, 2019	March 31, 2018
Inventories at the beginning of the year		
Finished Goods	67.03	94.26
Stock In Trade	53.11	15.88
Work-in-Progress	11.28	17.49
Renewable Energy Certificates	-	0.22
	131.42	127.85
Inventories at the end of the year		
Finished Goods	39.13	67.03
Stock In Trade	24.98	53.11
Stock-in-Process	20.11	11.28
Renewable Energy Certificates	0.01	-
	84.23	131.42
Add:- Excise Duty on Variation of Stock	-	(6.79)
(Increase)/ Decrease in Stock TOTAL	**47.19**	**(10.36)**

Notes to the Standalone **Financial Statement** *(Contd.)*

NOTE 31. EMPLOYEE BENEFIT EXPENSES

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Salaries, Wages, Allowances, etc.	242.89	213.13
Contribution to Provident and Other Funds	12.22	12.21
Staff Welfare Expenses	7.15	6.37
TOTAL	**262.26**	**231.71**

NOTE 32. FINANCE COSTS

Particulars	March 31, 2019	March 31, 2018
Interest on:		
Term Loan and Fixed Deposits	100.05	122.88
Others	10.75	9.80
Other Borrowing Costs:		
Financial Charges	7.09	12.85
Premium on Forward Exchange Contracts	0.60	0.47
Net (Gain) or Loss on Foreign Currency Transaction	3.91	(2.98)
TOTAL	**122.40**	**143.02**

NOTE 33. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	March 31, 2019	March 31, 2018
Depreciation on Property Plant & Equipment	125.07	119.66
Amortisation of Other Intangible Assets	0.23	1.23
TOTAL	**125.30**	**120.89**

NOTE 34. OTHER EXPENSES

Particulars	March 31, 2019		March 31, 2018	
Consumption of Stores and Spares		59.40		60.03
Power, Fuel and Water		258.67		245.59
Repairs to Building		12.41		11.07
Repairs to Machinery		31.70		24.54
Rent (Net)		16.43		16.80
Insurance		3.95		4.06
Rates and Taxes		1.03		0.88
Commission on Sales		2.93		3.74
Directors' Fees		0.38		0.14
Directors' Commission		3.40		1.99
Loss on Foreign Exchange Fluctuation		1.77		3.06
Loss on Sale of Assets		0.37		0.17
Asset Written off		0.74		0.10
Bad Debts	(0.09)		17.70	
Less: Withdrawal from Provision for Doubtful Debts	-		15.42	
Less: Withdrawal from Provision for Doubtful Advance	(0.11)	0.02	1.44	0.84
Provision for Doubtful Debts		0.15		0.19
Other Miscellaneous Expenses		103.58		97.54
TOTAL		**496.93**		**470.74**

Notes to the Standalone Financial Statement *(Contd.)*

NOTE 35. CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Crore (10 Million)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
Contingent Liabilities:			
a)	**Claim against the Company not acknowledged as debts #.**		
	Excise duty/ Custom duty/Service tax liability in respect of matter in appeals	19.32	18.08
	Sales tax/ VAT/Octroi liability in respect of matter in appeals	0.97	0.91
	Income tax liability that may arise in respect of matters in appeal referred by the department	0.63	0.77
	Other matters	7.26	7.26
b)	**Commitments:**		
	Contracts remaining to be executed on capital account (Net of Advances)	42.16	47.45
	Export commitments against import of capital goods under EPCG scheme	49.95	160.83

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 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 after its disposal.

NOTE 37.

(A) The Audited GST return for the year ended March 31, 2018 is pending for the filing as competent authority has extended the date of filing till June 30, 2019. The Company is in process of reconciling the data of GSTR 2A with GSTR 3B. In view of the management on final reconciliation the impact will not be material.

(B) Hon'ble Supreme Court has pronounced a judgement in February, 2019 making clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Supreme Court seeking additional clarifications and there has been no clarity either from Govt., or from other concerned authorities.

In light of the above, the Company has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing Financial Statements as and when clarification is received.

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		Year ended March 31, 2019	Year ended March 31, 2018
1.	**Gross amount required to be spent by the Company during the year**	4.69	2.12
2.	**Amount spent during the year**		
	Promotion of Education	0.60	1.11
	Health Care	0.49	0.45
	Others	2.26	0.50
	TOTAL	**3.35**	**2.06**

Notes to the Standalone **Financial Statement** *(Contd.)*

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:

₹ in Crore (10 Million)

Name of the Company	Balance as at		Maximum outstanding during	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
a. Loans and advances in the nature of loans given to subsidiaries				
JK Enviro-Tech Limited	1.20	-	1.35	-
Jaykaypur Infrastructure & Housing Limited	27.50	27.50	27.50	27.50
Songadh Infrastructure & Housing Limited	8.00	8.00	8.00	8.00
b. Loans and advances in the nature of loans where repayment schedule is not specified	Nil	Nil	Nil	Nil
c. Loans and advances in the nature of loans where interest is not charged	Nil	Nil	Nil	Nil
ii. Loans given to JK Paper Employees` Welfare Trust	17.47	17.93	17.93	17.93

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 and other parties mentioned above in the ordinary course of business for general business purpose. The Company has also given a Letter of Comfort to the Bank for a loan taken by its step-down subsidiary " The Sirpur Paper Mills Limited" for ₹166.14 Crore (Previous Year ₹Nil).

NOTE 40.

a) Sales include export incentives of ₹10.13 Crore (Previous year ₹11.08 Crore).

b) Interest Income includes ₹2.45 Crore (Previous year ₹1.41 Crore) on Deposits with Banks, ₹NIL (Previous year ₹0.05 Crore) on Income Tax refund and ₹38.03 Crore (Previous year ₹8.85 Crore) on others.

c) Scrap sale of ₹9.23 Crore (Previous year ₹8.87 Crore) has been netted off from Consumption of Stores and Spares.

NOTE 41. LEASES

a) The Company has taken office spaces on operating lease basis. The operating lease arrangements, are renewable on a periodic basis and for most of the leases extend up to a maximum of 7 years from their respective dates of inception and relates to rented premises. Some of these lease agreements have price escalation clauses.

Obligations on long-term, non-cancellable operating leases:

The lease rentals charged during the year is as under:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Lease Rentals recognized during the year (Excluding Tax)	7.44	7.12
The obligations on long-term, non-cancellable operating leases payable as per the rentals stated in the respective agreements are as follows:		
Future minimum lease payable		
Not later than one year	7.44	7.44
Later than one year and not later than five years	16.68	23.80
Later than five years	-	0.32

Notes to the Standalone **Financial Statement** *(Contd.)*

Note 42. EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a. Revenue Expenditure *		
Employee Cost	2.32	2.09
Cost of Materials	0.98	0.54
Other Expenses	0.62	0.34
Sub Total	**3.92**	**2.97**
b. Capital Expenditure	0.29	0.89
Total (a+b)	**4.21**	**3.86**

* Included in respective revenue accounts..

NOTE 43. OTHER DISCLOSURE REQUIRED BY STATUTE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Auditors Remuneration (including taxes)		
1. Statutory Auditors		
i. Audit Fee	0.21	0.19
ii. Tax Audit Fee	0.03	0.03
iii. Certification/other Services	0.03	0.20
iv. Out of Pocket Expenses	-	0.02
TOTAL	**0.27**	**0.44**
2. Cost Auditors		
i. Audit Fee	0.01	0.01
ii. Out of Pocket Expenses (CY ₹20,532/- PY ₹15,458/-)	0.00	0.00
TOTAL	**0.01**	**0.01**

NOTE 44. EXPENSES INCLUDED UNDER OTHER HEADS OF ACCOUNT

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, Wages and Allowances etc.	5.98	6.08
Contribution to Provident and Other Funds	0.23	0.22
Employees' Welfare and Other benefits	0.35	0.37
Consumption of Stores and Spares	0.21	0.20
Rent	0.10	0.10
Insurance	0.01	0.01
Rates and Taxes (CY ₹1920/- PY ₹ NIL)	0.00	-
Miscellaneous Expenses	1.00	(0.19)
TOTAL	**7.88**	**6.79**

Notes to the Standalone **Financial Statement** *(Contd.)*

NOTE 45. Capital Work in progress includes following expenses pending allocation / capitalization

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Consultancy	1.96	-
Salary & Wages	3.92	-
Travelling and Other Misc. Expenses	2.02	-
TOTAL	7.90	-

NOTE 46. During the year, the Company has allotted 27,42,735 Equity Shares of ₹10/- each upon conversion of FCCBs Series-5 of Euro 2.4 million.

NOTE 47. EARNING PER SHARE

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a)	**Profit (Operating) after tax for Basic Earnings Per share**	437.20	260.14
	Add: Interest on Foreign Currency Convertible Bonds (FCCBs) (net of tax)	(0.33)	0.91
	Profit for Diluted Earnings Per Share	436.87	261.05
b)	**Weighted Average Number of Ordinary Shares**		
	Basic	17,79,65,554	17,01,22,773
	Effect of Conversion Option	2,78,031	81,20,814
	Diluted	17,82,43,585	17,82,43,587
c)	**Nominal Value of Ordinary Shares**	₹10/-	₹10/-
d)	**Earning Per Ordinary Share (₹)**		
	Basic	24.57	15.29
	Diluted	24.51	14.65

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 entrprises under Section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
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. 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 ₹0.64 Crore (Previous year ₹0.60 Crore) for Superannuation Fund.

b) Other long-term benefits

Amount recognized as an expense and included in Note 31 Item "Salaries, Wages, Allowances etc. ₹3.80 Crore (Previous year ₹3.21 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" ₹9.39 Crore (Previous year ₹9.10 Crore) for Provident and other fund

(ii) Gratuity Expense ₹2.42 Crore (Previous year ₹2.73 Crore) has been recognized in "Contribution to Provident and Other Funds" under Note 31. as per Actuarial Valuation

₹ in Crore (10 Million)

	Particulars	Year ended March 31, 2019 Gratuity Funded	Year ended March 31, 2018 Gratuity Funded
I	**Change in present value of obligation during the year**		
	Present value of obligation at the beginning of the year	37.72	36.62
	Included in statement of profit and loss:		
	- Current Service Cost	2.07	1.96
	- Interest Cost	2.93	2.67
	- Past Service Cost	-	0.29
	- Actuarial Gain/(Loss)	-	-
	Included in OCI:		
	Actuarial losses/(gains) arising from:		
	- Experience adjustments	2.05	2.48
	- Financial assumption	(0.02)	(1.18)
	Others		
	Benefits Paid	(4.96)	(5.12)
	Present Value of obligation as at year-end	**39.79**	**37.72**
II	**Change in Fair Value of Plan Assets during the year**		
	Plan assets at the beginning of the year	33.14	30.02
	Included in statement of profit and loss:		
	Expected return on plan assets	2.58	2.19
	Included in OCI:		
	Actuarial Gain/(Loss) on plan assets	0.30	(0.55)
	Others:		
	Employer's contribution	4.58	6.60
	Benefits paid	(4.96)	(5.12)
	Plan assets at the end of the year	**35.64**	**33.14**

The plan assets are managed by the Gratuity Trust formed by the Company.

Notes to the Standalone **Financial Statement** *(Contd.)*

NOTE 49. EMPLOYEE BENEFITS (Contd.)

₹ in Crore (10 Million)

	Particulars	Year ended March 31, 2019 Gratuity Funded	Year ended March 31, 2018 Gratuity Funded
III	**Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets**		
1	Present Value of obligation as at year-end	(39.79)	(37.72)
2	Fair value of plan assets at year -end	35.64	33.14
3	Funded status {Surplus/(Deficit)}	(4.14)	(4.58)
	Net Asset/(Liability)	**(4.14)**	**(4.58)**
IV	**Expenses recognised in the Statement of Profit and Loss**		
1	Current Service Cost	2.07	1.96
2	Interest Cost	2.93	2.67
3	Past service Cost	-	0.29
4	Expected return on plan assets	(2.58)	(2.19)
	Total Expense	**2.42**	**2.73**
V	**Expenses recognised in the Statement of Other Comprehensive Income**		
1	Net Actuarial (Gain)/Loss	2.03	1.30
2	Expected return on plan assets excluding interest income	(0.30)	0.55
	Total Expense	**1.73**	**1.85**
VI	**Constitution of Plan Assets**		
1	Equity Instruments	-	-
2	Debt Instruments	-	-
3	Property	-	-
4	Insurance	35.64	33.14
VII	**Bifurcation of PBO at the end of the year**		
1	Current Liability	4.14	4.58
2	Non-Current Liability	-	-
VIII	**Actuarial Assumptions**		
1	Discount Rate	7.79%	7.78%
2	Expected rate of return on plan assets	7.79%	7.78%
3	Mortality Table	IALM (2006-08)	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%

Notes to the Standalone Financial Statement *(Contd.)*

NOTE 49. EMPLOYEE BENEFITS (Contd.)

IX The expected contribution for Defined Benefit Plan for the next financial year will be ₹3.98 Crore

₹ in Crore (10 Million)

X	Experience Adjustment : Gratuity	2018-19	2017-18	2016-17	2015-16	2014-15
	Present Value of obligation	39.79	37.72	36.62	31.04	28.24
	Fair value of Plan assets	35.64	33.14	30.02	27.77	29.98
	Net Asset/(Liability)	(4.14)	(4.58)	(6.60)	(3.27)	1.74
	Actuarial (Gain)/Loss on plan obligation	2.05	2.48	4.30	3.62	(4.55)
	Actuarial Gain/(Loss) on plan assets	0.30	(0.55)	1.34	(0.21)	1.19

XI Sensitivity Analysis

Gratuity	Year ended March 31, 2019		Year ended March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.32)	2.64	(2.19)	2.49
Future salary growth (1% movement)	2.65	(2.36)	2.49	(2.25)
Employee turnover (1% movement)	0.54	(0.60)	0.49	(0.55)

XII Maturity Profile of projected benefit obligation from the fund

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
	Gratuity	Gratuity
	Funded	Funded
1st Following Year	5.18	5.53
2nd Following Year	2.61	2.52
3rd Following Year	3.50	3.48
4th Following Year	10.33	3.30
5th Following Year	2.87	9.11
Sum of Years 6th to 10th	12.61	12.57

NOTE 50. RELATED PARTY DISCLOSURES

Particulars	% of Shareholding/ Voting Power	
	2018-19	2017-18
a) List of Related Parties		
i. Subsidiaries (Wholly Owned)		
Songadh Infrastructure & Housing Limited (SIHL)	100%	100%
Jaykaypur Infrastructure & Housing Limited (JIHL)	100%	100%
JK Paper International (Singapore) Pte Limited. (JKPI (S) PL)	100%	100%
ii. Joint Venture		
JK Enviro-Tech Limited (JKETL)	92.85%	100%
iii. Step-dpwn Subsidiary		
The Sirpur Paper Mills Limited (w.e.f 1st August 2018)	71.26%	NA
iv. Joint Venture		
Habras MZZ Plantation Myanmar Company Limited	50%	50%
v. Enterprise which holds more than 20% of Equity Share		
Bengal & Assam Company Limited (BACL)		
vi. Trust under common control		
JK Paper Limited (JK Paper Mills) Compulsory Employees Provident Fund		
JK Paper Limited Employees Gratuity Fund		
JK Paper Limited Officers Superannuation Scheme		

NOTE 50. RELATED PARTY DISCLOSURES (Contd.)

vii. Key Management Personnel (KMP)

Executive Executive Directors

Shri Harsh Pati Singhania, Vice Chairman & Managing Director

Shri Om Prakash Goyal, Wholetime Director (till 30th September 2018)

Shri Amar Singh Mehta, President and Director (w.e.f 1st October 2018)

Executives

Shri V. Kumaraswamy, Chief Finance Officer

Shri S.C. Gupta, Vice President & Company Secretary

Relative of KMP

Shri Shrivats Singhania, Vice President (Marketing Development)

Non-Executive Directors

Shri Bharat Hari Singhania, Chairman

Shri Arun Bharat Ram

Shri Dhirendra Kumar

Shri M.H.Dalmia

Shri R.V.Kanoria

Shri Sandip Somany

Shri Shailendra Swarup

Shri Udayan Bose

Smt. Vinita Singhania

Shri Wim Wienk (till 12th November 2018)

Shri Sushil Kumar Roongta (w.e.f 12th February 2019)

b) The following transactions were carried out with related parties in the ordinary course of business:

₹ in Crore (10 Million)

Sl. No	Nature of Transactions	Subsidiaries (Wholly Owned)						Subsidiary	
		JIHL		SIHL		JKPI (S) PL		JKETL	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
(i)	Reimbursement of Expenses – Paid	-	-	-	-	-	-	-	-
(ii)	Reimbursement of Expenses – Received	-	-	0.01	0.01	-	-	-	-
(iii)	Rent Paid	4.09	5.23	2.02	2.38	-	-	-	-
(iv)	Interest Received	2.48	2.71	0.72	0.79	-	-	0.04	-
(v)	Loans Given	-	-	-	-	-	-	2.25	-
(vi)	Advance Given	-	-	-	-	-	-	-	-
(vii)	Loan Instalment Received	-	-	-	-	-	-	1.05	-
(viii)	Investment in Preference share	-	-	-	-	-	-	211.00	-
(ix)	Investment in Equity share	-	-	-	-	-	-	11.00	-
(x)	Purchase of share of JK Paper International (Singapore) Pte. Limited	-	-	-	-	5.63	8.43	-	-
(xi)	Outstanding at end of the period - Receivable	33.10	32.29	7.59	7.27	-	-	212.20	-

Sl. No.	Nature of Transaction	Step-down Subsidiary	
		The Sirpur Paper Mills Limited	
		2018-19	2017-18
(i)	Reimbursement of Expenses – Received	2.00	-
(ii)	Interest Received	0.69	-
(iii)	Sale of Material including Pulp	3.88	-
(iv)	Sale of Capital Equipment's	2.44	-
(v)	Loans Given	55.00	-
(vi)	Loan installment received	55.00	-
(vii)	Investment in Equity share	9.00	-
(viii)	Outstanding at end of the period - Receivable	7.30	-

Notes to the Standalone Financial Statement *(Contd.)*

NOTE 50. RELATED PARTY DISCLOSURES (Contd.)

₹ in Crore (10 Million)

Sl. No.	Nature of Transaction	Enterprise which holds more than 20% of Equity Share	
		BACL	
		2018-19	2017-18
(i)	Interest Paid	0.01	1.32
(ii)	Rent Paid	0.06	0.05
(iii)	Loans Given	85.00	-
(iv)	Loan installment received	25.00	-
(v)	Interest Received	2.92	-
(vi)	Loan Repaid	7.50	32.50
(vii)	Outstanding at end of the period - Receivable	60.81	-
(viii)	Outstanding at end of the period - Payable	-	7.50

Sl. No.	Nature of Transactions	Trust under common control					
		Employees Provident Fund		Employees Gratuity Fund		Officers Superannuation Scheme	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
(i)	Contribution	3.91	3.52	4.14	4.58	0.64	0.60
(ii)	Outstanding at end of the period- Payable	0.35	0.30	0.69	0.67	0.64	0.60

Key Management Personnel (KMP) :

Sl. No	Particulars	2018-19	2017-18
(i)	Short-term Employee Benefits #	35.18	27.00
(ii)	Commission and other benefits to Non-Executive Directors *	3.78	2.13

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 51. FINANCIAL INSTRUMENTS

Financial Assets

₹ in Crore (10 Million)

Sl. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	Financial assets designated at fair value through profit and loss						
	a) Derivatives - not designated as hedging instruments	A	Level-2	7.01	7.01	10.24	10.24
	b) Investment						
	i) Deemed Equity Contribution Towards Letter of Comfort	F	Level-1	0.84	0.84	-	-
	ii) In mutual funds and others	B	Level-1	636.72	636.72	127.22	127.22
2.	Financial assets designated at fair value through other comprehensive income						
	Investment In Equity shares	C	Level-1	6.64	6.64	8.84	8.84
3.	Financial assets designated at amortised cost						
	a) Other Bank Balances*			5.80	5.80	103.17	103.17
	b) Cash & Cash Equivalents*			9.24	9.24	18.85	18.85
	c) Trade receivables*			77.17	77.17	109.15	109.15
	d) Other receivables*			114.17	114.17	53.42	53.42
	e) Other financial assets			45.61	45.61	21.42	21.42
4.	Investment in subsidiary companies and joint venture	D		268.45	268.45	28.01	28.01
				1,171.65	1,171.65	480.32	480.32

Financial Liabilities

Sl. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2019		As at March 31, 2018	
				Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	Financial liability designated at fair value through Profit and Loss						
	a) Derivatives - not designated as hedging instruments	A	Level-2	3.48	3.48	2.65	2.65
2.	Financial liability designated at amortised cost						
	a) Borrowings	E	Level-1	1,092.81	1,092.81	1,047.52	1,047.52
	b) Trade payables*			266.48	266.48	254.86	254.86
	c) Other financial liability*			400.34	400.34	383.91	383.91
	d) Financial Obligation Towards Letter of Comfort	F	Level-3	0.84	0.84	-	-
				1,763.95	1,763.95	1,688.94	1,688.94

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 *(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 52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

52.1 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 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 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).

The following table analyzes foreign currency risk from financial instruments as of March 31, 2019: ₹ in Crore (10 Million)

Particulars	USD	Euro	GBP	SEK	Total
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	7.98	-	0.15	-	8.13
Other financials assets (including loans)	-	-	-	-	-
Financial liabilities					
Trade payables	(46.61)	(0.86)	(0.00)*	(0.06)	(47.53)
Other financials liabilities			-	-	-
Borrowings	(107.92)	(185.18)	-	-	(293.10)
Interest Accrued but not due	(0.10)	(0.21)	-	-	(0.31)
Net assets / (liabilities)	**(146.65)**	**(186.25)**	**0.15**	**(0.06)**	**(332.81)**

*₹41,402/-

The following table analyzes foreign currency risk from financial instruments as of March 31, 2018:

Particulars	USD	Euro	GBP	SEK	Total
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	18.58	0.04	0.24	-	18.86
Other financials assets (including loans)	-	-	-	-	-
Financial liabilities					
Trade payables	(46.44)	(0.58)	(0.00)*	-	(47.03)
Other financials liabilities	-	-	-	-	-
Borrowings	(163.78)	(256.19)	-	-	(419.98)
Interest Accrued but not due	(0.40)	(0.75)	-	-	(1.15)
Net assets / (liabilities)	**(192.04)**	**(257.49)**	**0.24**	**-**	**(449.29)**
*₹42,229/-					

The following significant exchange rates have been applied during the year. (Amount in ₹)

INR	Year-end spot rate	
	March 31, 2019	March 31, 2018
USD	69.17	65.04
EUR	77.70	80.62
GBP	90.48	92.28

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.

Notes to the Standalone Financial Statement *(Contd.)*

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax:

₹ in Crore (10 Million)

Particulars	2018-19		2017-18	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
USD Sensitivity	0.01	(0.01)	0.04	(0.04)
Euro Sensitivity (CY ₹25,925/-, PY ₹29,877/-)	(0.00)	0.00	(0.00)	0.00
GBP Sensitivity (CY ₹3,694/-, PY ₹5,875/-)	0.00	(0.00)	0.00	(0.00)
SEK Sensitivity (CY ₹1,588/-)	(0.00)	0.00	-	-
Increases/ (decrease) in profit or loss	**0.01**	**(0.01)**	**0.04**	**(0.04)**

Summary of Exchange difference accounted in Statement of Profit and loss:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	1.77	3.06
Net foreign exchange (gain)/ losses shown as Finance Cost	0.26	0.34
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Derivatives		
Currency forwards (gain)/ losses shown as operating expenses	-	-
Interest rate swaps (gain)/ losses shown as finance cost	3.65	(3.32)
Net foreign exchange (gain)/ losses shown as Other Income	-	-
TOTAL	5.68	0.08

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	As at March 31, 2019		As at March 31, 2018	
	(₹ in Crores)	% of Total	(₹ in Crores)	% of Total
Fixed Rate Borrowings	526.94	39.03%	660.95	50.47%
Variable Rate Borrowings	823.07	60.97%	648.58	49.53%
Total Borrowings	**1,350.01**	**100.00%**	**1,309.53**	**100.00%**

Sensitivity on variable rate borrowings

Particulars	Impact on Statement of Profit & Loss		Impact on Equity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Interest Rate Increase by 0.25%	(1.69)	(1.91)	(1.69)	(1.91)
Interest Rate decrease by 0.25%	1.69	1.91	1.69	1.91

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 ₹77.17 Crore and ₹109.15 Crore as of March 31, 2019 and March 31, 2018, 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.

(In %)

Particulars	March 31, Year ended	
	2019	2018
Revenue from top customer	4.10%	4.23%
Revenue from top five customers	14.96%	16.41%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2019 was ₹0.35 Crore.

₹ in Crore (10 Million)

Particulars	March 31, Year ended	
	2019	2018
Balance at the beginning	0.20	15.43
Impairment loss reversed	-	(15.42)
Additional provision created during the year	0.15	0.19
Balance at the end	**0.35**	**0.20**

The deposits with banks comprises mostly the liquid investment of the Company and are generally not exposed to credit risk

Ageing Analysis of Trade Receivables

Particulars	As at March 31, 2019				As at March 31, 2018			
	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	53.29	23.88	-	0.35	86.33	20.92	1.19	0.91
Provision for Doubtful Receivables	-	-	-	0.35	-	-	-	0.20
Net Balance	53.29	23.88	-	-	86.33	20.92	1.19	0.71

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.

Notes to the Standalone Financial Statement *(Contd.)*

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

₹ in Crore (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	18.04	18.04	-	-	**18.04**
Borrowings - Non-Current	1,331.97	257.20	857.86	216.91	**1,331.97**
Trade payables	266.48	266.48	-	-	**266.48**
Other financial liabilities - Current	345.06	345.06	-	-	**345.06**
Other financial liabilities - Non-Current					
Trade Deposits	56.11	-	-	56.11	**56.11**
Interest accrued but not due on loans	0.73	-	0.73	-	**0.73**
Derivative Financial Instruments	1.92	-	1.92	-	**1.92**
Financial Obligation Towards Letter of Comfort	0.84	-	-	0.84	**0.84**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	76.03	76.03	-	-	**76.03**
Borrowings - Non-Current	1,233.50	262.01	790.47	181.02	**1,233.50**
Trade payables	254.86	254.86	-	-	**254.86**
Other financial liabilities - Current	334.86	334.86	-	-	**334.86**
Other financial liabilities - Non-Current					
Trade Deposits	48.25	-	-	48.25	**48.25**
Interest accrued but not due on loans	1.21	-	1.21	-	**1.21**
Derivative Financial Instruments	2.24	-	2.20	0.04	**2.24**

52.2 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.

52.3 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.

Particulars	As at March 31 2019	As at March 31 2018
Borrowings	1,350.01	1,309.53
Less: cash and cash equivalents including bank balance	15.04	122.02
Less: Current Investments	636.72	127.22
Net debt	**698.25**	**1,060.29**
Equity	**2,041.21**	**1,645.59**
Capital and Net debt	2,739.46	2,705.88
Gearing Ratio	25%	39%

NOTE 53. 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 hedgeing at the Balance Sheet Date

Sr. No.	Foreign Currency	As at March 31, 2019		As at March 31, 2018	
		FC in Mn	₹ in Cr.	FC in Mn	₹ in Cr.
1	US Dollar	20.76	143.61	30.70	199.67
2	Euro	13.55	105.29	17.77	143.27

Nominal amounts of Complete Currency Swaps (CCS) for hedging entered into by the Company and outstanding at end of the year is ₹32.94 Crore (Previous year ₹41.77 Crore)

Foreign Currency Exposure not hedged as at the Balance Sheet Date

Sr. No.	Foreign Currency	As at March 31, 2019		As at March 31, 2018	
		FC in Mn	₹ in Cr.	FC in Mn	₹ in Cr.
1	US Dollar *	0.44	3.04	(1.17)	(7.63)
2	Euro	6.18	48.02	8.99	72.45
3	GBP *	(0.02)	(0.15)	(0.03)	(0.24)
4	SEK	0.09	0.06	-	-

*Net of Receivables USD 1.15 Million – ₹7.98 Crore (Previous year USD 2.86 Million – ₹18.58 Crore), Euro Nil – ₹Nil (Previous year Euro 0.004 Million – ₹0.04 Crore) and GBP 0.02 Million – ₹0.15 Crore (Previous year GBP 0.03 Million - ₹0.24 Crore).

Interest Rate Swaps

The Company has variable interest foreign currency 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. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Sr. No.	Foreign Currency	As at March 31, 2019		As at March 31, 2018	
		Loan FC in Mn	MTM ₹ In Cr. (Gain)/Loss	Loan FC in Mn	MTM ₹ In Cr. (Gain)/Loss
1	US Dollar	9.56	(0.01)	11.61	0.68
2	Euro	19.60	0.68	24.20	(0.38)

The Company is fully covered on interest rate fluctuation on foreign currency borrowing through interest rate swaps (IRS) and complete currency swaps (CCS).

Notes to the Standalone **Financial Statement** *(Contd.)*

NOTE 54. 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

NOTE 55. 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 web site for public use

NOTE 56. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Dividend proposed to be distributed

₹ in Crore (10 Million)

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Dividend proposed for Equity Shareholders @ ₹3.50 per share (PY ₹2.50 per share)	62.39	44.56
Corporate Dividend Tax	12.82	9.16

NOTE 57. INCOME TAX

a) Amount recognised in Statement of Profit and Loss

Particulars	2018-19	2017-18
Current Income Tax		
Current year	144.99	74.85
Adjustment in respect of current income tax of earlier years	-	(1.82)
MAT Credit Entitlement		
Current year	(102.53)	(74.85)
Reversal of MAT credit entitlement of earlier years	3.29	5.44
Total	**45.75**	**3.62**
Deferred Tax	195.40	111.43
Income tax expense reported in the statement of profit and loss	**241.15**	**115.05**

b) Reconciliation of Effective Tax Rate

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Profit before tax	**678.35**	**375.18**
At applicable Statutory Income Tax Rate CY @ 34.944% PY @ 31.20%	237.04	117.06
Tax Impact on:-		
Benefit of 80IA	(38.63)	0.80
Donation	0.44	2.45
In House R&D Expenditure	(0.84)	(0.88)
CSR Expenditure	1.17	0.64
Others	41.97	(5.02)
Reported Income Tax Expense	**241.15**	**115.05**
Effective Tax Rate	**35.55%**	**30.66%**

NOTE 58. SEGMENT INFORMATION

Information about primary segment

The Company has only one 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 59.

Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

NOTE 60.

Notes 1 to 59 are annexed to and form an integral part of financial statements.

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

As per our report of even date.		B.H. SINGHANIA	Chairman	
For **LODHA & CO.**		H.P. SINGHANIA	Vice Chairman & Managing Director	
Chartered Accountants		A.S. MEHTA	President & Director	
Firm's Registration Number 301051E	V. KUMARASWAMY			
	Chief Finance Officer			
N.K. LODHA		ARUN BHARAT RAM	SHAILENDRA SWARUP	
Partner	S.C. GUPTA	DHIRENDRA KUMAR	UDAYAN BOSE	
Membership No. 85155	Vice President &	M.H. DALMIA	VINITA SINGHANIA	Directors
New Delhi, the 8th May, 2019	Company Secretary	R.V. KANORIA	S.K. ROONGTA	

Cash Flow Statement for the year ended March 31, 2019

₹ in Crore (10 Million)

		2018-19		2017-18	
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net Profit before Tax	678.35		375.19	
	Adjustments for :				
	Depreciation and amortization	125.30		120.89	
	Defined Benefit Plans charged to OCI	(1.72)		(1.86)	
	Income from Investments	(15.28)		(15.45)	
	(Profit)/ Loss on Sale of Assets (Net)	0.37		0.17	
	Dividend Income	(0.01)		(0.01)	
	Finance Cost	122.40		143.02	
	Interest Income	(40.48)		(10.31)	
	Foreign Exchange Fluctuation	1.77		3.06	
	Assets Written off	0.74		0.10	
	Bad Debts	0.02		0.84	
	Provision for Doubtful Debts	0.15		0.19	
	Provision for earlier years no longer required	0.61		-	
	Operating Profit before Working Capital Changes	872.22		615.83	
	Adjustments for Working Capital Changes:				
	Trade and Other Receivables	(43.84)		(23.50)	
	Inventories	71.76		(11.29)	
	Trade and Other Payables	92.39		43.53	
	Cash generated from Operations	992.53		624.57	
	Taxes paid	(139.84)		(69.13)	
	Net Cash from Operating Activities		852.69		555.44
B.	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of Property, Plant & Equipment	(120.56)		(86.65)	
	Sale of Property, Plant & Equipment	3.46		1.18	
	Sale/(Purchase) of Investments (Net)	(735.50)		122.39	
	Dividend Income	0.01		0.01	
	Interest Received	15.80		9.57	
	Net Cash from Investing Activities		(836.79)		46.50
C.	CASH FLOW FROM FINANCING ACTIVITIES :				
	Proceeds of Long-term Borrowings	401.03		177.51	
	Repayment of Long-term Borrowings	(284.09)		(460.16)	
	Proceeds/(Repayment) from Short-term Borrowings (Net)	(57.99)		(51.72)	
	Interest and Financial Charges	(128.18)		(143.46)	
	Dividend (including Dividend Tax)	(53.65)		(29.49)	
	Net cash from Financing Activities		(122.88)		(507.32)
D.	Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance		(106.98)		94.62
E.	Cash and Cash Equivalents as at the beginning of the year - Cash & Bank Balances (Note No. 11 & 12)		122.02		27.40
F.	Cash and Cash Equivalents as at the close of the year - Cash & Bank Balances (Note No. 11 & 12)		15.04		122.02
Notes:					
(a)	Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
	Opening	1,233.50	76.03	1,569.95	127.75
	Cash Flow Changes				
	Inflow/(Repayments)	116.94	(57.99)	(282.65)	(51.82)
	Non-Cash Flow Changes				
	Foreing Exchange	(4.33)	-	32.41	0.10
	FCCB Conversion	(15.46)	-	(94.70)	-
	Other	1.32	-	8.49	-
	Closing	**1,331.97**	**18.04**	**1,233.50**	**76.03**

(b) Previous year's figures have been re-grouped / re-arranged wherever necessary.

The accompanying notes referred to above form an integral part of the Standalone Financial Statements

For and on behalf of the Board of Directors

As per our report of even date.
For **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

N.K. LODHA
Partner
Membership No. 85155
New Delhi, the 8th May, 2019

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Vice President &
Company Secretary

B.H. SINGHANIA — Chairman
H.P. SINGHANIA — Vice Chairman & Managing Director
A.S. MEHTA — President & Director

ARUN BHARAT RAM, SHAILENDRA SWARUP
DHIRENDRA KUMAR, UDAYAN BOSE
M.H. DALMIA, VINITA SINGHANIA
R.V. KANORIA, S.K. ROONGTA
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 Crore (10 Million)

Sl. No.	Particulars	The Sirpur Paper Mills Limited.	Jaykaypur Infrastructure & Housing Limited.	Songadh Infrastructure & Housing Limited.	JK Enviro-Tech Limited.	JK Paper International (Singapore) Pte. Limited.
1	Financial Year ended on	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
2	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	US$
3	Closing Exchange Rate	-	-	-	-	69.1713
4	Share Capital	182.00	4.95	4.95	11.65	22.06
5	Reserve & Surplus/ (Accumulated Losses)	(6.96)	(3.59)	1.48	27.59	0.46
6	Total Assets	420.36	40.93	15.47	232.19	22.55
7	Total Liabilities	420.36	40.93	15.47	232.19	22.55
8	Investments	-	-	-	139.52	22.48
9	Total Turnover	2.00	3.77	1.83	1.08	0.00
10	Profit/ (Loss) before tax	(11.69)	0.26	0.16	(5.98)	(0.07)
11	Provision for Income Tax	-	0.08	0.04	(1.10)	0.00
12	Profit/ (Loss) after tax	(11.69)	0.18	0.12	(4.88)	(0.07)
13	Proposed Dividend		-	-	-	-
14	% of Shareholding	71.26%	100%	100%	92.85%	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

Sl. No.	Name of Joint Venture Company	Habras MZZ Plantation Myanmar Company Limited
1	Financial Year/Period ended on	March 31, 2019
2	% of Shareholding	50%
3	Investment in Joint Venture	22.48
	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	22.48
7	Loss for the year	NIL
	i) Considered in consolidation	NIL
	i) Not Considered in consolidation	NIL

For and on behalf of the Board of Directors

B.H. SINGHANIA — Chairman
H.P. SINGHANIA — Vice Chairman & Managing Director
A.S. MEHTA — President & Director

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Vice President &
Company Secretary

ARUN BHARAT RAM, SHAILENDRA SWARUP
DHIRENDRA KUMAR, UDAYAN BOSE
M.H. DALMIA, VINITA SINGHANIA
R.V. KANORIA, S.K. ROONGTA — 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") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, 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 ended on that date, and a summary of the 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 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 consolidated state of affairs of the Group as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). 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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

EMPHASIS OF MATTER

As per the order of the National Company Law Tribunal ("NCLT) ,Hyderabad Bench , in respect of a subsidiary company which was acquired during the year , certain accounting treatments have been carried out to capital reserve , credited (net) (under the head " Other Equity"), which is considered to override the relevant provisions of Ind AS -109 "Financial Instruments" (refer Note No. 47 of the Consolidated Financial Statements).

Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 addressed the key audit matter
1. **Revenue Recognition** Recognition of Revenue , measurement , presentation and disclosure as per Ind AS-115 "Revenue from Contracts with Customers". (Refer Note No.1 of Accounting Policy) There is possibility for material misstatement within revenue, particularly in relation to revenue being recorded in the different period, due to cut off errors or management bias.	**Our response to the risk** We performed the following audit procedures over this risk area: • On a sample basis we performed testing to verify physical deliveries of product in the year to ascertain transfer of control. • We performed revenue cut-off testing, by reference to shipment / bill dates of sales recorded either side of the financial year end had legally completed; and • Selected a sample of sales contracts and read, analysed and identified the distinct performance obligations in these contracts. • We performed walkthroughs to understand the key processes and identify key controls related Ind AS 115 "Revenue from Contracts with Customers.
2. **Acquisition of The Sirpur Paper Mills Ltd. and recognition of Goodwill** The group acquired ' The Sirpur Paper Mills Ltd. (SPML)' during the year for a total consideration of ₹371.04 crores and recognised goodwill of ₹9.81 cores on date of acquisition. (Refer note no 47 of the Consolidated Financial Statements) The Group is required to identify and assess the fair value of the net assets acquired and the valuation of the goodwill attributable on initial date of recognition.	Our audit procedures includes: • We read and understood the legal agreements (NCLT Order) entered into by the Group in relation to the acquisitions and considered the basis of their inclusion in the consolidated financial statements. • We tested the consideration and the identification and valuation of the identified net tangible and intangible assets acquired. • We obtained the purchase price allocation performed by management's valuation experts and considered their methodology and assumptions using our own valuation experts. • We understood management's opening balance sheet adjustments as on date of acquisition and obtained supporting evidence to corroborate these.

OTHER MATTERS

A) We did not audit the financial statements of four subsidiaries whose financial statements reflect total assets of ₹31,114.11 lacs as at 31st March 2019, total revenues of ₹669.15 lacs and total profit /(Loss) after tax of ₹ (465.24) lacs 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, insofar as it relates to the aforesaid subsidiaries based solely on the reports of the other auditors.

   Our opinion is not modified in respect of this matter.

B) The Consolidated financial statements include the Company's share of net profit / loss of ₹ Nil for the year ended 31st March 2019 as considered in the consolidated financial statements, in respect of one jointly controlled entity, whose financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the financial statements , to the extent they have been derived from such financial statements is based solely on the reports of the other auditor.

   Our opinion is not modified in respect of this matter.

C) The financial statements (Ind AS financial statements) of a subsidiary Company as on 1st April 2018 considered in consolidated financial statements w.e.f. 1st August 2018, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by their predecessor auditor i.e. M/s B.N. Associates, whose audit report dated 13th Jan 2019 expressed qualified opinion, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have not been audited by us.

   Our opinion is not modified in respect of this matter.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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, 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 Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group 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 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group'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 Group 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 are also responsible for overseeing the financial reporting process of the Group.

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 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 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 the 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 the financial statements of such entities included in the consolidated financial statements.

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 financial statements.

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 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 of the aforesaid consolidated financial statements.

b) 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.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the 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, 2019 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. 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.

   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.

   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.

h) With respect to the 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 during the current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act.

For LODHA & CO.
Chartered Accountants
Firm's Registration No.301051E

(N. K. Lodha)
Partner
Membership No. 85155

Place: New Delhi
Date: 8th May, 2019

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 2019, we have audited the internal financial controls over financial reporting of JK Paper Limited ('the Holding Company') and its subsidiary companies, which are companies 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 which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls 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 ('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 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 Companies Act, 2013 ('the Act').

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary companies, which are companies incorporated in India, 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 Act, 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 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 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 consolidated 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 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 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 Group and its Subsidiary companies , which are incorporated in India, have, maintained, 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 2019, 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.

OTHER MATTERS

i) 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 insofar as it relates to four subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

For LODHA & CO.
Chartered Accountants
Firm's Registration No.301051E

(N. K. Lodha)
Partner
Membership No. 85155

Place: New Delhi
Date: 8th May, 2019

Consolidated Balance Sheet as at March 31, 2019

₹ in Crore (10 Million)

Particulars	Note	March 31, 2019	March 31, 2018
ASSETS			
Non-Current Assets			
Property,Plant and Equipment	2	2,643.29	2,603.55
Capital Work-in-Progress		313.76	33.86
Investment Property	2A	52.93	50.37
Goodwill		9.81	-
Other Intangible Assets	3	0.27	0.21
Intangible Assets Under Development		15.10	2.84
Financial Assets			
Investments	4	29.12	24.71
Loans	5	17.47	17.92
Other Financial Assets	6	18.25	16.52
Other Non-Current Assets	7	21.72	6.12
		3,121.72	2,756.10
Current Assets			
Inventories	8	346.27	394.23
Financial Assets			
Investments	9	646.24	127.22
Trade Receivables	10	73.48	109.15
Cash and Cash Equivalents	11	15.24	18.95
Bank Balances other than above	12	11.50	104.42
Loans	13	150.80	0.80
Other Financial Assets	14	30.49	7.65
Other Current Assets	15	126.36	89.93
		1,400.38	852.35
Total Assets		4,522.10	3,608.45
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	16	178.24	175.50
Other Equity		1,859.86	1,467.59
		2,038.10	1,643.09
Non-controlling interest		50.88	-
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	1,287.34	971.49
Other Financial Liabilities	18	59.03	51.70
Provisions	19	7.49	6.55
Deferred Tax Liabilities (Net)	20	238.83	143.44
		1,643.57	1,173.18
Current Liabilities			
Financial Liabilities			
Borrowings	21	18.04	76.03
Trade Payables	22		
Micro & Small Enterprises		3.05	0.55
Others		271.19	254.71
Other Financial Liabilities	23	360.91	334.32
Other Current Liabilities	24	175.74	119.49
Provisions	25	4.87	5.88
Current Tax Liabilities	26	6.63	1.20
		840.43	792.18
Total Equity and Liabilities		4,522.10	3,608.45
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Consolidated Financial Statements

For and on behalf of the Board of Directors

As per our report of even date.
For **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

N.K. LODHA
Partner
Membership No. 85155
New Delhi, the 8th May, 2019

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Vice President &
Company Secretary

B.H. SINGHANIA — Chairman
H.P. SINGHANIA — Vice Chairman & Managing Director
A.S. MEHTA — President & Director

ARUN BHARAT RAM, SHAILENDRA SWARUP
DHIRENDRA KUMAR, UDAYAN BOSE
M.H. DALMIA, VINITA SINGHANIA
R.V. KANORIA, S.K. ROONGTA — Directors

Consolidated Statement of Profit & Loss for the year ended March 31, 2019

₹ in Crore (10 Million)

Particulars	Note	2018-19	2017-18
Revenue :			
Sales		3,469.19	3,069.68
Less : Discounts		235.55	243.43
Net Sales		3,233.64	2,826.25
Other Operating Revenue	27	23.07	51.24
Revenue from Operations		3,256.71	2,877.49
Other Income	28	50.00	22.51
Total Revenue		3,306.71	2,900.00
EXPENSES			
Cost of Materials Consumed	29	1,278.11	1,254.37
Purchases of Stock-in-Trade		301.53	284.48
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	47.85	(10.36)
Employee Benefits Expense	31	262.73	231.88
Finance Costs	32	124.40	143.02
Depreciation and Amortisation Expenses	33	127.68	122.32
Excise Duty		-	33.22
Other Expenses	34	498.37	465.65
Total Expenses		2,640.67	2,524.58
Profit Before Interest, Depreciation & Tax (EBITDA)		918.12	640.76
Profit/(Loss) Before Tax		666.04	375.42
Tax Expense			
Current Tax (MAT)		145.12	73.12
Less : MAT Credit Entitlement		(99.29)	(69.42)
Provision / (Credit) for Deferred Tax		195.27	111.14
Profit for the period		424.94	260.58
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		(1.27)	(1.86)
(ii) Tax on (i) above		0.60	0.58
(iii) Equity Instruments through Other Comprehensive Income		(2.20)	0.01
(iv) Tax on (iii) above		-	-
Total Other Comprehensive Income for the period		422.07	259.31
Net Profit attributable to:			
a) Owners of the Company		427.28	260.58
b) Non controlling interest		(2.34)	-
Other comprehensive Income attributable to:			
a) Owners of the Company		(3.00)	(1.27)
b) Non controlling interest		0.13	-
Total comprehensive Income attributable to:			
a) Owners of the Company		424.28	259.31
b) Non controlling interest		(2.21)	-
Earnings per Equity Shares			
1) Basic (in ₹)		23.88	15.32
2) Diluted (in ₹)		23.82	14.67
Significant Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Consolidated Financial Statements

For and on behalf of the Board of Directors

As per our report of even date.
For **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

N.K. LODHA
Partner
Membership No. 85155
New Delhi, the 8th May, 2019

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Vice President &
Company Secretary

B.H. SINGHANIA — Chairman
H.P. SINGHANIA — Vice Chairman & Managing Director
A.S. MEHTA — President & Director

ARUN BHARAT RAM, SHAILENDRA SWARUP, DHIRENDRA KUMAR, UDAYAN BOSE, M.H. DALMIA, VINITA SINGHANIA, R.V. KANORIA, S.K. ROONGTA — Directors

Consolidated Statement of **Changes In Equity** for the year ended March 31, 2019

A. EQUITY SHARE CAPITAL

₹ in Crore (10 Million)

March 31, 2018	Changes in Equity Share Capital during 2018-19	March 31, 2019
175.50	2.74	178.24

B. OTHER EQUITY

Particulars	Equity Component of Compound financial Instruments	Reserve and Surplus								Other Comprehensive Income (OCI) — Items that will not be Reclassified to profit or loss		Total
		Retained Earnings	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	Revaluation Reserve	General Reserve	Exchange diferences on translating the financial statements of a foreign operations	Re-measurement of the net defined benefit plans	Equity Instruments through OCI	
March 31, 2018	-	569.63	29.92	3.00	513.21	-	-	350.59	(0.19)	(6.97)	8.40	1,467.59
Profit for the year		427.28						-	-	-	-	427.28
FCCB Conversion	-	-	-	-	12.72	-	-	-	-	-	-	12.72
Addition to Equity Share Capital	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from Retained Earnings	-	(200.00)	-	-	-	-	-	200.00	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	-	(0.80)	(2.20)	(3.00)
Transfer to debenture redemption reserve	-	(4.74)	-	-	-	4.74	-	-	-	-	-	-
Dividend including Corporate Dividend Tax	-	(53.72)	-	-	-	-	-	-	-	-	-	(53.72)
Issue of 0.1% Compulsory Convertible Preference Share	8.00	-	-	-	-	-	-	-	-	-	-	8.00
Adjustment for translation of Non Integral Foreign Operations	-	-	-	-	-	-	-	-	0.99	-	-	0.99
March 31, 2019	8.00	738.45	29.92	3.00	525.93	4.74	-	550.59	0.80	(7.77)	6.20	1,859.86

The accompanying notes referred to above form an integral part of the Consolidated Financial Statements

For and on behalf of the Board of Directors

As per our report of even date.
For **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

N.K. LODHA
Partner
Membership No. 85155
New Delhi, the 8th May, 2019

V. KUMARASWAMY
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B.H. SINGHANIA — Chairman
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Notes to the Consolidated Financial Statements *(Contd.)*

Note 1. Significant Accounting Policies- Consolidated Accounts

I. Significant Accounting Policies for the year ended March 31, 2019

(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.

The impact of adoption of Ind AS 115 is immaterial on the financial statements in current year 2018-19 on the recognition and measurement of revenue compared to erstwhile standard Ind AS 18.

Sale of goods

Revenue from the sale of goods is recognised, when all the significant risks and rewards of ownership of the goods have passed to the buyer, the Company no longer has effective control over the goods sold, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of Goods. 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. Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss.

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, 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 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 has adopted optional exception under IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value. Consequently the fair value has been assumed to be deemed cost of PPE on the date of transition. Subsequently PPE are 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.

Note 1. Significant Accounting Policies- Consolidated Accounts *(Contd.)*

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. 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 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

Revenue expenditure on Research and Development is charged to statement of Profit and loss in the year in which it is incurred and capital expenditure is added to Fixed Asset.

(vi) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Finance Lease

Finance Lease that transfer substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability .Finance charges are recognised in finance costs in the statement of profit and loss unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset or the lease term.

Notes to the Consolidated **Financial Statements** *(Contd.)*

Note 1. Significant Accounting Policies- Consolidated Accounts *(Contd.)*

Operating Lease

Assets acquired on leases where a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset.. Payments under operating lease are recorded in the Statement of Profit and Loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases

(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.

(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

A Receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. For some trade receivables the Company may obtain security in the form of guarantee, security deposit or letter of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Note 1. Significant Accounting Policies- Consolidated Accounts *(Contd.)*

Impairment is made on the expected credit losses, which are the present value of the cash shortfalls over the expected life of financial assets. The estimated impairment losses are recognised in a separate provision for impairment and the impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Subsequent changes in assessment of impairment are recognised in provision for impairment and the change in impairment losses are recognised in the Statement of Profit and Loss within other expenses.

Investment in Equity Shares

Investments in Equity Securities are initially measured at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss if such investments in Equity Securities are held for trading purposes. The fair value gains or losses of all other Equity Securities are recognized in Other Comprehensive Income.

Investment in Associates, Joint Ventures and Subsidiaries.

The Company has accounted for its investment in subsidiaries, associates and joint venture at cost.

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at cost. 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 :

Notes to the Consolidated **Financial Statements** *(Contd.)*

Note 1. Significant Accounting Policies- Consolidated Accounts *(Contd.)*

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.

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

Note 1. Significant Accounting Policies- Consolidated Accounts *(Contd.)*

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 arising on those Long term foreign currency monetary items, related to acquisition of depreciable capital assets being carried forward from previous GAAP, which are adjusted to cost of such assets and depreciated over their balance life pursuant to the option in Notification No.G.S.R 914(E) dated 29th December, 2011 issued by Ministry of Corporate Affairs. Non Monetary Foreign Currency items are stated at cost.

(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

Notes to the Consolidated Financial Statements *(Contd.)*

Note 1. Significant Accounting Policies- Consolidated Accounts *(Contd.)*

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 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 Consolidated **Financial Statements** *(Contd.)*

Note 1. Significant Accounting Policies- Consolidated Accounts *(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 Consolidated Financial Statements *(Contd.)*

Note 1. Significant Accounting Policies- Consolidated Accounts *(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) 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. 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.

(xix) 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.

(xx) Accounting Pronouncements Accounting standards, interpretations and amendments to existing standards that are effective from 1st April, 2019

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which are effective from 1st April, 2019

1. W.e.f. 1st April 2019 Ind AS 116 Leases will replace existing leases standard, Ind AS 17 Leases. Lessee will follow Single Lease Accounting. There is no classification as operating or finance Lease for lessee. Under Ind AS 116 Lessee will recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Lessee would recognize depreciation expense on the right of use asset and interest expense on the lease liability, classify the lease payments into principal and interest component. Management is currently reviewing the operating lease contracts in place to determine the impact of this standard.

2. The following standards or amendments made in below mentioned standards are not expected to have a material impact over financial statements:

   i) Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

   ii) Ind AS 109 – Prepayment Features with Negative Compensation

   iii) Ind AS 19 – Plan Amendment, Curtailment or Settlement

   iv) Ind AS 23 – Borrowing Costs

   v) Ind AS 28 – Long-term Interests in Associates and Joint Ventures

   vi) Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 2. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore (10 Million)

Description	Gross Carrying Value					Depreciation					Net Carrying Value	
	April 01, 2018	Impact of SPML (c)	Additions/ Adjustments	Sales/ Adjustments	March 31, 2019	April 01, 2018	Impact of SPML (c)	For the year	On Sales/ Adjustments	March 31, 2019	March 31, 2019	March 31, 2018
Land - Freehold (a)	275.33	67.45	-	-	342.78	-	-	-	-	-	342.78	275.33
- Leasehold	82.76	-	-	-	82.76	4.41	-	1.47	-	5.88	76.88	78.35
Building	287.27	8.79	7.57	0.41	303.22	30.98	2.31	11.54	0.38	44.45	258.77	256.29
Plant & Equipment (b)	2,216.68	205.03	77.91	213.63	2,285.99	248.28	34.52	107.70	40.26	350.24	1,935.75	1,968.40
Furniture and Fixture	2.61	0.66	2.22	0.02	5.47	1.07	0.29	0.47	0.01	1.82	3.65	1.54
Office Equipment	8.91	0.01	3.53	2.42	10.03	4.08	-0.01	2.07	2.25	3.89	6.14	4.83
Vehicles & Locomotive	19.04	0.02	4.84	2.97	20.93	2.17	0.01	2.70	1.47	3.41	17.52	16.87
Railway Siding	2.57	0.03	-	-	2.60	0.63	0.02	0.15	-	0.80	1.80	1.94
Total	2,895.17	281.99	96.07	219.45	3,053.78	291.62	37.14	126.10	44.37	410.49	2,643.29	2,603.55
Previous year	2,809.52	-	89.77	4.12	2,895.17	174.44	-	119.84	2.66	291.62	2,603.55	

Notes:

a) Includes cost of 4.67 acres land given on lease to Employees State Insurance Corporation for construction of Hospital for Employees and cost of 34.72 acres land of ₹20.24 Crore (Previous year ₹20.24 Crore) for which title is yet to be transferred in name of the Company.

b) During the year ₹5.83 Crore has been deducted in Plant & Equipment due to Foreign Exchange Fluctuation (Net) (Previous year ₹25.92 Crore was added).

c) Fair value as on 1st Aug 2018 on Acquisition of The Sirpur Paper Mills Limited as per resolution plan.

NOTE 2A. INVESTMENT PROPERTY

Description	Gross Carrying Value				Depreciation				Net Carrying Value	
	April 01, 2018	Additions/ Adjustments	Sales/ Adjustments	March 31, 2019	April 01, 2018	For the year	Sales / Adjustments	March 31, 2019	March 31, 2019	March 31, 2018
Land	-	-	-	-	-	-	-	-	-	-
Freehold	6.99	-	-	6.99	-	-	-	-	6.99	6.99
Leasehold	12.01	-	-	12.01	1.63	0.20	-	1.83	10.18	10.38
Buildings	38.88	3.91	-	42.79	5.88	1.15	-	7.03	35.76	33.00
Total	57.88	3.91	-	61.79	7.51	1.35	-	8.86	52.93	50.37
Previous year ended 31st March 2018	57.64	0.24	-	57.88	6.26	1.25	-	7.51	50.37	

NOTE 3. OTHER INTANGIBLE ASSETS

Description	Gross Carrying Value					Depreciation					Net Carrying Value	
	April 01, 2018	Impact of SPML (c)	Additions/ Adjustments	Sales/ Adjustments	March 31, 2019	April 01, 2018	Impact of SPML (c)	For the year	On Sales/ Adjustments	March 31, 2019	March 31, 2019	March 31, 2018
Computer Software	3.90	0.65	0.29	-	4.84	3.69	0.65	0.23	-	4.57	0.27	0.21
Total	3.90	0.65	0.29	-	4.84	3.69	0.65	0.23	-	4.57	0.27	0.21
Previous year	3.87		0.03	-	3.90	2.46		1.23	-	3.69	0.21	

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 4. NON- CURRENT INVESTMENTS

₹ in Crore (10 Million)

Particulars	Face Value ₹/Share	March 31, 2019		March 31, 2018	
		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	6.64	1,91,000	8.84
Unquoted, Equity shares fully paid up					
Investments Carried at Cost					
Investment in Equity instrument of Joint Venture					
Habras MZZ Plantation Myanmar Company Limited	USD 1000	3,250	22.48	2,440	15.87
Investment in Others					
JK Paper Mills Employees' Co-operative Stores Limited (CY ₹2500/- , PY ₹2500/-)	10/-	250	0.00	250	0.00
			29.12		**24.71**
Aggregate book value of unquoted investments			22.48		15.87
Aggregate market value of quoted investments			6.64		8.84

NOTE 5. NON CURRENT FINANCIAL ASSETS - LOANS

Particulars	March 31, 2019	March 31, 2018
Unsecured considered good :-		
Other Loans & Advances (at amortised cost)		
JK Paper Employees` Welfare Trust	17.47	17.92
TOTAL	**17.47**	**17.92**

NOTE 6. NON CURRENT FINANCIAL ASSETS - OTHERS

Particulars	March 31, 2019	March 31, 2018
Deposits with Government Authorities	3.27	5.98
Derivative Financial Instruments (at fair value through Profit and Loss)	4.94	7.62
Others	10.04	2.92
TOTAL	**18.25**	**16.52**

NOTE 7. OTHER NON CURRENT ASSETS

Particulars	March 31, 2019	March 31, 2018
Capital Advances	13.62	1.74
Deposits with Government Authorities and Others	8.10	4.38
TOTAL	**21.72**	**6.12**

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 8. INVENTORIES

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Raw Materials #	183.79	211.99
Work-in-Progress @	20.52	11.28
Finished Goods	40.03	67.03
Stock in Trade	24.98	53.11
Stores & Spares #	76.94	50.82
Renewable Energy Certificates	0.01	-
TOTAL	**346.27**	**394.23**

Includes Raw Materials in transit ₹2.07 Crore (As at 31-03-18 ₹3.68 Crore) and Stores & Spares in transit ₹1.49 Crore (As at 31-03-18 ₹0.80 Crore).

@ Includes Pulp in process ₹10.77 Crore (As at 31-03-18 ₹3.81 Crore) and Semi Finished Goods ₹9.35 Crore (As at 31-03-18 ₹7.29 Crore).

NOTE 9. CURRENT INVESTMENTS

Particulars	March 31, 2019	March 31, 2018
Investments in Liquid Funds- at fair value through P&L		
Investment in Non Convertible Debenture	499.48	-
Investment in Mutual Fund	121.76	127.22
Fixed Deposits with Non Schedule Bank	25.00	-
TOTAL	**646.24**	**127.22**
Aggregate book value of quoted investments	121.76	127.22
Aggregate book value of unqoted investments	524.48	NIL

NOTE 10. TRADE RECEIVABLES

Particulars	March 31, 2019	March 31, 2018
Unsecured		
Considered Good	73.48	109.15
Credit Impaired	0.35	0.20
	73.83	**109.35**
Less: Allowance for credit impairment	0.35	0.20
TOTAL	**73.48**	**109.15**

NOTE 11. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2019	March 31, 2018
Current Accounts*	15.01	18.58
Cheques/Drafts on hand	0.09	0.08
Cash on Hand	0.14	0.29
TOTAL	**15.24**	**18.95**

* includes ₹3.56 Crore earmarked for specified purposes

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Other Bank Balances		
Unclaimed Dividend Accounts	0.20	0.13
Fixed Deposit with Scheduled Banks #	11.30	104.29
TOTAL	11.50	104.42

Includes ₹0.51 Crore (As at 31-03-18 ₹0.45 Crore) pledged with Government Authorities.

NOTE 13. CURRENT FINANCIAL ASSETS - LOANS

Particulars	March 31, 2019	March 31, 2018
Unsecured considered good :-		
Loans to related parties		
Bengal & Assam Co. Limited (Associate of)	120.00	-
Other Loans & Advances (at amortised cost)		
Deepti Electronics & Electro-optics Pvt. Limited	24.00	-
Global Strategic Technologies Limited	6.80	0.80
TOTAL	150.80	0.80

NOTE 14. CURRENT FINANCIAL ASSETS - OTHER

Particulars	March 31, 2019	March 31, 2018
Unsecured considered good :-		
Advances Recoverable	0.46	2.65
Interest Accrued but not due	26.94	1.83
Advances to Employees	1.02	0.55
Derivative Financial Instruments (at fair value through Profit and Loss)	2.07	2.62
TOTAL	30.49	7.65

NOTE 15. OTHER CURRENT ASSETS

Particulars	March 31, 2019	March 31, 2018
Advances Recoverable	5.87	8.40
Advances to Suppliers	47.80	61.48
Indirect Tax Recoverable	66.65	14.50
Other Deposits	3.64	1.13
Prepaid Finance Charges	2.40	4.42
Doubtful Advances		
Other	0.60	0.49
	126.96	90.42
Less : Allowance for Doubtful Advances	0.60	0.49
TOTAL	126.36	89.93

Notes to the Consolidated Financial Statements *(Contd.)*

NOTE 16. SHARE CAPITAL

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Authorised :		
Equity Shares - 30,00,00,000	300.00	300.00
(30,00,00,000 Equity Share of ₹10 each as at 31-03-2018)		
Redeemable Preference Shares - 2,00,00,000	200.00	200.00
(2,00,00,000 Share of ₹100 each as at 31-03-2018)		
	500.00	500.00
Issued, Subscribed and Paid-up :		
Equity Shares - 17,82,43,585 (17,55,00,850 Equity Share of ₹10 each fully paid up at 31-03-2018)	178.24	175.50
	178.24	175.50
Notes :		
(a) Reconciliation of Equity Share Capital (In numbers)		
Shares outstanding at the beginning of the year	17,55,00,850	15,59,58,865
Add: Shares issued during the year	27,42,735	1,95,41,985
Shares outstanding at the end of the year	17,82,43,585	17,55,00,850

(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) Reconciliation of Preference Shares Capital (In numbers)

Particulars	March 31, 2019	March 31, 2018
Preference Shares outstanding at the beginning of the year	-	
Add: issued during the year (Nominal Value ₹100, ₹20 Paid up)	40,00,000	-
Preference Shares outstanding at the end of the year	40,00,000	-

JK Enviro-Tech Limited, the Subsidiary, has issued Compulsory Convertible Preference Shares (Series 1 and 2) having nominal Value of ₹100/- (One Hundred) each, aggregating to ₹40,00,00,000 (Nos 40,00,000), having 0.01% dividend (on cumulative basis), with ₹20 payable on application and balance ₹80 to be payable at the end of 5 years from the date of allotment or at the time of conversion whichever is earlier, to be convertible into Equity shares of the Company, having nominal value of ₹10 each, at a conversion price of ₹12 per equity share (including premium of ₹2 per equity share) at any time upto 7 years but further extendable with mutual consent of the Company. The equity portion of convertible preference share 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, 2019	March 31, 2018
Bengal & Assam Company Limited	3,64,18,299	3,64,18,299
BMF Investments Limited.	3,00,89,797	3,00,89,797
Florence Investech Limited	1,18,33,332	1,18,33,332
Trustees, JK Paper Employees Welfare Trust	98,28,655	98,28,655

NOTE 17. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
SECURED		
Term Loan		
From Banks	1,000.57	1,000.66
From Financial Institutions	135.70	178.65
Non Convertible Debentures (NCDs)	331.57	-
UNSECURED		
Foreign Currency Convertible Bonds (FCCB's)	-	19.33
Loan from Related Party	-	7.45
Public Deposits	28.66	27.41
Liability Component of Redeemable Preference Share	48.04	-
	1,544.54	**1,233.50**
Less : Current Maturities of Long Term Borrowings	257.20	262.01
TOTAL	**1,287.34**	**971.49**

A. Term Loans of ₹383.03 Crore (FIs – ₹Nil, Banks ₹383.03 Crore) and NCD of ₹335 Crore are secured by means of first pari passu mortgage/ charge on the fixed assets of the Company. Out of the above Term Loan, ₹197.23 Crore (FIs - ₹Nil, Banks ₹197.23 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 ₹383.03 Crore are repayable in total 100 quarterly instalments from April 2019 to October 2024.

2 NCDs of ₹335.00 Crore is repayable in 15 Half yearly installment from September 2021 to July 2028.

B. Term Loans of ₹597.03 Crore (FIs – ₹136.00, Banks ₹461.03 Crore) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit JKPM of the Company. These Term Loans are/shall be repayable as under :-

1 Term Loans aggregating to ₹228.40 Crore are repayable in total 49 equal Quarterly-instalments from June 2019 to September 2027.

2 Term Loans aggregating to ₹234.79 Crore are repayable in total 24 equal half-yearly instalments from May 2019 to August 2023.

3 Term Loans aggregating to ₹133.84 Crore are repayable in total 69 Quarterly instalmenst from May 2019 to Mar 2024.

C. Term Loans aggregating to ₹1.56 Crore (FIs – ₹Nil, Banks ₹1.56) are secured by specific charge on the Vehicle hypothicated against these loans. These Term Loans are repayable in total 45 monthly instalments from April 2019 to December 2022.

D. Secured Term loans from Financial Institutions and Banks have been reduced by ₹9.88 Crore (FIs – ₹0.30 Crore, Banks ₹9.58 Crore) and NCDs have been reduced by ₹3.43 Crore due to effective rate of interest.

E. Certain charges are in the process of satisfaction. Secured Term loans from Financial Institutions and Banks include ₹293.11 Crore foreign currency loans.

F. Public deposits are due for repayment in 2019-20, 2020-21 & 2021-22.

G. Subsidiary :

i. Term Loans of ₹166.14 Crore from Bank is secured by means of first pari passu mortgage/charge on the fixed assets of the Company, and is further secured by second charge on the current assets of the Company. ThisTerm Loan is repayable in 36 equal quarterly instalments from December 2021 to September 2030

ii. Secured Term loans from Bank has been reduced by ₹1.61 Crore due to effective rate of interest.

iii. During the previous year Company had issued Redeemable Preference Shares, 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 Percentage being lower than effective market rate, is recorded in Other Equity.

Notes to the Consolidated Financial Statements *(Contd.)*

NOTE 18. NON CURRENT FINANCIAL LIABILITIES - OTHER

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Trade Deposits	56.38	48.25
Interest Accrued but not due on Loans	0.73	1.21
Derivative Financial Instruments (at fair value through Profit & Loss)	1.92	2.24
TOTAL	**59.03**	**51.70**

NOTE 19. NON CURRENT PROVISIONS

Particulars	March 31, 2019	March 31, 2018
Provision for Employee Benefits	7.49	6.55
TOTAL	**7.49**	**6.55**

NOTE 20. DEFERRED TAX LIABILITIES

Particulars	March 31, 2019	March 31, 2018
Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	524.04	426.18
Tax on carried forward unabsorbed Depreciation	(42.64)	(125.54)
Tax on Others	23.03	9.11
a. **Total Deferred Tax Liability**	**504.43**	**309.75**
Opening MAT Credit Entitlements	(166.31)	(96.89)
Current MAT Credit Entitlement	(99.29)	(69.42)
b. **Total MAT Credit Entitlement**	**(265.60)**	**(166.31)**
c. **Net Deferred Tax Liability (a+b)**	**238.83**	**143.44**

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

Particulars	March 31, 2019	March 31, 2018
SECURED		
Working Capital Borrowings from Bank	14.29	50.89
UNSECURED		
Vendor Bill Discounting	-	1.31
Buyer's Credit facilities from Bank	-	22.10
Public Deposits	3.75	1.73
TOTAL	**18.04**	**76.03**

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.

NOTE 22. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Trade Payable		
Total Outstanding dues of Micro and Small Enterprises	3.05	0.55
Total Outstanding dues of Creditors other than Micro and Small Enterprises	271.19	254.71
TOTAL	274.24	255.26

NOTE 23. CURRENT FINANCIAL LIABILITIES - OTHER

Particulars	March 31, 2019	March 31, 2018
Current Maturities of Non Current Borrowings	257.20	262.01
Interest Accrued but not due	9.53	14.43
Unclaimed Dividends #	0.20	0.13
Unclaimed Matured Deposits #	0.88	0.72
Unclaimed Interest on Unclaimed Matured Deposits #	0.16	0.11
Derivative Financial Instruments (at fair value through Profit and Loss)	1.56	0.41
Capital Creditors	18.82	1.28
Other Payables	72.56	55.23
TOTAL	360.91	334.32

Investor Education and Protection Fund will be credited as & when due.

NOTE 24. OTHER CURRENT LIABILITIES

Particulars	March 31, 2019	March 31, 2018
Advance from Customers	8.17	7.17
Statutory Dues	45.33	16.58
Other Payables	122.24	95.74
TOTAL	175.74	119.49

NOTE 25. SHORT TERM PROVISIONS

Particulars	March 31, 2019	March 31, 2018
Provision for Employee Benefits	4.87	5.88
TOTAL	4.87	5.88

NOTE 26. CURRENT TAX LIABILITIES

Particulars	March 31, 2019	March 31, 2018
Provision for Income Tax (Net of Advance tax)	6.63	1.20
TOTAL	6.63	1.20

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 27. OTHER OPERATING REVENUES

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Excess Provision no longer required written back	0.61	-
Miscellaneous Income	22.46	51.24
TOTAL	**23.07**	**51.24**

NOTE 28. OTHER INCOME

Particulars	March 31, 2019	March 31, 2018
Interest Income	34.00	7.05
Dividend Income	0.01	0.01
Profit on Sale/Fair value of Current investment	15.30	15.45
Miscellaneous Income	0.69	-
TOTAL	**50.00**	**22.51**

NOTE 29. COST OF MATERIALS CONSUMED

Particulars	March 31, 2019	March 31, 2018
Hardwood & Bamboo	545.45	611.13
Pulp	325.38	252.68
Chemicals	316.11	291.27
Packing Material	91.17	99.29
TOTAL	**1,278.11**	**1,254.37**

NOTE 30. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	March 31, 2019	March 31, 2018
Inventories at the beginning of the year		
Finished Goods	67.03	94.26
Stock-in-Trade	53.11	15.88
Work-in-Progress	11.28	17.49
Renewable Energy Certificates	-	0.22
	131.42	**127.85**
Less:- Obsolete Inventory	(0.99)	-
Inventories at the end of the year		
Finished Goods	39.83	67.03
Stock In Trade	24.98	53.11
Stock-in-Process	20.52	11.28
Renewable Energy Certificates	0.01	-
	85.34	**131.42**
Add:- Excise Duty on Variation of Stock	-	(6.79)
Less:- Transfer to Pre-Operative Expense (Including of WIP of ₹0.41 Crore)	(0.78)	-
(Increase)/ Decrease in Stock TOTAL	**47.85**	**(10.36)**

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 31. EMPLOYEE BENEFIT EXPENSES

₹ in Crore (10 Million)

Particulars	March 31, 2019	March 31, 2018
Salaries, Wages, Allowances, etc.	243.14	213.29
Contribution to Provident and Other Funds	12.23	12.22
Staff Welfare Expenses	7.36	6.37
TOTAL	**262.73**	**231.88**

NOTE 32. FINANCE COST

Particulars	March 31, 2019	March 31, 2018
Interest on:		
Term Loan and Fixed Deposits	100.05	122.88
Others	12.75	9.80
Other Borrowing Costs:		
Financial Charges	7.09	12.85
Premium on Forward Exchange Contracts	0.60	0.47
Net (Gain) or Loss on Foreign Currency Transaction	3.91	(2.98)
TOTAL	**124.40**	**143.02**

NOTE 33. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	March 31, 2019	March 31, 2018
Depreciation on Property Plant & Equipment	127.45	121.09
Amortisation of Other Intangible Assets	0.23	1.23
TOTAL	**127.68**	**122.32**

NOTE 34. OTHER EXPENSES

Particulars	March 31, 2019		March 31, 2018	
Consumption of Stores and Spares		59.40		60.03
Power, Fuel and Water		258.67		245.59
Repairs to Building		12.70		12.51
Repairs to Machinery		31.70		24.54
Rent (Net)		10.93		9.88
Insurance		3.96		4.07
Rates and Taxes		1.04		0.89
Commission on Sales		2.93		3.74
Directors' Fees		0.43		0.16
Directors' Commission		3.40		1.99
Loss on Foreign Exchange Fluctuation		1.77		3.06
Loss on Sale of Assets		0.37		0.17
Asset Written off		0.74		0.10
Bad Debts	(0.09)		17.70	
Less: Withdrawal from Provision for Doubtful Debts	-		15.42	
Less: Withdrawal from Provision for Doubtful Advance	(0.11)	0.02	1.44	0.84
Provision for Doubtful Debts		0.15		0.19
Other Miscellaneous Expenses		110.16		97.89
TOTAL		**498.37**		**465.65**

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 35. 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, 2019;

i. Subsidiaries:

Name	Proportion of ownership interest	Financial Statements as on	Status
Jaykaypur Infrastructure & Housing Limited, India	100%	March 31, 2019	Audited
Songadh Infrastructure & Housing Limited, India	100%	March 31, 2019	Audited
JK Enviro-tech Limited, India	92.85%	March 31, 2019	Audited
"The Sirpur Paper Mills Limited, India (Subsidiary of JK Enviro-Tech Limited, India)"	71.26%	March 31, 2019	Audited
JK Paper International (Singapore) Pte Limited, Singapore	100%	March 31, 2019	Audited

ii. Joint Venture:

Name	Proportion of ownership interest	Financial Statements as on	Status
Habras MZZ Plantation Myanmar Company Limited, Myanmar*	50.00%	March 31, 2019	Audited

*Joint venture of JK Paper International (Singapore) Pte Limited, Singapore

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.

f. The summary of share of Net Assets and Profit/(Loss) of Subsidiaries and Joint Venture:

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	0.07%	1.36	0.04%	0.18
Songadh Infrastructure & Housing Limited, India	0.32%	6.43	0.03%	0.12
JK Enviro-tech Limited	1.93%	39.24	-1.37%	(5.81)
"The Sirpur Paper Mills Limited, India (Subsidiary of JK Enviro-Tech Limited, India)"	8.59%	175.04	-1.57%	(6.69)
JK Paper International (Singapore) Pte Limited, Singapore	1.11%	22.52	-0.02%	(0.07)
Joint Venture				
Habras MZZ Plantation Myanmar Company Limited, Myanmar (Joint Venture of JK Paper International (Singapore) Pte Limited)	0.00%	-	0.00%	-

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.

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 36. 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 activities for providing housing facilities to the employees engaged in Paper & Board manufacturing business. These operations are insignificant in the context of total turnover; hence same has been shown as "Others".

₹ in Crore (10 Million)

S. No.	Particulars	For the year ended 31st March 2019			For the year ended 31st March 2018		
		Paper & Board	Others	Total	Paper & Board	Others	Total
A	Segment Revenue						
	External Revenue	3,256.71	-	3,256.71	2,877.49	-	2,877.49
	Inter- segment Revenue	-	5.52	5.52	-	6.92	6.92
	Total Revenue	3,256.71	5.52	3,262.23	2,877.49	6.92	2,884.41
B	Segment Results						
	Segment Results (PBIT excluding Exceptional items)	747.24	(6.80)	740.44	492.44	3.49	495.93
	Less : (i) Interest & Financial Charges (Net)	-	-	124.40	-	-	143.02
	(ii) Exceptional items	-	-	-	-	-	-
	(iii) Other Un-allocable Expenditure (net off	-	-	-	-	-	-
	Un-allocable Income)	-	-	(50.00)	-	-	(22.51)
	Total Profit / (Loss) before Tax (PBT)	-	-	666.04	-	-	375.42
C	Capital Employed						
	Segment Assets	4,210.95	311.15	4,522.10	3,539.56	68.89	3,608.45
	Segment Liabilities	2,198.39	234.73	2,433.12	1,961.54	1.12	1,962.66
	Total Capital Employed (net)	2,012.56	76.42	2,088.98	1,578.02	67.77	1,645.79
	Capital Expenditure	92.25	4.11	96.36	89.55	0.49	90.04
	Depreciation & Amortisation	126.11	1.57	127.68	120.89	1.43	122.32
	Non Cash Expenses other than Depreciation	-	-	-	-	-	-

NOTE 37. CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Contingent Liabilities:			
a)	**Claim against the Company not acknowledged as debts.#**		
	Excise duty/ Custom duty/Service tax liability in respect of matter in appeals	19.32	18.08
	Sales tax/ VAT/Octrai liability in respect of matter in appeals	0.97	0.91
	Income tax liability that may arise in respect of matters in appeal referred by the department	0.63	0.77
	Other matters	8.03	7.26
b)	**Commitments:**		
	Contracts remaining to be executed on capital account (Net of Advances)	110.48	47.45
	Export commitments against import of capital goods under EPCG scheme	49.95	160.83

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.

Notes to the Consolidated Financial Statements *(Contd.)*

NOTE 38.

In respect of levy of Octroi 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 after its disposal.

NOTE 39.

(A) The Audited GST return for the year ended March 31, 2018 is pending for the filing as competent authority has extended the date of filing till June 30, 2019. The Company is in process of reconciling the data of GSTR 2A with GSTR 3B. In view of the management on final reconciliation the impact will not be material.

(B) Hon'ble Supreme Court has pronounced a judgement in Feb., 2019 making clarification with respect to the definition of Wages for the purpose of Employees Provident Fund contribution. Further petitions have been filed with the Supreme Court seeking additional clarifications and there has been no clarity either from Govt., or from other concerned authorities.

In light of the above, the Company has not made any provision of the same in the financial statements. However, appropriate accounting treatment will be given in its ensuing Financial Statements as and when clarification is received.

NOTE 40.

During the year, the Company has allotted 27,42,735 Equity Shares of ₹10/- each upon conversion of FCCBs Series-5 of Euro 2.4 million.

NOTE 41. EARNING PER SHARE

₹ in Crore (10 Million)

Particulars		Year ended March 31, 2019	Year ended March 31, 2018
a)	**Profit after tax for Basic Earnings Per share**	**424.94**	**260.58**
	Add: Interest on Foreign Currency Convertible Bonds (FCCBs) (net of tax)	(0.33)	0.91
	Profit for Diluted Earnings Per Share	424.61	261.49
b)	**Weighted average number of ordinary shares**		
	Basic	17,79,65,554	17,01,22,773
	Effect of conversion option	2,78,031	81,20,814
	Diluted	17,82,43,585	17,82,43,587
c)	**Nominal value of ordinary shares**	**₹10/-**	**₹10/-**
d)	**Earning per ordinary share (₹)**		
	Basic	23.88	15.32
	Diluted	23.82	14.67

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 42. 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 Limited (JK Paper Mills) Compulsory Employees Provident Fund

JK Paper Limited Employees Gratuity Fund

JK Paper Limited Officers Superannuation Scheme

iii Key Management Personnel (KMP)

Executive Directors

Shri Harsh Pati Singhania, Vice Chairman & Managing Director

Shri Om Prakash Goyal, Whole-time Director (till 30th September 2018)

Shri Amar Singh Mehta, President and Director (w.e.f 1st October 2018)

Executives

Shri V. Kumaraswamy, Chief Finance Officer

Shri S.C. Gupta, Vice President & Company Secretary

Relative of KMP

Shri Shrivats Singhania, Vice President (Marketing Development)

Non-Executive Directors

Shri Bharat Hari Singhania, Chairman

Shri Arun Bharat Ram

Shri Dhirendra Kumar

Shri M.H.Dalmia

Shri R.V.Kanoria

Shri Sandip Somany

Shri Shailendra Swarup

Shri Udayan Bose

Smt. Vinita Singhania

Shri Wim Wienk (till 12th November 2018)

Shri Sushil Kumar Roongta (w.e.f 12th February 2019)

b) The following transactions were carried out with related parties in the ordinary course of business:

₹ in Crore (10 Million)

Sl. No.	Nature of Transaction	Enterprise which holds more than 20% of Equity Share	
		BACL	
		2018-19	2017-18
(i)	Interest Paid	0.01	1.32
(ii)	Rent Paid	0.06	0.05
(iii)	Loans Given	145.00	-
(iv)	Loan installment received	25.00	-
(v)	Interest Received	3.11	-
(vi)	Loan Repaid	7.50	32.50
(vii)	Outstanding at end of the period - Receivable	120.81	-
(viii)	Outstanding at end of the period - Payable	-	7.50

Sl. No	Nature of Transactions	Trust under common control					
		Employees Provident Fund		Employees Gratuity Fund		Officers Superannuation Scheme	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
(i)	Contribution	3.91	3.52	4.14	4.58	0.64	0.60
(ii)	Outstanding at end of the period- Payable	0.35	0.30	0.69	0.67	0.64	0.60

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 42. RELATED PARTY DISCLOSURES (Contd.)

Key Management Personnel (KMP) :

₹ in Crore (10 Million)

Sl. No	Particulars	2018-19	2017-18
(i)	Short-term Employee Benefits including honorarium #	35.22	27.00
(ii)	Commission and other benefits to Non-Executive Directors *	3.78	2.13

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 43. FINANCIAL INSTRUMENTS

Financial Assets

₹ in Crore (10 Million)

Sl. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2019 Carrying Amount	As at March 31, 2019 Fair Value	As at March 31, 2018 Carrying Amount	As at March 31, 2018 Fair Value
1.	**Financial assets designated at fair value through profit and loss**						
	a) Derivatives - not designated as hedging instruments	A	Level-2	7.01	7.01	10.24	10.24
	b) Investment						
	i) In mutual funds and others	B	Level-1	646.24	646.24	127.22	127.22
2.	**Financial assets designated at fair value through other comprehensive income**						
	Investment In Equity shares	C	Level-1	6.64	6.64	8.84	8.84
3.	**Financial assets designated at amortised cost**						
	a) Other Bank Balances*			11.50	11.50	104.42	104.42
	b) Cash & Cash Equivalents*			15.24	15.24	18.95	18.95
	c) Trade receivables*			73.48	73.48	109.15	109.15
	d) Other receivables*			168.27	168.27	18.72	18.72
	e) Other financial assets			41.73	41.73	13.93	13.93
4.	a) Investment in Joint Venture	D		22.48	22.48	15.87	15.87
				992.59	**992.59**	**427.34**	**427.34**

Financial Liabilities

₹ in Crore (10 Million)

Sl. No.	Particulars	Note	Fair value hierarchy	As at March 31, 2019 Carrying Amount	As at March 31, 2019 Fair Value	As at March 31, 2018 Carrying Amount	As at March 31, 2018 Fair Value
1.	**Financial liability designated at fair value through profit and loss**						
	a) Derivatives - not designated as hedging instruments	A	Level-2	3.48	3.48	2.65	2.65
3.	**Financial assets designated at amortised cost**						
	a) Borrowings			1,305.38	1305.38	1047.52	1047.52
	b) Trade payables *			274.24	274.24	255.26	255.26
	c) Other financial liability *			416.46	416.46	383.37	383.37
				1,999.56	**1,999.56**	**1,688.80**	**1,688.80**

NOTE 43. 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 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.

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.

* 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).

44. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

44.1 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.

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 Consolidated **Financial Statements** *(Contd.)*

The following table analyzes foreign currency risk from financial instruments as of March 31, 2019: ₹ in Crore (10 Million)

Particulars	USD	Euro	GBP	SEK	SGD	Total
Financial Assets						
Cash and cash equivalents	0.01	-	-	-	0.04	0.05
Trade receivables	7.98	-	0.15	-		8.13
Other financials assets (including loans)	-	-	-	-		-
Financial liabilities	-	-	-	-		-
Trade payables	(46.61)	(0.86)	(0.00)*	(0.06)		(47.53)
Other financials liabilities	0.03	-	-	-		0.03
Borrowings	(107.92)	(185.18)	-	-		(293.10)
Interest Accrued but not due	(0.10)	(0.21)	-	-		(0.31)
Net assets / (liabilities)	**(146.61)**	**(186.25)**	**0.15**	**(0.06)**	**0.04**	**(332.73)**

*₹41,402/-

The following table analyzes foreign currency risk from financial instruments as of March 31, 2018:

Particulars	USD	Euro	GBP	SGD	Total
Financial Assets					
Cash and cash equivalents	0.05	-	-	0.06	0.11
Trade receivables	18.58	0.04	0.24	-	18.86
Other financials assets (including loans)	-	-	-		-
Financial liabilities					-
Trade payables	(46.44)	(0.58)	(0.00)*	-	(47.03)
Other financials liabilities	0.03	-	-	-	0.03
Borrowings	(163.78)	(256.19)	-	-	(419.98)
Interest Accrued but not due	(0.40)	(0.75)	-	-	(1.15)
Net assets / (liabilities)	**(191.96)**	**(257.49)**	**0.24**	**0.06**	**(449.15)**

*₹42,229/-

The following significant exchange rates have been applied during the year. (Amount in ₹)

INR	Year-end spot rate	
	March 31, 2019	March 31, 2018
USD	69.17	65.04
EUR	77.70	80.62
GBP	90.48	92.28
SGD	51.22	47.95

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.

Notes to the Consolidated Financial Statements *(Contd.)*

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax

₹ in Crore (10 Million)

Particulars	2018-19		2017-18	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
USD Sensitivity	0.01	(0.01)	0.04	(0.04)
Euro Sensitivity (CY ₹25,925/-, PY ₹29,877/-)	(0.00)	0.00	(0.00)	0.00
GBP Sensitivity (CY ₹3,694/-, PY ₹5,875/-)	0.00	(0.00)	0.00	(0.00)
SEK Sensitivity (CY ₹1,588/-)	(0.00)	0.00	-	-
Increases/ (decrease) in profit or loss	**0.01**	**(0.01)**	**0.04**	**(0.04)**

Summary of Exchange difference accounted in Statement of Profit and loss:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	1.77	3.06
Net foreign exchange (gain)/ losses shown as Finance Cost	0.26	0.34
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Derivatives		
Currency forwards (gain) / losses shown as operating expenses	-	-
Interest rate swaps (gain) / losses shown as finance cost	3.65	(3.32)
Net foreign exchange (gain)/ losses shown as Other Income	-	-
TOTAL	**5.68**	**0.08**

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	As at March 31, 2019		As at March 31, 2018	
	(₹ in Crores)	% of Total	(₹ in Crores)	% of Total
Fixed Rate Borrowings	574.96	39.76%	660.95	50.47%
Variable Rate Borrowings	871.09	60.24%	648.58	49.53%
Total Borrowings	**1,446.05**	**100.00%**	**1,309.53**	**100.00%**

Sensitivity on variable rate borrowings

Particulars	Impact on Statements of Profit & Loss		Impact on Equity	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Interest Rate Increase by 0.25%	(1.27)	(1.91)	(1.27)	(1.91)
Interest Rate decrease by 0.25%	1.27	1.91	1.27	1.91

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.

Notes to the Consolidated Financial Statements *(Contd.)*

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 ₹73.48 Crore and ₹109.15 Crore as of March 31, 2019 and March 31, 2018, 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 31st	
	2019	2018
Revenue from top customer	4.10%	4.23%
Revenue from top five customers	14.96%	16.41%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2019 was ₹0.35 Crore.

₹ in Crore (10 Million)

Particulars	Year ended March 31st	
	2019	2018
Balance at the beginning	0.20	15.43
Impairment loss reversed	-	(15.42)
Additional provision created during the year	0.15	0.19
Balance at the end	**0.35**	**0.20**

The deposits with banks constitute mostly the liquid investment of the Company and are generally not exposed to credit risk

Ageing Analysis of Trade Receivables

Particulars	As at March 31, 2019				As at March 31, 2018			
	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	49.60	23.88	-	0.35	86.34	20.92	1.19	0.91
Provision for Doubtful Receivables	-	-	-	0.35	-	-	-	0.20
Net Balance	**49.60**	**23.88**	**-**	**-**	**86.34**	**20.92**	**1.19**	**0.71**

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, 2019:

₹ in Crore (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	18.04	18.04	-	-	**18.04**
Borrowings - Non-Current	1,544.54	257.20	922.47	364.85	**1,544.53**
Trade payables	274.24	274.24	-	-	**274.24**
Other financial liabilities - Current	360.91	360.91	-	-	**360.91**
Other financial liabilities - Non-Current					
Trade Deposits	56.38	-	0.27	56.11	**56.38**
Interest accrued but not due on loans	0.73	-	0.73	-	**0.73**
Derivative Financial Instruments	1.92	-	1.92	-	**1.92**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2018:

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	76.03	76.03	-	-	**76.03**
Borrowings - Non-Current	1,233.50	262.01	790.47	181.02	**1,233.50**
Trade payables	255.26	255.26	-	-	**255.26**
Other financial liabilities - Current	334.32	334.32	-	-	**334.32**
Other financial liabilities - Non-Current					
Trade Deposits	48.25	-	-	48.25	**48.25**
Interest accrued but not due on loans	1.21	-	1.21	-	**1.21**
Derivative Financial Instruments	2.24	-	2.20	0.04	**2.24**

44.2 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.

44.3 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.

Particulars	As at March 31 2019	As at March 31 2018
Borrowings	1,562.58	1,309.53
Less: Cash and cash equivalents including bank balance	26.74	123.37
Less: Current Investments	646.24	127.22
Net debt	889.60	1,058.94
Equity	2,038.10	1,643.09
Capital and Net debt	2,927.70	2,702.03
Gearing Ratio	30%	39%

Notes to the Consolidated **Financial Statements** *(Contd.)*

NOTE 45. 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 hedgeing at the Balance Sheet Date

Sr. No.	Foreign Currency	March 31, 2019		March 31, 2018	
		FC in Mn	₹ In Cr.	FC in Mn	₹ In Cr.
1	US Dollar	20.76	143.61	30.70	199.67
2	Euro	13.55	105.29	17.77	143.27

Nominal amounts of Complete Currency Swaps (CCS) for hedging entered into by the Company and outstanding at end of the year is ₹32.94 Crore (Previous year ₹41.77 Crore).

Foreign Currency Exposure not hedged as at the Balance Sheet Date

Sr. No.	Foreign Currency	As at March 31, 2019		As at March 31, 2018	
		FC in Mn	₹ In Cr.	FC in Mn	₹ In Cr.
1	US Dollar *	0.44	3.04	(1.17)	(7.63)
2	Euro	6.18	48.02	8.99	72.45
3	GBP *	(0.02)	(0.15)	(0.03)	(0.24)
4	SEK	0.09	0.06	-	-

*Net of Receivables USD 1.15 Million – ₹7.98 Crore (Previous year USD 2.86 Million – ₹18.58 Crore), Euro Nil – ₹Nil (Previous year Euro 0.004 Million – ₹0.04 Crore) and GBP 0.02 Million – ₹0.15 Crore (Previous year GBP 0.03 Million - ₹0.24 Crore).

Interest Rate Swaps

The Company has variable interest foreign currency 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. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Sr. No.	Foreign Currency	As at March 31, 2019		As at March 31, 2018	
		Loan FC in Mn	MTM ₹ In Cr. (Gain)/Loss	Loan FC in Mn	MTM ₹ In Cr. (Gain)/Loss
1	US Dollar	9.56	(0.01)	11.61	0.68
2	Euro	19.60	0.68	24.20	(0.38)

The Company is fully covered on interest rate fluctuation on foreign currency borrowing through interest rate swaps (IRS) and complete currency swaps (CCS).

NOTE 46. INCOME TAX

a) Amount recognised in Statement of Profit and Loss

₹ in Crore (10 Million)

Particulars	2018-19	2017-18
Current Income Tax		
Current year	145.12	74.94
Adjustment in respect of current income tax of earlier years	-	(1.82)
MAT Credit Entitlement		
Current year	(102.58)	(74.86)
Reversal of MAT credit entitlement of earlier years	3.29	5.44
Total	**45.83**	**3.70**
Deferred Tax	195.27	111.14
Income tax expense reported in the statement of profit and loss	**241.10**	**114.84**

b) Reconciliation of Effective Tax Rate

Particulars	2018-19	2017-18
Profit before tax	**666.04**	**375.42**
At applicable Statutory Income Tax Rate CY @ 34.944% PY @ 31.20%	232.74	117.13
Tax Impact on:-		
Benefit of 80IA	(38.63)	0.80
Donation	0.44	2.45
Differential Tax Rates of Subsidiaries	0.52	(0.31)
In House R&D Expenditure	(0.84)	(0.88)
CSR Expenditure	1.17	0.64
Deferred Tax Asset not recognised on business losses and unabsorbed depreciation of The Sirpur Paper Mills Limited	2.34	-
Others	43.36	(5.00)
Reported Income Tax Expense	**241.10**	**114.84**
Effective Tax Rate	**36.20%**	**30.59%**

NOTE 47. ACQUISITION OF SUBSIDIARY

Resolution Plan under Corporate Insolvency Resolution Process:-

A corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the The Sirpur Paper Mill Limited("SPML") vide an order of the Hyderabad Bench of the National Company Law Tribunal ("NCLT") dated September 18, 2017. Subsequent to that, on July 19, 2018, the NCLT has approved the terms of the Resolution Plan submitted by JK Paper Limited. ("JKPL"), which provides, inter alia, the acquisition of the SPML by JKPL.

Pursuant to the Resolution Plan, ₹371.04 Crores has been settled by the JKPL and JK Enviro-tech Limited (JKETL), a subsidiary of the JKPL, towards financial creditors, corporate insolvency resolution process cost, admitted operational creditors, workmen and employee dues, etc. This consists of cash payment of ₹166.04 Crore & issue of securities consisting equity shares of ₹43.00 Crore and preference shares of ₹162.03 Crores by the Company.

To fund the cash required for settlement as per the Resolution Plan, JKPL and its subsidiary JKETL, together subscribed to 76.37% of the equity share capital of the SPML for an aggregate amount of ₹139.00 Crore. The remaining 23.63% of SPML's equity share capital is given to the erstwhile lenders of the SPML as part of the settlement plan given in the Resolution Plan for ₹43.00 Crore.

On approval of the Resolution Plan by the NCLT, all other liabilities or obligations of the Company, whether admitted or not, due or contingent, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company, in relation to any period prior to the Completion Date is written off in full and shall stand permanently extinguished and the Company shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

Post implementation of the resolution plan, Net Effect of ₹137.93 Crore (net off ₹12.48. Crore write-off of receivables/ loans) is credited to the Capital Reserve as stated in the Approved Resolution Plan.

Goodwill ₹9.81 Crore represents difference between Company's share in networth of subsidiaries and the cost of acquisition is not amortised and tested for impairment.

NOTE 48.

Consolidated Financial results includes results of The Sirpur Paper Mills Limited which become subsidiary of the Company with effect from 01st Aug 2018. In view of this, current year figures are not comparable with previous year.

NOTE 49.

A subsidiary Company had not created deferred tax liability on unamortised value of leasehold land on date of transition to Ind AS i.e. 1st April 2015. During the year related deferred tax liability has been provided in the books and corresponding adjustments pursuant to Ind AS 8 have been made in retained earning available as on 1st April 2017 i.e. Opening retained earning at the beginning of the earlier period presented and comparative figures for FY 2017-18 have been restated /remeasured accordingly of said subsidiary Company. Impact of above adjustments in consolidated financial statements are as under :

Statement of Change in Equity :

Balance as on 31st March 2017 is lower by ₹2.75 Crore

Statement of Profit and Loss :

Deferred tax (Reversal of Liability) for the F.Y. 2017-18 is ₹0.05 Crore

Balance Sheet :

Deferred tax liability as on 31st March 2017 is increased by ₹2.75 Crore

NOTE 50.

Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

NOTE 51.

Notes 1 to 50 are annexed to and form an integral part of financial statements.

For and on behalf of the Board of Directors

B.H. SINGHANIA — Chairman
H.P. SINGHANIA — Vice Chairman & Managing Director
A.S. MEHTA — President & Director

As per our report of even date.
For **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

N.K. LODHA
Partner
Membership No. 85155
New Delhi, the 8th May, 2019

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Vice President &
Company Secretary

ARUN BHARAT RAM, SHAILENDRA SWARUP, DHIRENDRA KUMAR, UDAYAN BOSE, M.H. DALMIA, VINITA SINGHANIA, R.V. KANORIA, S.K. ROONGTA — Directors

Consolidated Cash Flow **Statement** for the year ended March 31, 2019

₹ in Crore (10 Million)

		2018-19		2017-18	
A.	CASH FLOW FROM OPERATING ACTIVITIES :				
	Net Profit before Tax	666.04		375.42	
	Adjustments for :				
	Depreciation and amortization	127.68		122.32	
	Defined Benefit Plans charged to OCI	(1.27)		(1.86)	
	Income from Investments	(15.30)		(15.45)	
	(Profit)/ Loss on Sale of Assets (Net)	0.37		0.17	
	Dividend Income	(0.01)		(0.01)	
	Finance Cost	124.40		143.02	
	Interest Income	(34.00)		(7.05)	
	Foreign Exchange Fluctuation	1.77		3.06	
	Assets Written off	0.74		0.10	
	Bad Debts	0.02		0.84	
	Provision for Doubtful Debts	0.15		0.19	
	Provision for earlier years no longer required	(0.61)		-	
	Foreign Currency Translation gain / (loss) on Consolidation	0.99		0.08	
	Operating Profit before Working Capital Changes	870.97		620.83	
	Adjustments for Working Capital Changes:				
	Trade and Other Receivables	(152.16)		(23.78)	
	Inventories	47.96		(11.29)	
	Trade and Other Payables	102.23		43.69	
	Cash generated from Operations	869.00		629.45	
	Taxes paid	(139.69)		(69.14)	
	Net Cash from Operating Activities		729.31		560.31
B.	CASH FLOW FROM INVESTING ACTIVITIES :				
	Purchase of Property Plant & Equipment	(647.26)		(89.58)	
	Sale of Property Plant & Equipment	173.97		1.19	
	Sale/(Purchase) of Investments (Net)	(510.33)		122.41	
	Dividend Income	0.01		0.01	
	Interest Received	8.89		6.24	
	Acquisition of Subsidiary (Net of Cash)	9.09		-	
	Net Cash from Investing Activities		(965.63)		40.27
C.	CASH FLOW FROM FINANCING ACTIVITIES :				
	Proceeds of Long-term Borrowings	567.17		177.51	
	Repayment of Long-term Borrowings	(236.05)		(460.16)	
	Proceeds/(Repayment) from Short-term Borrowings (Net)	(57.99)		(51.72)	
	Interest and Financial Charges	(131.79)		(143.46)	
	Dividend (including Dividend Tax)	(53.65)		(29.49)	
	Proceeds/(Repayment) from Preference Share Capital	8.00		-	
	Proceeds from Issue of Share Capital to Non Controlling Interest	44.00		-	
	Net cash from Financing Activities		139.69		(507.32)
D.	Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance		(96.63)		93.26
E.	Cash and Cash Equivalents as at the beginning of the year - Cash & Bank Balances (Note No. 11 & 12)		123.37		30.11
F.	Cash and Cash Equivalents as at the close of the year - Cash & Bank Balances (Note No. 11 & 12)		26.74		123.37

Consolidated Cash Flow **Statement** for the year ended March 31, 2019

₹ in Crore (10 Million)

	2018-19		2017-18	
Notes:				
(a) Total Liabilities from Financing Activities	Long Term	Short Term	Long Term	Short Term
Opening	1,233.50	76.03	1,569.95	127.75
Cash Flow Changes				
Inflow/(Repayments)	331.12	(57.99)	(282.65)	(51.82)
Non-Cash Flow Changes				
Foreing Exchange	(4.33)	-	32.41	0.10
FCCB Conversion	(15.46)	-	(94.70)	-
Other	(0.29)	-	8.49	-
Closing	**1,544.54**	**18.04**	**1,233.50**	**76.03**

(b) Previous year's figures have been re-grouped / re-arranged wherever necessary.

For and on behalf of the Board of Directors

As per our report of even date.		B.H. SINGHANIA	Chairman
For **LODHA & CO.**		H.P. SINGHANIA	Vice Chairman & Managing Director
Chartered Accountants		A.S. MEHTA	President & Director
Firm's Registration Number 301051E	V. KUMARASWAMY		
	Chief Finance Officer		

N.K. LODHA		ARUN BHARAT RAM	SHAILENDRA SWARUP	
Partner	S.C. GUPTA	DHIRENDRA KUMAR	UDAYAN BOSE	
Membership No. 85155	Vice President &	M.H. DALMIA	VINITA SINGHANIA	Directors
New Delhi, the 8th May, 2019	Company Secretary	R.V. KANORIA	S.K. ROONGTA	

NOTES

Disclaimer

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. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

A TRISYS PRODUCT Print: pspressgroup@gmail.com

JK PAPER LIMITED

CIN: L21010GJ1960PLC018099 Website: www.jkpaper.com
Regd. Office: P.O.Central Pulp Mills – 394 660, Fort Songadh, Dist. Tapi, Gujarat
Admin. Office: Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110 002
Phone: 011-33001132, 23311112-5 E mail ID: sharesjkpaper@jkmail.com

NOTICE

NOTICE is hereby given that the Fifty Eighth Annual General Meeting of the Members of JK Paper Limited will be held at the Registered Office of the Company at P.O. Central Pulp Mills - 394 660, Fort Songadh, Distt. Tapi, Gujarat, on Friday, the 23rd August 2019 at 12.30 P.M. to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company (including audited consolidated financial statements) for the financial year ended 31st March 2019 and the Reports of the Board of Directors and Auditors thereon.

2. To declare Dividend.

3. To appoint a Director in place of Smt. Vinita Singhania (DIN: 00042983), who retires by rotation and, being eligible, offers herself for reappointment.

As Special Business

4. To consider and if thought fit to pass, the following as Special Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149,150,152 of the Companies Act, 2013 (the Act) read with relevant rules made thereunder and Schedule IV of the Act and Regulation 16 and 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Shri Arun Bharat Ram (DIN: 00694766), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company to hold office for another term of three consecutive years, with effect from 23rd August 2019."

5. To consider and if thought fit to pass, the following as Special Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149,150,152 of the Companies Act, 2013 (the Act) read with relevant rules made thereunder and Schedule IV of the Act and Regulation 16 and 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Shri M.H. Dalmia (DIN: 00009529), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company to hold office for another term of three consecutive years, with effect from 23rd August 2019."

6. To consider and if thought fit to pass, the following as Special Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149,150,152 of the Companies Act, 2013 (the Act) read with relevant rules made thereunder and Schedule IV of the Act and Regulation 16 and 17(1A) and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Shri Shailendra Swarup (DIN: 00167799), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company to hold office for another term of four consecutive years, with effect from 23rd August 2019."

7. To consider and if thought fit to pass, the following as Special Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149,150,152 of the Companies Act, 2013 (the Act) read with relevant rules made thereunder and Schedule IV of the Act and Regulation 16 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Shri R.V. Kanoria (DIN: 00003792), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company to hold office for another term of five consecutive years, with effect from 23rd August 2019."

8. To consider and if thought fit to pass, the following as Special Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149,150,152 of the Companies Act, 2013 (the Act) read with relevant rules made thereunder and Schedule IV of the Act and Regulation 16 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Shri Sandip Somany (DIN: 00053597), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company to hold office for another term of five consecutive years, with effect from 23rd August 2019."

9. To consider and if thought fit to pass, the following as Special Resolution:

   "RESOLVED that pursuant to the provisions of Sections 149,150,152 of the Companies Act, 2013 (the Act) read with relevant rules made thereunder and Schedule IV of the Act and Regulation 16 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof), Shri Udayan Bose (DIN: 00004533), who holds office of Independent Director upto the date of this Annual General Meeting, be and is hereby reappointed as an Independent Director of the Company to hold office for another term of five consecutive years, with effect from 23rd August 2019."

10. To consider and if thought fit to pass, the following as an Ordinary Resolution:

    "RESOLVED that pursuant to the provisions of Sections 149,150,152 of the Companies Act, 2013 (the Act) read with relevant rules made thereunder and Schedule IV of the Act and Regulation 16 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof), Mrs. Deepa Gopalan Wadhwa (DIN: 07862942) whose appointment on the Board as an Additional Director determines on the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company for a term of 3 (three) consecutive years with effect from 27th June 2019."

11. To consider and if thought fit to pass, the following as an Ordinary Resolution:

    "RESOLVED that Shri Amar Singh Mehta (DIN:00030694) whose appointment as Additional Director on the Board determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

12. To consider and if thought fit to pass, the following as an Ordinary Resolution:

    "RESOLVED that Shri Sushil Kumar Roongta (DIN:00309302) whose appointment as Additional Director on the Board determines on the date of the present Annual General Meeting, be and is hereby appointed as a Director of the Company liable to retire by rotation."

13. To consider and if thought fit to pass, the following as Special Resolution:

    "RESOLVED that pursuant to the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, in this regard (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the Members of the Company be and is hereby granted, for payment of annual remuneration to Shri Bharat Hari Singhania, Chairman (Non Executive Director) of the Company for the Financial Year ended 31st March 2019, which exceeds fifty percent of the total remuneration payable to all non-executive directors of the Company".

14. To consider and if thought fit to pass, the following as an Ordinary Resolution:

    "RESOLVED that pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, as amended, remuneration of M/s. R.J. Goel & Co., the Cost Auditors, appointed by the Board of Directors of the Company, to conduct audit of the cost records of the Company for the financial year 2019-20 commencing 1st April 2019, of Rs. one lac, excluding G.S.T. as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the cost audit, be and is hereby ratified.

    RESOLVED further that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto".

15. To consider and if thought fit to pass, the following as an Ordinary Resolution:

    "RESOLVED that pursuant to the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, in this regard {including any statutory modification(s) or re-enactment(s) thereof, for the time being in force}, approval of the Members of the Company be and is hereby accorded, to the Material Related Party Transaction between the Company and The Sirpur Paper Mills Ltd., a step down subsidiary and a related party of the Company, of upto Rs. 600 crore during Financial Year 2019-20, which exceeds 10% of the annual consolidated turnover of the Company for the Financial Year ended March 2019.

    RESOLVED further that Sh. A.S.Mehta, President & Director, Sh. V. Kumaraswamy, Chief Finance Officer, Sh. Ashok Gupta, Vice President (Finance and Accounts) and Sh. Suresh Chander Gupta, Vice President & Company Secretary of the Company be and are hereby authorised jointly and/or severally, to do all such acts, deeds, matters and things, as may be necessary in connection therewith or incidental thereto".

Regd. Office:
P.O. Central Pulp Mills–394 660,
Fort Songadh, Distt. Tapi (Gujarat)

Date: 27th June 2019

By Order of the Board

Suresh Chander Gupta
Vice President & Company Secretary

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

   A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Statement pursuant to Section 102 of the Companies Act 2013 (Act), setting out the material facts concerning Item Nos. 4 to 15 of the Notice, is annexed hereto.

3. Corporate Members intending to send their authorised representatives to attend the Annual General Meeting (AGM) are requested to send a duly certified copy of their Board Resolution authorising their representatives to attend and vote at the AGM.

4. Relevant documents referred to in the accompanying Notice and the Statement pursuant to Section 102 of the Act, shall be available for inspection by the members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of the AGM and also at the venue of the meeting.

5. The Register of Members and the Share Transfer Books of the Company will be closed from 16th August 2019 to 23rd August 2019 (both days inclusive).

6. The Dividend for the financial year ended 31st March 2019 of Rs. 3.50 per Equity Share (35%) on 17,82,43,585 fully paid equity shares of Rs. 10/- each, as recommended by the Board of Directors, if declared at the AGM, will be paid within three weeks of the date of the AGM to those members whose names are borne on the Register of Members of the Company on 23rd August 2019 or to their mandatees. In respect of shares held by the Members in dematerialised form, the dividend will be paid on the basis of details of beneficial ownership to be received from the Depositories for this purpose.

7. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for 2018-19, the Notice of the 58th AGM of the Company along with Admission Slip and Proxy Form are being sent to all the members whose email addresses are registered with the Company/Depository Participants. Physical copy of the aforesaid documents may be sent on request by any such Member.

8. Physical copy of the Annual Report for 2018-19, the Notice of the 58th AGM of the Company along with Admission Slip and Proxy Form are being sent to those members who have not registered their e-mail addresses with the Company/Depository Participants. The Annual Report for 2018-19 and the Notice of the 58th AGM along with Admission Slip and Proxy Form will also be available on the Company's website www.jkpaper.com.

9. Members who have not registered their e-mail addresses so far are requested to register their e-mail addresses for receiving all communications including Annual Report, Notices, Circulars, etc. from the Company electronically.

10. **Appointment/Re-appointment of Directors:**
    Brief resumes of the Directors proposed to be appointed/reappointed (Item Nos. 3 to 12 of the Notice) are given hereunder:

- Smt. Vinita Singhania, aged 67 years and a graduate, is a businesswoman and an industrialist, with diversified and rich business experience. She joined the Board of the Company on 14th May 2009. She is Vice Chairman & Managing Director of JK Lakshmi Cement Limited. Smt. Singhania has been Director of several industrial and other companies. She has long experience of managing cement business and actively interacts with various association of cement industry on important issues.

  Her other Directorships are - (A) Listed Companies - JK Lakshmi Cement Limited, Bengal & Assam Company Limited, HEG Limited and Udaipur Cement Works Limited (B) Unlisted Companies - JKLC Employees Welfare Association Limited, Niyojit Properties Private Limited, Vinita Stock Holdings Private Limited, Hari Shankar Singhania Holdings Private Limited and Dhanlakshmi Building Development Private Limited. Chairmanship/ Membership of Smt. Vinita Singhania in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - NIL

  Smt. Singhania attended five board meetings of the Company held during the financial year ended 31st March 2019. Smt. Singhania holds 2,25,550 Equity Shares of the Company and does not hold any Equity Shares of the Company, on beneficial basis for any other person. Smt. Singhania is not related to any other Director and Key Managerial Personnel of the Company. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Non Executive Director of the Company, she is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. Her Director Identification No. is 00042983.

- Shri Arun Bharat Ram, aged 78 years, Chairman of SRF Limited, is an alumna of the University of Michigan, USA, from where he graduated in Industrial Engineering. He joined the Board of the Company on 25th April 2006. As Chairman of SRF Limited, Shri Arun Bharat Ram is credited with turning his family owned multi-business organization into a world class conglomerate. Today, SRF's business portfolio covers Fluorochemicals, Specialty Chemicals, Packaging Films, Technical Textiles and Engineering Plastics.

  Shri Arun Bharat Ram also serves as the Chairman of SRF Foundation which runs one of the largest community programs in the Country, imparting education and vocational training programs to underprivileged children and youth and also works in the areas of creating awareness on issues related to health and hygiene, natural resource management and affirmative action on a sustainable basis. He is also the Chairman of Lady Shri Ram College for Women in Delhi and The Shri Ram Schools in Delhi and Gurgaon.

  His other Directorships are - (A) Listed Company - SRF Limited (B) Unlisted Companies - SRF Holiday Home Limited and Shri Educare Limited. Chairmanship/Membership of Shri Arun Bharat Ram in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - NIL

  Shri Bharat Ram attended five board meetings of the Company held during the financial year ended 31st March 2019. Shri Bharat Ram does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Bharat Ram is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 4 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00694766.

- Shri M.H. Dalmia, aged 77 years, is a leading Indian businessman, from a prominent business family with consolidated revenue of US$250 million. He joined the Board of the Company on 14th May 2009. He leads a number of companies with diversified interests, including cement, industrial ceramics, mechanical engineering and mining. He has led Group in various sectors and international operations and has held leadership positions in various Indian business associations. He is a Bachelor of Chemical Engineering from Jadavpur University (1961), Calcutta and was awarded gold medal for top rank.

His other Directorships are - (A) Listed Company - NIL (B) Unlisted Company - NIL. Chairmanship/Membership of Shri M.H. Dalmia in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - NIL

Shri Dalmia attended three board meetings of the Company held during the financial year ended 31st March 2019. Shri Dalmia does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Dalmia is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 5 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00009529.

- Shri Shailendra Swarup, aged 74 years, holds a bachelors degree in arts and is also a law graduate. He joined the Board of the Company on 17th August 2013. He has been practicing as an Advocate in the Delhi High Court and the Supreme Court for over 45 years.

  His other Directorships are - (A) Listed Companies - Gujarat Flurochemicals Limited, Bengal & Assam Company Limited and Subros Limited (B) Unlisted Companies - Inox Infrastructure Limited, India Thermit Corporation Limited, Inox Fluorochemicals Limited, Vis Legis Consult Private Limited, Xerox India Enterprises Private Limited, Kangaroo Properties Private Limited and Dev Valley Devcon Private Limited. Chairmanship/Membership of Shri Shailendra Swarup in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Member of Audit Committee of Gujarat Flurochemicals Limited, India Thermit Corporation Limited and Inox Infrastructure Limited.

  Shri Swarup attended three board meetings of the Company held during the financial year ended 31st March 2019. Shri Swarup does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Swarup is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 6 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00167799.

- Shri R.V. Kanoria, aged 64 years, with an MBA (Honours) from IMD, Switzerland, and Advanced Management Programme from Wharton, USA, has four decades of experience in the fields of chemicals, textiles, jute industries and renewable energies. He joined the Board of the Company on 24th July 2007. He was a part of the official Indian Government delegation for the WTO Inter Ministerial Meetings in Seattle and Hong Kong. He is past President of FICCI and the International Chamber of Commerce India. He is also past Chairman of the Indian Jute Mills' Association and Confederation of Indian Textile Industry.

  His other Directorships are - (A) Listed Companies - Kanoria Chemicals & Industries Limited, Nestle India Limited and Ludlow Jute & Specialties Limited (B) Unlisted Companies - Kirtivardhan Finvest Services Limited, R.V.

Investment and Dealers Limited, KPL International Limited and Vardhan Limited. Chairmanship/Membership of Shri R.V. Kanoria in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Chairman of Audit Committee of Nestle India Limited and KPL International Limited and Member of Audit Committee of Kanoria Chemicals & Industries Limited, Member of Stakeholders Relationship Committee of Nestle India Limited and R.V. Investment and Dealers Limited.

Shri Kanoria attended four board meetings of the Company held during the financial year ended 31st March 2019. Shri Kanoria does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Kanoria is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 7 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00003792.

- Shri Sandip Somany, aged 55 years, is the Joint Managing Director of HSIL Limited. He joined the Board of the Company on 11th August 2014. He is graduate in Commerce from Delhi University. He has also studied Ceramic Manufacturing Technology from the University of California, USA.

  Shri Somany is the President of Federation of Indian Chamber of Commerce and Industry (FICCI) and past President of PHD Chamber of Commerce and Industry. He has been a member in various Committees of the Bureau of Indian Standards. He was also a member of the Governing Body of All India Organization of Employers.

  He is member of Delhi Chapter of the Young Presidents Organization and Delhi Achievers Round Table, which are worldwide organizations.

  His other Directorships are - (A) Listed Company - HSIL Limited (B) Unlisted Companies – Grindlay Properties Private Limited, Somany Home Innovation Limited, PACO Exports Limited, Brilloca Limited, Somany Faucets and Showers Private Limited, Luxxis Heating Solutions Private Limited. Chairmanship/Membership of Shri Sandip Somany in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - NIL

  Shri Somany attended three board meetings of the Company held during the financial year ended 31st March 2019. Shri Somany does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Somany is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 8 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00053597.

- Shri Udayan Bose, aged 70 years, is a science graduate. He joined the Board of the Company on 25th April 2006. He is a Fellow of the Chartered Institute of Bankers, U.K. and has done Advanced Management at Harvard Business School, USA. In 1985, he set up India's first Investment Bank - Creditcapital, which eventually was bought out by Lazard LLC. He was the Chairman of Creditcapital/ Lazard India (1985 - 2005) and became MD & General Partner of Lazard LLC (2001-2005). He was Advisor to the Union Bank of Switzerland (1986 - 1997).

He has also served on the Advisory Board of The Economic Intelligence Unit of the Economist. Currently, Shri Bose is also the founder Chairman of India's first Buy Out Fund, formed to control underperforming Indian cos. Recently, he joined Dubai Holding LLC.

His other Directorships are - (A) Listed Company - Pritish Nandy Communications Limited (B) Unlisted Companies - Tamara Capital Advisors Private Limited, EARL Management Consultants Private Limited, KC Corporate Finance Advisors Private Limited and The Sirpur Paper Mills Limited. Chairmanship/Membership of Shri Udayan Bose in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Chairman of Audit Committee of Pritish Nandy Communications Limited and The Sirpur Paper Mills Limited.

Shri Bose attended five board meetings of the Company held during the financial year ended 31st March 2019. Shri Bose does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Bose is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of his reappointment are as per the Resolution at Item No. 9 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Independent Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00004533.

- Mrs. Deepa Gopalan Wadhwa, aged 63 years has been a distinguished career diplomat who joined the Indian Foreign Service (IFS) in 1979 and retired in December 2015. She joined the Board of the Company on 27th June 2019. A graduate from Madras University, she has an undergraduate degree in Chemistry and a post graduate degree in English Literature.

  She has served as Ambassador of India to Japan (2012-2015), Qatar (2009-2012) and Sweden (2005-2009). She was concurrently accredited as Ambassador to Latvia (from Stockholm), and Republic of the Marshall Islands (from Tokyo). During her career, she has also held other significant assignments in Geneva, Hongkong, China, The Netherlands, the International Labour Organization (ILO) and the Ministry of External Affairs.

  In the course of her career spanning over 36 years, she has handled a wide swathe of issues and subjects related to India's relations with key countries such as Pakistan, China, and Japan; participated in international conferences and negotiations related to climate change, sustainable development, disarmament and human rights and was instrumental in the active promotion of India's economic interests in areas of trade, technology, investments and energy security during postings in Europe, the GCC and Japan.

  Mrs. Wadhwa is Chairperson of the India- Japan Friendship Forum, Member Governing Council of the Institute of Chinese Studies and is on the Governing Council of the Asian Confluence based in Shillong.

  Her other Directorships are - (A) Listed Company – J.K. Cement Limited (B) Unlisted Companies - Mukand Sumi Special Steel Limited and Corporate Catalyst India Private Limited. Chairmanship/Membership of Mrs. Deepa Gopalan Wadhwa in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - NIL

  Mrs. Wadhwa could not attend any board meeting during the financial year ended 31st March 2019 as she was appointed as Director on 27th June 2019. Mrs. Wadhwa does not hold, either by herself or on beneficial basis for any other person, any Equity Shares of the Company. Mrs. Wadhwa is not related to any other Director and Key Managerial Personnel of the Company. The terms and conditions of her appointment are as per the Resolution at Item No. 10 of the Notice of this Meeting read with statement under Section 102 of the Companies Act, 2013. As Independent Director of the Company, she is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. Her Director Identification No. is 07862942.

- Shri Amar Singh Mehta, aged 59 years, took over as President, JK Paper Ltd. in October 2011. He joined the Board of the Company on 1st October 2018. His association with JK Organisation is over 30 years now. He has held several senior positions in JK Tyre & Industries Ltd. He has held various positions in the filed of Finance, Accounts, Taxation, Internal Audit and Corporate Law before taking over as Marketing Director with JK Tyre & Industries Ltd. As Head of Marketing & Sales of a leading tyre manufacturer, Shri Mehta spearheaded 700 strong Marketing, Sales & Service team across the country located at over 130 locations catering to diverse business segments of OEM/Govt. and STUs. The entire team and a 4000 strong dealer network were nurtured under Shri Mehta's stewardship. He was instrumental in several marketing initiatives of the Tyre business and the Company grew manifold under his leadership.

  Well recognized in the Tyre Industry, Shri Mehta was involved with industry platforms including Automotive Tyre Manufacturers' Association (ATMA), the apex body of the Tyre Industry in India.

  A Fellow Chartered Accountant with all India merit, Shri Mehta has an extensive experience of over 35 years. He has also contributed to major initiatives taken by JK Organisation mainly on mergers and acquisitions, quality certification, corporate governance, cost compression, competency assessments, financial control systems and employee policies etc.

  He is Vice President of the Apex Industry Body, Indian Paper Manufacturers Association (IPMA) and is also the Chairman for the Commercial and Taxation Committee. He is recognised as one of the key spokesperson for the Indian Paper Industry and works closely with various Government bodies towards policy changes and improvement for the industry.

  Entirely a people's man and HR driven, his vision in life is to give Happiness to all those who are associated with him.

  His other Directorships are - (A) Listed Company - JK Agri Genetics Limited (B) Unlisted Companies - Bhopal Udyog Limited and Ultima Finvest Limited. Chairmanship/Membership of Shri Amar Singh Mehta in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Member of Audit Committee of JK Agri Genetics Limited and Ultima Finvest Limited, Chairman of Stakeholders Relationship Committee of JK Agri Genetics Limited.

  Shri Mehta attended two board meetings of the Company held during the financial year ended 31st March 2019. Shri Mehta does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Mehta is not related to any other Director and Key Managerial Personnel of the Company. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Executive Director of the Company, he is entitled to remuneration, performance linked incentive and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00030694.

- Shri Sushil Kumar Roongta, aged 69 years, is an Electrical Engineering Graduate from BITS, Pilani and PG Diploma in Management (International Trade) from IIFT, New Delhi - Gold Medalist. He joined the Board of the Company on 12th February 2019. He is regarded as an expert on Strategy and Turnaround in manufacturing sector in the country.

  Shri Roongta had joined Steel Authority of India Ltd. (SAIL) in 1972 and rose to become its Executive Chairman (2006-2010). His astute understanding of the micro aspects of the business coupled with global and strategic vision helped him transform SAIL as one of the most admired steel companies globally. Under his leadership, SAIL was adjudged as the 2nd Best Steel Company in the world (next to POSCO), by the World Steel Dynamics, USA.

Shri Roongta was Chairman of "Panel of Experts on Reforms in the Central Public Sector Enterprises", constituted by the Planning Commission consisting of 14 eminent members (2010-2011). The Report of the Panel, widely known as the 'Roongta Committee Report', is taken as the benchmark for CPSE reforms. He was also Chairman of the Board of Governors, Indian Institute of Technology (IIT), Bhubaneswar (2012-2015).

Shri Roongta is active in various Apex Chambers, being Mentor of Non-ferrous Metal Committee of FICCI, Chair of National Expert Committee on Minerals and Metals of Indian Chamber of Commerce (ICC) and Co-Chair of Industry Affairs Committee of PHDCCI.

He is recipient of several awards and accolades, including SCOPE Award for 'Excellence and Outstanding Contribution to the Public Sector Management'- individual category, IIM – JRD Tata Award for Excellence in Corporate Leadership in Metallurgical Industries, 2016.

His other Directorships are - (A) Listed Companies - Jubilant Life Sciences Limited, ACC Limited, Jubilant Industries Limited, Talwandi Sabo Power Limited and CL Educate Limited, (B) Unlisted Companies - Bharat Aluminium Company Limited, Hero Steels Limited, Great Eastern Energy Corporation Limited, Jubilant Agri and Consumer Products Limited. Chairmanship/Membership of Shri Sushil Kumar Roongta in the Committees of Directors in other Companies in terms of Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Member of Audit Committee of ACC Limited, Hero Steels Limited, Jubilant Industries Limited, Great Eastern Energy Corporation Limited and Jubilant Agri and Consumer Products Limited, Chairman of Stakeholders Relationship Committee of Jubilant Industries Limited.

Shri Roongta attended one board meeting of the Company held during the financial year ended 31st March 2019. Shri Roongta does not hold, either by himself or on beneficial basis for any other person, any Equity Shares of the Company. Shri Roongta is not related to any other Director and Key Managerial Personnel of the Company. For details of remuneration drawn during FY 2018-19, please refer to Form MGT 9 printed in the Annual Report of the Company. As Non Executive Director of the Company, he is entitled to fee for participating in the meetings of the Board or Committees thereof, reimbursement of expenses for participating in the said meetings and profit related commission, within the limits stipulated under the Companies Act, 2013. His Director Identification No. is 00309302.

11. The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting held on September 14, 2017.

12. Remote e-Voting procedure

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with relevant rules thereunder and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its members, facility to exercise their right to vote at the 58th AGM by electronic voting system from a place other than the venue of the meeting ("remote e-voting") and the businesses may be transacted through remote e-voting services provided by Central Depository Services (India) Limited (CDSL). Remote e-voting is optional. The facility for voting by ballot/polling paper shall also be made available at the AGM and members attending the AGM who have not already cast their vote by remote e-voting shall be able to exercise their right to cast vote at the AGM.

The instructions for members for remote e-voting are as under:-

(i) The voting period begins on 20th August 2019 from 10:00 A.M. and ends on 22nd August 2019 at 5:00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 13th August 2019, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the AGM date may attend the AGM but would not be entitled to vote at the AGM.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on Shareholders / Members

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID.

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID.

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user, follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on sticker pasted on the envelope of this Notice. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(ix) After entering these details appropriately, click on "SUBMIT" tab.

(x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN of JK Paper Limited.

(xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xx) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 13th August, 2019 may follow the same instructions as mentioned above for remote e-voting.

(xxii) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. The contact details of official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013.; Phone No. 1800225533 or write an email to helpdesk.evoting@cdslindia.com.

(xxiii) The voting rights of the Members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut off date of 13th August 2019 and a person who is not a member as on a cut off date should treat the Notice for information purpose only.

(xxiv) The Company has appointed Mr. Namo Narain Agarwal, Practising Company Secretary (Membership No. FCS-234) as Scrutinizer to scrutinize the voting (at AGM venue) and remote e-voting process in a fair and transparent manner.

(xxv) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing who shall countersign the same. The Chairman or a person authorized by him in writing shall declare the results of the voting forthwith.

13. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut off date i.e., 13th August 2019 and who has not cast vote by remote-voting and being present at the AGM either personally or through proxy, only shall be entitled to vote at the AGM. Ballot papers will be available at the venue of the AGM.

14. The Results declared alongwith the consolidated Scrutinizer's report shall be placed on the website of the Company www.jkpaper.com and on the website of CDSL e-voting www.evotingindia.com and shall simultaneously be forwarded to the concerned Stock Exchanges. The result of the voting will also be displayed at the Notice Board at the Registered Office and the Administrative Office of the Company.

STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013

Item nos. 4, 5, 6, 7, 8 and 9

The shareholders of the Company at their Annual General Meeting (AGM) held on 27th September 2014 had appointed Shri Arun Bharat Ram, Shri M.H. Dalmia, Shri Shailendra Swarup, Shri R.V. Kanoria, Shri Sandip Somany and Shri Udayan Bose as Independent Directors of the Company each for their first term of five consecutive years from 27th September 2014, the date of 53rd Annual General Meeting (AGM), upto the conclusion of 58th AGM of the Company in the year 2019.

As per provisions of the Companies Act, 2013, the Independent Directors shall hold office for a term up to five consecutive years, but shall be eligible for reappointment, subject to compliance of certain conditions and on passing of a Special Resolution by the members of the Company. Further, such Independent Directors will also not be subject to retirement of Directors by rotation.

The Board, based on the performance evaluation and as per the recommendations of the Nomination and Remuneration Committee of Directors, considers that given the knowledge, background, experience and contribution made by each of the above named Independent Directors during their respective tenures, it would be in the interest of the Company to have continued association of Shri Arun Bharat Ram, Shri M.H. Dalmia, Shri Shailendra Swarup, Shri R.V. Kanoria, Shri Sandip Somany and Shri Udayan Bose as Independent Directors of the Company.

Accordingly, the Board recommended reappointments of the above named directors as Independent Directors of the Company, for second term with effect from 23rd August 2019, comprising of (i) three consecutive years in case of Shri Arun Bharat Ram and Shri M.H. Dalmia; (ii) four consecutive years in case of Shri Shailendra Swarup and (iii) five consecutive years in case of Shri R.V. Kanoria, Shri Sandip Somany and Shri Udayan Bose.

The Company has received declarations from Shri Arun Bharat Ram, Shri M.H. Dalmia, Shri Shailendra Swarup, Shri R.V. Kanoria, Shri Sandip Somany and Shri Udayan Bose that they meet with the criteria of independence and that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence, as prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). None of the above named directors are presently disqualified from being appointed as a Director in terms of Section 164 of the Act or debarred from holding the office of Director pursuant to any SEBI Order.

In the opinion of the Board, Shri Arun Bharat Ram, Shri M.H. Dalmia, Shri Shailendra Swarup, Shri R.V. Kanoria, Shri Sandip Somany and Shri Udayan Bose fulfil the conditions specified in the Companies Act, 2013 and Rules made thereunder and Listing Regulations for their reappointments as Independent Directors of the Company and they are independent of the Management.

Copies of the draft letters for reappointment of Shri Arun Bharat Ram, Shri M.H. Dalmia, Shri Shailendra Swarup, Shri R.V. Kanoria, Shri Sandip Somany and Shri Udayan Bose as Independent Directors setting out the terms and conditions and other relevant documents would be available for inspection by the members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting. Brief resumes of Shri Arun Bharat Ram, Shri M.H. Dalmia, Shri Shailendra Swarup, Shri R.V. Kanoria, Shri Sandip Somany and Shri Udayan Bose, are given in the notes appended to the Notice of this Meeting.

Further, in terms of Regulation 17(1A) of Listing Regulations, consent of the Members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of seventy five years. Shri Arun Bharat Ram and Shri M.H. Dalmia have already attained the age of seventy eight years and seventy seven years respectively. During the proposed term of re-appointment, Shri Shailendra Swarup will attain the age of seventy five years in November 2019. The Special Resolutions set out at Item nos. 4, 5 and 6 of the Notice for their reappointment, shall also be deemed to have been proposed under the Listing Regulations for continuation of Shri Arun Bharat Ram, Shri M.H. Dalmia and Shri Shailendra Swarup as Independent Director(s) beyond the age of seventy five years.

The Board recommends the aforesaid Special Resolutions for approval by the members.

Except Shri Arun Bharat Ram, Shri M.H. Dalmia, Shri Shailendra Swarup, Shri R.V. Kanoria, Shri Sandip Somany and Shri Udayan Bose, being appointees respectively, and their relatives to the extent of their shareholding, if any, in the Company, none of the Directors or Key Managerial Personnel of the Company and/or their relatives are concerned or interested, financially or otherwise, in the aforesaid special resolutions.

Item No. 10

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, had appointed Mrs. Deepa Gopalan Wadhwa (DIN: 07862942) vide circular resolution passed on 27th June 2019, as Additional Director of the Company in the category of Independent Director w.e.f. 27th June 2019, who shall hold office upto this Annual General Meeting (AGM) of the Company, pursuant to Section 161(1) of the Companies Act 2013 (the Act).

The Company has received declaration from Mrs. Deepa Gopalan Wadhwa that she meets with the criteria of independence and that she is not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact her ability to discharge her duties with an objective independent judgment and without any external influence, as prescribed under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). She is not presently disqualified from being appointed as a Director in terms of Section 164 of the Act or debarred from holding the office of Director pursuant to any SEBI Order.

The Company has received requisite notice under Section 160 of the Act from a member proposing the name of Mrs. Deepa Gopalan Wadhwa as a candidate for the office of Director of the Company at this AGM of the Company.

The Board of Directors of the Company has recommended to the members the appointment of Mrs. Deepa Gopalan Wadhwa as an Independent Director of the Company, for a term of three consecutive years w.e.f. 27th June, 2019. In the opinion of the Board, she fulfills the conditions specified in the Act and Rules made thereunder and Listing Regulations for her appointment as Independent Director of the Company and she is independent of the Management.

Copy of the draft letter of appointment of Mrs. Deepa Gopalan Wadhwa as an Independent Director setting out the terms and conditions and other relevant documents would be available for inspection by the Members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

The Board recommends the aforesaid Ordinary Resolution for approval by the members.

Except Mrs. Deepa Gopalan Wadhwa and her relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

Item No. 11

The Board of Directors at its meetings held on 31st July 2018, on the recommendation of Nomination and Remuneration Committee, had appointed Sh. A.S. Mehta (DIN: 00030694) as an Additional Director of the Company w.e.f 1st October 2018, who shall hold office upto this Annual General Meeting (AGM) of the Company, pursuant to Section 161 (1) of the Companies Act 2013 (the Act).

The Company has received requisite notice under Section 160 of the Act from a member proposing the name of Shri A.S. Mehta as a candidate for the office of Director of the Company at this AGM of the Company.

The Board of Directors of the Company has recommended appointment of Shri A.S. Mehta as a Director of the Company liable to retire by rotation.

The Board recommends the aforesaid Ordinary Resolution for approval by the members.

Except Shri A.S. Mehta and his relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

Relevant documents would be available for inspection by the Members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

Item No. 12

The Board of Directors at its meeting held on 12th February 2019, on the recommendation of Nomination and Remuneration Committee, had appointed Shri Sushil Kumar Roongta (DIN: 00309302) as an Additional Director of the Company w.e.f. 12th February 2019, who shall hold office upto this Annual General Meeting (AGM) of the Company, pursuant to Section 161(1) of the Companies Act 2013 (the Act).

The Company has received requisite notice under Section 160 of the Act from a member proposing the name of Shri Sushil Kumar Roongta as a candidate for the office of Director of the Company at this AGM of the Company.

The Board of Directors of the Company has recommended appointment of Shri Sushil Kumar Roongta as a Director of the Company liable to retire by rotation.

The Board recommends the aforesaid Ordinary Resolution for approval by the members.

Except Shri Sushil Kumar Roongta and his relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

Relevant documents would be available for inspection by the Members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

Item No. 13

Shri Bharat Hari Singhania has been a Director of the Company since 21st May 2013 and holds the position of Chairman of the Company (Non-Executive) since then.

Pursuant to Regulation 17(6) (ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a listed entity is required to obtain the approval of Members of the Company by way of Special Resolution for payment of annual remuneration to a single non-executive director exceeding 50 % of the total remuneration payable to all non-executive directors of the Company.

Shri Bharat Hari Singhania is to be paid a commission of Rs. 200 lac for the financial year ended March 2019, within the limits prescribed under the Companies Act, 2013, as already approved by the members at the Annual General Meeting of the Company held on 14th September 2016.

Since, the annual remuneration payable to Shri Bharat Hari Singhania, Chairman (Non-Executive Director) of the Company exceeds fifty per cent of the total annual remuneration payable to all non-executive directors of the Company for the Financial Year ended 31st March 2019, the approval of the Members of the Company is required by way of Special Resolution.

Shri Bharat Hari Singhania, is an Industrialist with about 62 years of experience in managing various industries including Cement, Automotive Tyres, Paper, Jute, Synthetics, Paints, high yielding Hybrid Seeds, Audio Magnetic Tapes, Sugar, etc.

Shri Bharat Hari Singhania is also the Chairman of Bengal & Assam Company Ltd. and JK Agri-Genetics Ltd., Chairman & Managing Director of JK Lakshmi Cement Ltd., Managing Director of JK Tyre & Industries Ltd. and Director of other Companies. He is also Chancellor of JK Lakshmipat University, Jaipur.

Shri Bharat Hari Singhania is also the President of J K Organisation, an Industrial Group founded over 100 years ago. The Group is a multi-business, multi-product and multi-location group.

Shri Bharat Hari Singhania was the past President of Indian Chamber of Commerce, past Chairman of Indian Jute Mills Association and Indian Jute Industries Research Association, Kolkata and has been involved with a large number of industry and professional bodies. He has been a Member of various Government bodies and Trade delegations. He has travelled widely in India & overseas and has intense knowledge of various industries and finance sector.

Shri Bharat Hari Singhania is heading various philanthropic organisations of JK Group such as Lakshmipat Singhania Education Foundation, Lakshmipat Singhania Medical Foundation and Pushpawati Singhania Hospital & Research Institute. He is also actively associated with many other Academic Institutions which are run by JK Group. He has a passion for promoting educational institutions, health care, cultural & philanthropic activities in various parts of the country.

With a progressive attitude and inherent leadership skills, Shri Singhania has provided strategic direction to the Company and immensely contributed in its functioning and growth. As a Chairman of the Board, Shri Singhania has harmoniously conducted the meetings, actively participated in discussions and ensured that the policies, processes and compliances are strengthened in the Company, benchmarked with the best and duly observed.

The Board recommends the aforesaid Special Resolution for approval by the members.

Except Shri Bharat Hari Singhania, Chairman and Shri Harsh Pati Singhania, Vice Chairman & Managing Director and their relatives to the extent of their shareholding, if any, in the Company, none of the other Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid Resolution.

Relevant documents would be available for inspection by the Members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

Item No. 14

The Board at its meeting held on 8th May 2019, as recommended by the Audit Committee, had appointed M/s. R.J. Goel & Co., Cost Accountants, as Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2019-20 commencing 1st April 2019 at a remuneration of Rs. one lac, excluding G.S.T. as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the cost audit.

In accordance with the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration as mentioned above, payable to the Cost Auditors has to be ratified by the Members of the Company.

The Board recommends the aforesaid Ordinary Resolution for approval by the members.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Item No. 15

Pursuant to Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), a transaction with a related party shall be considered material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company. All Material Related Party Transaction(s) shall require approval of the shareholders.

The Company has plans to purchase papers during the FY 2019-20 from The Sirpur Paper Mills Ltd. (SPML), a step down subsidiary and a related party of the Company, which had been acquired on 1st August 2018 by the Company through Insolvency and Bankruptcy Code, 2016. The estimated value of said transactions with SPML is likely to exceed the threshold limit, and is expected to be around Rs. 600 crore during the FY 2019-20. These transaction(s) being at arm's length basis and in the ordinary course of business of the Company, provisions of Section 188 of the Companies Act, 2013 are not applicable to said transaction(s).

Accordingly, transaction(s) entered/to be entered into with SPML come within the meaning of material related party transaction(s) in terms of provisions of the Listing Regulations. These Material related party transaction(s) have already been approved by the Audit Committee of the Company.

Hence, approval of the shareholders is being sought for the said Material Related Party Transaction(s) entered/to be entered into by your Company with SPML in the financial year 2019-20.

The Board recommends the aforesaid Ordinary Resolution for approval by the members.

Except Shri Harsh Pati Singhania, Vice Chairman & Managing Director, Shri Bharat Hari Singhania, Chairman, Shri Udayan Bose, Director and Shri V. Kumaraswamy, Chief Finance Officer, none of the Directors or Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financially or otherwise, in the aforesaid resolution.

Relevant documents would be available for inspection by the Members at the Registered Office/Administrative Office of the Company on any working day between 2 P.M. to 4 P.M. upto and including the date of AGM and also at the venue of the meeting.

Regd. Office:
P.O. Central Pulp Mills–394 660,
Fort Songadh, Distt. Tapi (Gujarat)

By Order of the Board

Suresh Chander Gupta
Vice President & Company Secretary

Date: 27th June 2019

FOR ATTENTION OF THE MEMBERS

1. Members/Proxies should bring the Admission Slip sent herewith duly filled in for attending the Meeting.
2. For prompt attention, requests for transfer of Equity Shares and related correspondence should be addressed to the **Company's Registrar & Share Transfer Agent (RTA)**: **M/s MCS Share Transfer Agent Ltd, F–65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi 110 020**. For other matters, kindly write to the **Secretarial Department of the Company at Gulab Bhawan (Rear Block) 3rd Floor, 6A, Bahadur Shah Zafar Marg, New Delhi- 110002**.
3. Please check the address including the Pin code in the address slip pasted on the envelope and advise correction, if any, therein. Also please do indicate the Pin Code number of your delivery post office while notifying change in your address to RTA where shares are held in physical form.
4. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form from 1st April, 2019 onwards. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN No. is INE789E01012.
5. Members having multiple folios are requested to write to the RTA for consolidation of the Folios.

6. Dividend Warrants:

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Accordingly, the Members are requested to register/update their correct bank account details with the Company/RTA/Depository Participant, as the case may be.

7.1 Unclaimed dividends - Transfer to Investor Education and Protection Fund:

Pursuant to the provisions of Section 124 read with Section 125 and other applicable provisions, if any, of the Companies Act, 2013, the amount of dividend remaining unpaid or unclaimed for a period of 7 years from the date the dividend became due for payment is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government. Accordingly, during the financial year 2018-19, the unclaimed Dividend for the financial year ended 31st March 2012 will become due for transfer to the IEPF on 13th August 2019.

The unclaimed Dividend for the financial year ended 31st March 2013 will become due for transfer to the IEPF on 17th August, 2020.

Members who have not claimed their Dividend for the Financial Years 2012-13 onwards may send their unclaimed Dividend Warrants for revalidation/write to the Secretarial Department of the Company at the address given at point no. 2 above.

7.2 Pursuant to the provisions of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, all shares in respect of which dividend has not been paid or claimed for seven consecutive years shall be transferred by the Company to the designated Demat Account of the IEPF Authority ("IEPF Account") within a period of 30 days of such shares becoming due to be transferred to the IEPF Account. Accordingly, the Company has, during financial year 2017-18, transferred 12,021 Equity Shares of Rs. 10/- each to the IEPF Account on which the dividends had remained unpaid or unclaimed for seven consecutive years or more as on the due dates of transfer, i.e. October 31, 2017 and January 28, 2018, after following the prescribed procedure.

8. As mandated by SEBI, Members holding shares in physical form are required to submit their Permanent Account Number (PAN) and Bank details to the RTA/Company, if not registered with the Company.

9. Nomination: Pursuant to Section 72 of the Companies Act, 2013, individual Members holding Equity Shares of the Company either singly or jointly may nominate an individual to whom all the rights in the Shares in the Company shall vest in the event of death of the sole/all joint Members. Member holding shares in physical form, may send their nomination in the prescribed Form SH-13, duly filled in, to the Secretarial Department at the address mentioned above. Members holding shares in dematerialised form are requested to contact their Depository Participant for recording their nomination.

10. Members are requested to quote their Folio No./DP ID- Client ID and details of shares held in physical/demat mode, e-mail ids and Telephone No. for prompt reply to their communications.

11. This Notice also contains a route map of the venue of AGM.

JK PAPER LIMITED

CIN: L21010GJ1960PLC018099 Website: www.jkpaper.com
Regd. Office: P.O.Central Pulp Mills – 394 660, Fort Songadh, Dist. Tapi, Gujarat
Admln. Office: Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110 002
Phone: 011-33001132, 23311112-5 E mail ID: sharesjkpaper@jkmail.com

ADMISSION SLIP

Folio No.	DP ID #
No. of Shares held	Client ID #

I hereby record my presence at the 58th Annual General Meeting of the Company being held at P.O. Central Pulp Mills – 394660, Fort Songadh, Distt. Tapi, Gujarat on Friday, the 23rd August, 2019 at 12.30 P.M.

Name of the Member (in block letters)	
Name of the Proxy-holder/ Authorised representative* (in block letters)	

Applicable for investors holding shares in dematerialised form.
* Strike out whichever is not applicable.

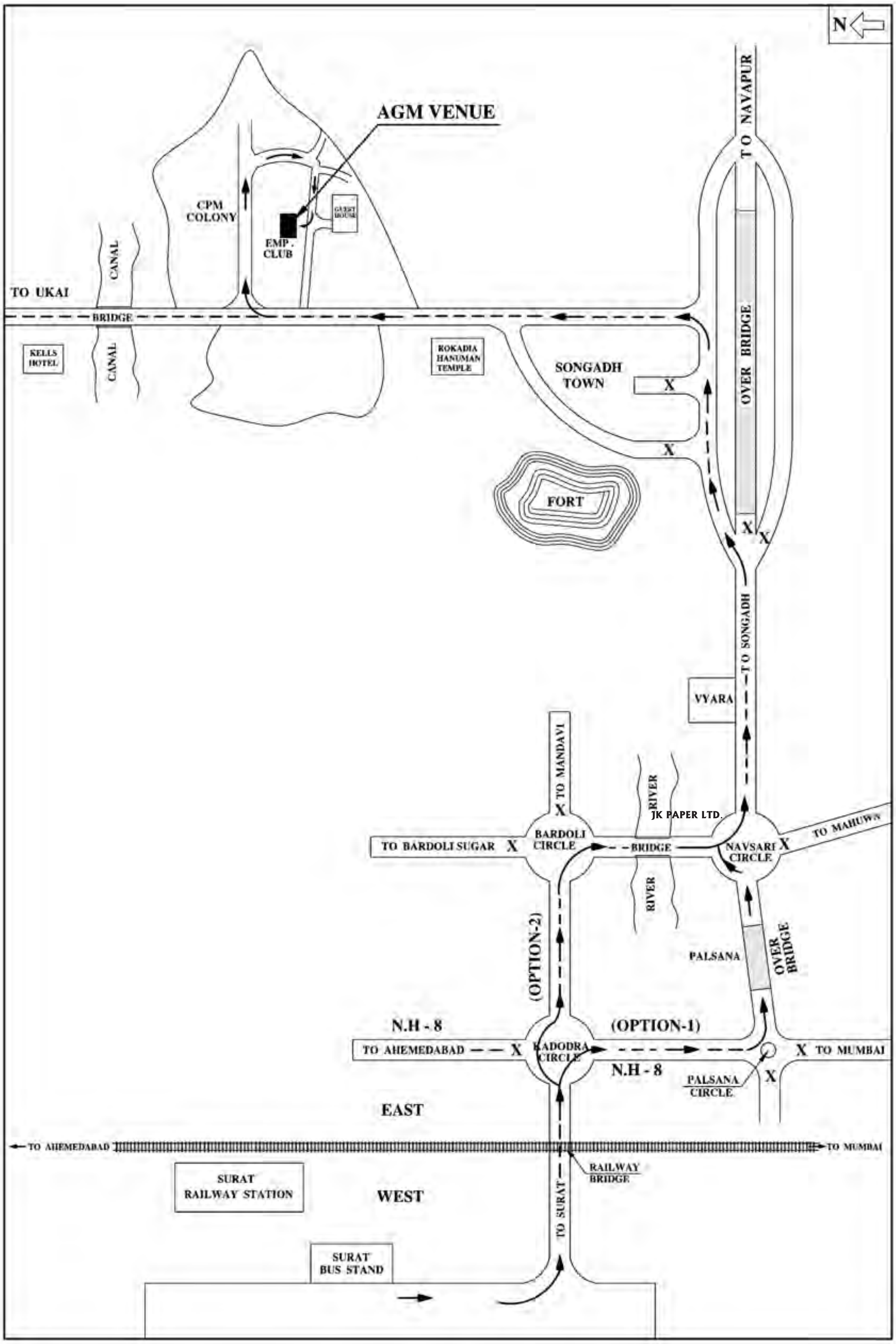
Signature of the Member/Proxy/Authorised representative*

Notes:

1. A Member/Proxy/Authorised representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the time fixed for the Meeting.

JK PAPER LIMITED

ROUTE MAP TO VENUE OF AGM TO BE HELD ON 23rd August 2019



JK PAPER LIMITED

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Admln. Office: Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110 002
Phone: 011-33001132, 23311112-5 E mail ID: sharesjkpaper@jkmail.com

PROXY FORM

Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014.

Name of the Member(s) :	
Registered address :	
E-mail Id :	
Folio No./ DP ID/Client Id :	

I / We .... being the member(s) of JK Paper Limited, holding.............................. shares hereby appoint :

(1) Name .... Address ....

E-mail Id .... Signature .... or failing him/her

(2) Name .... Address ....

E-mail Id .... Signature .... or failing him/her

(3) Name .... Address ....

E-mail Id .... Signature ....

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 58th Annual General Meeting of the Company to be held on Friday, the 23rd August 2019 at 12.30 P.M. at P.O. Central Pulp Mills – 394660, Fort Songadh, Distt. Tapi, Gujarat and at any adjournment thereof in respect of the resolutions as are indicated below:

Resolution Number	Resolution
1	Consideration and adoption of audited Financial Statements (including consolidated financial statements) for the financial year ended 31st March 2019 and the Reports of the Board of Directors and Auditors thereon.
2	Declaration of Dividend.
3	Reappointment of Smt Vinita Singhnia (DIN: 00042983) as a Director, who retires by rotation.
4	Reappointment of Shri Arun Bharat Ram (DIN: 00694766) by Special Resolution as an Independent Director of the Company for a second term for three consecutive years.
5	Reappointment of Shri M.H. Dalmia (DIN: 00009529) by Special Resolution as an Independent Director of the Company for a second term for three consecutive years.
6	Reappointment of Shri Shailendra Swarup (DIN: 00167799) by Special Resolution as an Independent Director of the Company for a second term for four consecutive years.
7	Reappointment of Shri R.V. Kanoria (DIN: 00003792) by Special Resolution as an Independent Director of the Company for a second term for five consecutive years.
8	Reappointment of Shri Sandip Somany (DIN: 00053597) by Special Resolution as an Independent Director of the Company for a second term for five consecutive years.
9	Reappointment of Shri Udayan Bose (DIN: 00004533) by Special Resolution as an Independent Director of the Company for a second term for five consecutive years.
10	Appointment of Mrs. Deepa Gopalan Wadhwa (DIN: 07862942) as an Independent Director of the Company for a first term of three consecutive years.
11	Appointment of Shri Amar Singh Mehta (DIN:00030694) as Director of the Company.
12	Appointment of Shri Sushil Kumar Roongta (DIN:00309302) as Director of the Company.
13	Approval of payment of annual remuneration for FY ended March 2019 by Special Resolution to Shri Bharat Hari Singhania, Chairman (Non Executive Director) of the Company.
14	Ratification of remuneration payable to M/s R.J.Goel & Co., Cost Auditors for the financial year ending 31st March 2020.
15	Approval of Material Related Party Transaction with The Sirpur Paper Mills Limited, a step down subsidiary.

Signed this .... day of .... 2019.

AFFIX REVENUE STAMP

Signature of Shareholder(s):__________________________ Signature of Proxy holder(s):______________________________

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. A Proxy need not be a member of the Company.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. A member holding more than 10% of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. A proxy holder may vote either for or against each resolution.