

ANNUAL REPORT 2014 - 2015

Scripting
New-age Leadership



People • Planet • Profit







*Interior view of New Plant - PM6
from Wire Side*

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Board of Directors



BHARAT HARI SINGHANIA
Chairman

HARSH PATI SINGHANIA
Vice Chairman & Managing Director

OM PRAKASH GOYAL
Whole-time Director

ARUN BHARAT RAM

DHIRENDRA KUMAR

M.H. DALMIA

R.V. KANORIA

SANDIP SOMANY

SHAILENDRA SWARUP

UDAYAN BOSE

VINITA SINGHANIA

WIM WIENK

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
Canara Bank
IDBI Bank

Company Website

www.jkpaper.com

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)

Auditors

S.S. Kothari Mehta & Co.
Chartered Accountants

Company Secretary

Suresh Chander Gupta



Chairman's Statement

Dear Shareholder,

The world economy is engulfed with troubled times, with Europe and Japan facing downturns during the year, and US providing little relief. The emerging economies, which were driving the global growth till recently, are now going through a period of sluggishness led by China that is slowly rebalancing itself after a sustained era of investment-led growth.

Against this backdrop the Indian economy has exhibited favourable macro parameters like higher GDP growth, record high foreign exchange reserves and low current account deficit. The Government's persistence on adhering to the Fiscal Deficit target has led to a stable rating from the rating agencies.

The disinflationary trend over the last 12 months has prompted RBI to cut policy rates by 75 basis points. However, this has not translated into commensurate reduction in interest rates and this quantum is itself inadequate to spur consumer demand and encourage new investment. In spite of the measures taken by the Government over the last year, demand continues to be weak and the manufacturing sector is saddled with overcapacity in several sectors.

Despite operating under challenges of economic slowdown for most of last year, it gives me great pleasure to inform that JK Paper was able to achieve its best ever performance by crossing Rs. 2,500 crore in sales for FY 2014-15. We were also faced with a scenario of higher raw material prices with very little pricing power over output due to cheap imports from China and ASEAN. I am happy to report that your Company has been able to achieve cost and scale economies in its recently commissioned integrated Pulp and Paper plant at Unit JKPM, Odisha. This is the single largest investment in this sector to date in India. With this major investment now bearing fruit, the Company has been able to report significantly improved financial performance during the latter half of the year.

Branded and value added products comprise a large part of the Company's output and the plant at Unit JKPM in Odisha has enabled your Company to offer new brands of papers to the customers who now have a much larger basket of papers and boards to meet their varied needs. Continued focus on quality and a wide marketing network has enabled the Company to retain a leading position in its market segments.

We firmly believe that the environment must be protected and used in a sustainable way. We therefore use environment friendly technologies and resources, be it raw material, water or energy, rationally by minimizing waste and maximizing recycling. It is a matter of great satisfaction that the Company's Environmental standards are largely in line with those advocated by multilateral agencies.

The Company's CSR activities and business practices are aligned with the objectives of inclusive and sustainable growth. Our efforts, whether it is in literacy programs, healthcare or skill development initiatives, have all been well received and appreciated by the local community.

We have come a long way with your continued support. With your cooperation we will gear ourselves to be part of a successful journey and make it rewarding for all of us.

BHARAT HARI SINGHANIA

Vice Chairman & Managing Director's Message

Dear Shareholder,

While India's growth rates and several macro-economic indicators appear bright in the midst of a gloomy global economic scenario, the country's manufacturing sector still faces considerable challenges. Despite various measures and initiatives taken by the Government to increase growth, the margins for manufacturing companies continue to be low.

Growth in the Pulp and Paper industry globally remains modest. However, Indian Paper Industry is exhibiting higher growth of 6-7% annually in volumes and is predicted to continue growing.

I am pleased to share that in the year under review, your Company was able to fully stabilize its new plant at Unit JKPM, Odisha and achieved significant gains from it, which is reflected in its financial results from the second half of last year. The Company's financial performance has further consolidated and barring some unforeseen events, we expect a sustained period of growth and profitability.

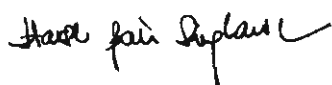
While the Indian paper industry has grown by barely a couple of percent in turnover terms, your Company grew by 24% in this period. In the Copier segment, we were able to grow our volume by 31% whereas the Indian Copier market grew by 6%. This, we believe is largely due to the strengths of our Brands and our focus on Quality. Our distribution network has been strengthened significantly to help us reach even smaller towns. The new expansion has enriched our product portfolio in the printing and writing segment. For example, we introduced 'JK Max', which has already established itself as a PAN India brand. Our strategic move to re-enter the Maplitho segment was vindicated by good response to JK Ultra Print, JK Finesse and JK Elektra. Despite lower growth in FMCG segment, which affected the growth in packaging board, we continue to sell our full capacity.

Over the years, JK Paper has been successful in bringing in a large number of farmers under its farm forestry program. This has gained further momentum with an additional 17,000 hectares covered this year taking the cumulative acreage to over 1.33 lakh hectares. We now account for an 11% share in the nationwide farm forestry being promoted by Pulp & Paper Industry.

The Company values its Human Resources highly and believes it is a source of sustained competitive strength. Skill needs are continuously assessed using modern techniques and appropriate training is imparted. Senior management goes through an internal development process under world renowned management trainers or external management development programmes. We believe we have a robust leadership pipeline to take care of the present and the emerging challenges.

Care for the environment has always been a foremost concern of your Company. It is heartening to note that at Unit JKPM around 55% of energy is generated out of renewable sources. We have also generated 1.59 lakh RECs during the year. Our coal and water consumption per tonne of paper has reduced by 32% and 31% respectively in the new plant. Our reduced dependency on fossil fuels along with modern technology has helped us reduce gas/air emissions to a significant extent.

With the economy promising to grow at a higher rate, JK Paper is well prepared to sustain its growth with enhanced profitability. As always I count on all your support.



HARSH PATI SINGHANIA





Technology Leadership for a Sustainable Planet

Innovate or perish is the new mantra for business leadership in the 21st Century. Paper is no exception. It has to incorporate sustainable manufacturing processes and at the same time, adapt to ever changing and emerging market needs.

Innovation in manufacturing and marketing thus become the key ingredients for a sustainable and profitable business.

The timely expansion programme undertaken at a cost of Rs.1,775 crores has helped JK Paper reinforce its leadership position in the industry. Exceptional quality, higher output and lower production costs enabled JK Paper to reach newer and more value conscious customers. Today the company produces more varieties of paper and paper products than before.

Notching up a growth in overall volume by 26%, the Company is now poised to produce high quality writing and printing paper at competitive costs and strengthen its competitive position in Office Papers.

The new plant also adds muscle in our resolve to fight cheap imports and be amongst the least cost producers.





Market Leadership for a Profitable Business

Digitization and electronic communication has had its own impact on traditional ways in which paper was consumed. Now with greater adoption of electronic communication and improvements in bandwidths, it has become possible to share and send large documents and presentations instantly. Invariably, most of these documents need to be printed and the quality of paper and its ability to accept better resolution printing has become a factor in brand choice. JK Paper with its "COLOR LOK" technology and newer varieties of paper has found greater use in these new applications. The drive for creating a UID for all citizens of the country and the government's thrust on financial inclusion through the Jan Dhan Yojna has created its own momentum for lower priced varieties of paper. JK Paper is thus, present at all price points and with its thrust on expanding availability of its varieties of paper, new territories and new distributors have been opened and the market coverage expanded manyfold. Establishing distribution in B & C class towns was taken up as a challenge, backed by planned strategic marketing efforts towards achieving growth. To reach out and service a larger base of customers in the rural market, local depots were opened in select strategic markets.

The product available from the new plant has gained widespread appreciation from our channel partners, customers and end users.

Domestic market aside, the paper from the new plant has also found acceptance from the quality conscious international buyers. As a result export volumes have more than doubled, and are set to rise further.

Re-entry into the Maplitho segment as a strategic shift to be present in multiple categories has yielded significant advantages.





Engaging Minds to create Leaders

People are and remain the differentiators in an organization's competitive strength. Their talent, knowledge and skills need to be sharpened, upgraded and harnessed for an organization to create the critical momentum for success. This is an ongoing process at JK Paper. As in previous years, this year too, a number of HR initiatives at different levels of management cadres have been conducted.

An engaging workplace and employee skill enhancement are proven differentiators in increasing employee productivity with quality outcomes.

While young talent was given training through various leadership programmes, high performers at senior level were sent to IIM Kozhikode for training as a part of the accelerated development of the leadership pipeline.

New formats of employee communication using latest technologies have been integrated with Human Resources Management System (HRMS). An intranet portal “JK Paper Connect” now provides all relevant information of use to the employees. The portal is periodically refreshed to add features that are of interest to the employees.





Leading the Industry in Protecting the Planet

Environmental conservation and replenishment of natural resources is no longer a peripheral activity at JK Paper. It is the underpinning that defines our manufacturing philosophy. An un-remitting commitment to a massive plantation has seen JK Paper add thousands of hectares of plantations till date and a resolve to cover many more thousands in the years to come.

In-house ultra modern nurseries are now producing close to 20 Million clonal plants to sustain the plantation drive. International watchdog RISI's recent India specific study has acknowledged that our plantation efforts has generated 11% share in nationwide farm forestry being promoted by pulp and paper industry.

Use of latest technology in our manufacturing processes has brought the levels of emission to well below the prescribed norms in our industry. At unit JKPM around 55% of energy is generated out of renewable resources thus reducing dependency on fossil fuels. The unit has generated close to 1.6 Lakh RECs in the year 2014-15 by using steam to supplement conventional fuel in power generation.

The company provides effluent water after treating it for various social and economic purposes to the people around the units.

Today JK Paper has no peer in technological efficiency in the country.



DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 54th Annual Report and Audited Accounts of the Company for the year ended 31st March, 2015.

FINANCIAL RESULTS

	Rs in Crore (10 million)
	2014-15
Sales	2514.97
Profit Before Finance Costs and Depreciation (PBIDT)	266.49
Profit before Depreciation and Tax (PBDT)	62.56
Profit/(Loss) after Tax (PAT)	(12.74)
Surplus brought forward	223.23
Total amount carried to Balance Sheet	210.49

DIVIDEND

In view of the losses, the directors regret their inability to recommend dividend.

PERFORMANCE REVIEW

The Company recorded the highest ever sales at Rs 2514.97 Crore (up 24%) during the year as compared to Rs 2025.47 Crore in the previous year. The Operating Profit (PBIDT) increased to Rs 266.49 Crore (up 92%) from Rs 138.51 Crore in the previous year. Higher interest and depreciation on account of the Company's new project at Jaykaypur, Odisha which was commissioned in the previous year impacted net profit (PAT). The Company has stabilized operations of the project during the year and supplemented it by appropriate marketing efforts. As a result loss for the year was significantly reduced to Rs 12.74. Crore as compared to Rs 77.19 Crore in the previous year. The Company recorded the highest ever production of 4.14 Lac tonnes (up 26%) and sales of 3.98 Lac tonnes (up 24%) as compared to 3.28 Lac tonnes and 3.21 Lac tonnes respectively in the previous year. Overall capacity utilization (including new plant) was over 90%.

Wood prices which had increased substantially (by 33%) in the previous year continued its upward trend though at a slower pace of 13%. There is an evidence of increased wood availability due to social farm forestry done by the paper industry. As the availability increases further, we expect a favourable impact on raw material prices in future. Hardwood pulp prices which were ruling lower during much of the year exhibited upward trend towards last quarter of the financial year. This trend is continuing till this time but does not seem sustainable due to surplus global capacities and prices are likely to remain stable going forward. Increase in rail freight resulted in higher landed cost of linkage Coal, though international Coal prices continued to be low. The Company had increased sales realization by 8% during 2013-14; however the economic slowdown and domestic surplus resulted in improvement of only 1% in the current year. The Company is continuously focusing on improving operating efficiencies and minimising cost for better financial performance. The Company has also engaged external consultants to provide outside-in perspective in its endeavour to optimize cost and unlock value.

The Company has been aggressively pursuing farm forestry efforts to develop sufficient raw material resources within 200 Km of its mills. The Company continued its focus on this programme and has covered 16,934 hectares during the year thus achieving a cumulative acreage of 1,32,934 hectares from the inception of its farm forestry programme. The Company had to import lesser quantities of wood logs and wood chips as a result of improved availability during the year.

The developed markets are experiencing decline in Paper consumption due to widespread use of electronic media, however growth in packaging paper & board continues due to demand from its end use segments. Contrary to this, the Indian Paper and Board Industry has been growing at 7%, which is one of the highest in the world. At 14.5 Mn tonnes, the India ranks amongst the top 15 Paper and Board markets globally. The lower per capita consumption of 12 Kg as compared to world average of 57 Kg indicates that the growth is likely to continue. Some of the value added segments in Paper and Board are likely to grow at higher rate thus offering

new product opportunities for the Company. With this growth the market is projected to reach 20 Mn tonnes by 2020.

The Company has been following a policy of focusing on value added products like Copier Paper, Coated Paper, Virgin Fibre Packaging Boards and High end Maplitho Paper which has paid rich dividends. The Company's wide distribution network along with emphasis on meeting customer expectations has helped it to establish a leadership position in the market, despite strong competitive challenges. The recent expansion has increased its ability to provide high quality paper in-line with changing end user requirements at competitive costs.

OFFICE PAPER PROJECT

As you are aware that the Company has set up a 2,15,000 TPA Pulp Mill, a 1,65,000 TPA Paper Machine and a 55 MW captive power plant at Unit JKPM in Odisha.

You will be happy to note that after the teething issues, the new facilities have stabilized in short time. The plant performance in its first full year of operations has been upto expectations with the company realising cost advantages on account of reduced wood, water and energy consumption.

The technology and scale provided by the new project will help the Company to produce high quality printing paper at reasonable costs and further strengthen its position in Office Papers. The Average capacity utilization for the new paper machine for the year 2014-15 was 94% and full capacity utilization in February 2015.

CORRUGATED PACKAGING PROJECT

The Company's JV with Oji Holdings Corporation and Marubeni Corporation of Japan to produce High-end Corrugated Packaging commissioned its plant at Neemrana, Rajasthan in July 2014. The production is being steadily ramped up and 100% utilization is likely to be achieved in next 2/3 years. The high quality corrugated packaging from this facility is gaining acceptance among Consumer Durables, Electronics, Auto Components, FMCG and Food Processing

Industries. The emergence of online retail and consequent demand for corrugated packaging is also creating exciting market opportunities for the venture.

CUSTOMER SATISFACTION AND QUALITY

The Company has always been at the forefront in providing value added products and services to its customers. JK Paper's obsession with Quality and Customer Satisfaction has been a major strength in its attaining and retaining a leadership position in the Indian Paper Industry. The Company's wide distribution network has also extended a similar belief in fulfillment of expectations of the customers, big or small. JK Paper became the first Indian Company to produce and sell high quality Colorlok papers in India. This tie up with HP, helped in producing world class printing paper for the increasingly demanding Indian customers.

The Company continues to conduct regular audit for its quality standards and customer satisfaction through research conducted both in-house and by an independent agency. Customer feedback is taken seriously with prompt actions for resolution and prevention of future occurrence. The product and quality standards are also benchmarked with the best in class to bring about continuous improvement and exceed customer expectations. This process helps to understand changing customer preferences and develop products that meet their requirements.

Continuous interaction between the customers and factory is promoted through mill visits to generate valuable ideas that could be used for quality improvement, new product development and service enrichment. These customer visits help in showcasing the Company's state of the art manufacturing facilities and building a strong long term relationship with them.

AWARDS AND RECOGNITION

The Company has been committed towards ensuring high standards of Safety and Environment, Quality & Operational Excellence and HR practices. It is a matter of great satisfaction that these initiatives taken by the Company have been appreciated at various industry forums.

The Company received following accolades during the year;

- Unit - JKPM was awarded the certificate for Well-Managed Group Plantation by Forest Stewardship Council in 2014.
- Unit CPM was presented the Certificate of Honour - 2013 from Gujarat Safety Council.
- Unit CPM received Greentech Environment Management Award 2014 from Greentech Foundation, New Delhi.
- Unit CPM received First Position in Importer Category by single industry at ICD Ankleshwar from Container Corporation of India Ltd (CONCOR).
- Unit JKPM received the state safety award for the year 2011 and 2012.

ENVIRONMENT

The company is committed to health and safety of its employees and its neighbouring communities and believes in pursuing its business growth objectives in a socially responsible and ecologically sustainable way. It has been a pioneer in adopting latest environment friendly processes and technologies in its manufacturing processes with an aim to have minimum impact on the environment. The recent new project at Unit JKPM has corroborated the Company's endeavour in that direction. It has helped to minimise consumption of natural resources like wood, water and coal while minimizing waste and emissions to the environment. The use of Elemental Chlorine Free (ECF) technology has eliminated the direct use of Chlorine thus minimizing environmental impact and safety hazard.

Both its production units are certified for ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007. The Occupational Health and Safety process is implemented through periodic safety audits, safety observations, TPM Internal Audits and Environment Audits focusing on Safety Health and Environment (SHE) related issues.

At Unit CPM, the use of Treated Effluent for Irrigation under the Zero Discharge Scheme Phase-I (Part A & 8) has increased from 56 % in previous year to 62 % in the

current year. In Phase II about 80 – 90 Ha of additional land has been covered for irrigation with our Treated Effluent. It is a matter of great satisfaction that treated effluent from the plant is being effectively utilized for Agriculture, Subabul, and Eucalyptus plantations. Combined Recharging cum Rain water harvesting system (RWH) has been installed in the company's colony premises as a part of water conservation efforts. Solar heaters have also been installed for utilisation of clean energy.

INDUSTRIAL RELATIONS

Industrial Relations remained cordial throughout the year under review. We acknowledge the wholehearted support and cooperation provided by employees at all levels of the organization during commissioning and stabilization of the new project and the valuable contribution made by them towards the growth of your company. A number of employee welfare initiatives have been implemented by the company which have significantly helped in improving the work environment, productivity, discipline and enriching employees quality of life. Our continuous dialogue with the union and workers representatives have ensured transparency and improved the industrial harmony to create a positive work environment.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on 31st March 2015 in the prescribed form MGT-9 is attached as Annexure-I 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 a provision of money during the financial year 2014-15 for the purchase of, or subscription for, shares in the company by trustees of JK Paper Employees' Welfare Trust, which was formed by the Company in the year 2004 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 2015, 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 the Listing Agreement.

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

With enactment of the Companies Act, 2013, 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, were appointed by the members at the Annual General Meeting (AGM) held on 27th September 2014 under Section 149 of the Act for a term of five consecutive years commencing from the date of the AGM. All Independent Directors of the Company have given declarations that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and also Clause 49 of the Listing Agreements with the Stock Exchanges.

Shri Shailesh Haribhakti who was liable to retire by rotation at the last Annual General Meeting of the Company held on 27th September 2014 had not offered his candidature for reappointment as a Director due to SEBI's impending limits on the number of Boards that he could serve on and consequently he ceased to be a director of the Company w.e.f. 27.09.2014.

Shri O.P. Goyal retires by rotation and being eligible offers himself for re-appointment at the ensuing AGM.

Further, in terms of Section 203 of the Companies Act, 2013, Shri Harsh Pati Singhania, Vice Chairman and Managing Director, Shri O.P. Goyal, Whole Time Director, Shri V. Kumaraswamy, Chief Finance Officer and Shri Suresh Chander Gupta, Company Secretary were appointed as "Key Managerial Personnel" (KMP) of the Company on their existing terms and conditions.

INTERNAL CONTROL SYSTEM

The corporate internal audit team consisting of Chartered Accountants and system experts review the internal control system on a regular basis to improve its effectiveness besides verifying statutory compliances. Based on Annual Internal Audit programme as approved by Audit Committee of Board, regular internal audits are conducted covering all offices, factories and key areas of the business. Findings are placed before Audit Committee, which reviews and discusses the actions taken with management. The Audit Committee also reviews the effectiveness of Company's internal controls and regularly monitors implementation of audit recommendations.

The Company has also put in place a comprehensive budgetary control system. Key performance goals are set for each of the units and product lines. The performance against these goals are monitored and reviewed on a periodic basis and corrective actions as needed are initiated.

The Company has in place adequate internal financial controls with reference to financial statements and no material reportable weakness was observed in the system. Further, the Company has in place adequate internal controls commensurate with the size and nature of its operations.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been one of the foremost proponents of inclusive growth and since inception, has been continuing to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development, etc.

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

Even though, the company was not required to spend towards CSR since it incurred a net loss of Rs.8.09 Crore in the preceding three years, it has spent Rs.77.83 lac towards CSR activities during the Financial year 2014-15.

A detailed report on Company's CSR activities along with the 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 S S Kothari Mehta & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold the office from the conclusion of the 53rd Annual General Meeting held on 27th September 2014 until the conclusion of the 56th Annual General Meeting to be held in year 2017, subject to ratification of the appointment by the members at the respective AGMs to be held in the years 2015 and 2016. Accordingly, matter relating to the appointment of the Auditors will be placed for ratification by members at the forthcoming Annual General Meeting. 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

Pursuant to the provisions of Section 204 of the Companies Act, 2013, 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 2014-15. The Report given by him

for the said financial year in the prescribed format 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

Pursuant to order of the Central Government dated 30th June 2014, your Company did not fall within the ambit of Cost Audit for the year 2014-15. However, pursuant to the revised order of the Central Government dated 31st December 2014, Cost Audit of the Cost Records of the Company is mandatory from the financial year starting 1st April 2015 and M/s R.J. Goel & Co., Cost Accountants have been appointed as Cost Auditors of the Company to conduct cost audit of cost records for the financial year 2015-16 subject to ratification of their appointment and remuneration at the forthcoming Annual General Meeting of the Company.

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

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

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

Information in accordance with the provisions of Section 197 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 regarding remuneration and other details is annexed to this Report. However, as per the 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 aforesaid information. Any member interested in obtaining such particulars

may write to the Company Secretary at the registered office of the Company. The said information is available for inspection at the Registered Office of the Company during working hours.

CORPORATE GOVERNANCE

Corporate Governance - including details pertaining to Board Meetings, Nomination and Remuneration Policy, Performance Evaluation, Risk Management, Audit Committee and Vigil Mechanism:

Your Company reaffirms its commitment to the highest standards of corporate governance practices. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, a Management Discussion and Analysis, Corporate Governance Report and Auditors Certificate regarding compliance of conditions of Corporate Governance are made a part of this Report.

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

- a) Particulars of the four Board Meetings held during the financial year under review.
- b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
- c) 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.

CONSOLIDATED FINANCIAL STATEMENTS

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 and associates included in the

Consolidated Financial Statements is presented in a separate section in this Annual Report. Please refer to AOC-I 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.

During the financial year under review, no company has become or ceased to be your Company's subsidiary and joint venture. In terms of Section 2(6) of Companies Act 2013, your Company has become an associate of Bengal & Assam Company Ltd.

DEPOSITS

Pursuant to the approval of members by means of a Special Resolution dated 27th September 2014, the Company has continued to accept 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 2015 are - (a) Accepted during the year Rs. 2.23 Crore; (b) Remained unclaimed as at the end of the year - Rs. 0.63 crore; (c) Default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year - Nil and (d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act - Nil.

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;
- (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

The Directors acknowledge the continued support and cooperation received from the Central Government, State Governments, Shareholders, participating Financial Institutions and Banks, Customers, Dealers and Suppliers.

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

On behalf of the Board of Directors

New Delhi
Date : 3rd August, 2015

BHARAT HARI SINGHANIA
Chairman

ANNEXURES TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31st MARCH, 2015

Annexure-I

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2015

[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
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@jkm.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

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	99611940	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, Orissa	U45201OR2008PLC010523	Wholly Owned Subsidiary	100	2(87)(iii)
2	Songadh Infrastructure & Housing Ltd. P.O. Central Pulp Mills-394660 Fort Songadh, Distt.-Tapi, Gujarat	U45203GJ2009PLC055810	Wholly Owned Subsidiary	100	2(87)(iii)
3	JK Enviro-tech Ltd. P.O. Central Pulp Mills-394660 Fort Songadh, Distt.-Tapi, Gujarat	U73100GJ2007PLC075963	Subsidiary	98.98	2(87)(iii)
4	Oji JK Packaging Pvt. Ltd. Unit No. 414, 4 th Floor, Time Tower, Sector 28, MG Road, Gurgaon – 122 002, Haryana	U21019HR2012FTC046291	Associate	20	2(6)

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 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
(1) Indian									
a) Individual/ HUF	1050000	0	1050000	0.77	1050000	0	1050000	0.77	0
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.	72495920	0	72495920	53.06	72798568	0	72798568	53.29	0.22
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)	73545920	0	73545920	53.83	73848568	0	73848568	54.05	0.22

* The total shareholding of Promoters at (A) above includes 4,07,02,621 Equity Shares (29.79%) as on 1.4.2014, 4,10,05,269 Equity Shares (30.01%) as on 31.3.2015 and a change of 0.22% 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 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs-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)*	73545920	0	73545920	53.83	73848568	0	73848568	54.05	0.22
B. Public Shareholding									
I. Institutions									
a) Mutual Funds	12343	0	12343	0.01	22605	0	22605	0.02	0.01
b) Banks / FI	1162256	0	1162256	0.85	1294458	0	1294458	0.95	0.10
c) Central Govt	0	0	0	0	0	0	0	0	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	6093317	0	6093317	4.46	6093317	0	6093317	4.46	0
g) FIs	80202	0	80202	0.06	140083	0	140083	0.10	0.04
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (International Finance Corporation)	7690000	0	7690000	5.63	7690000	0	7690000	5.63	0
Sub-total (B)(I)	15038118	0	15038118	11.01	15240463	0	15240463	11.16	0.15
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	8807181	150	8807331	6.45	7318857	150	7319007	5.36	-1.09
ii) Overseas	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01.04.2014)				No. of Shares held at the end of the year (As on 31.03.2015)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	8862152	42271	8904423	6.52	8309952	40995	8350947	6.11	-0.41
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	17952404	5698862	23651266	17.31	19458156	5698862	25157018	18.41	1.1
c) Others									
(i) Trust and Foundation	1239978	0	1239978	0.91	1239978	0	1239978	0.91	0
(ii) Non Resident Individuals	2736589	197000	2933589	2.15	2767644	197000	2964644	2.17	0.02
(iii) OCB	2500000	0	2500000	1.83	2500000	0	2500000	1.83	0
Sub-total(B)(2)	42098304	5938283	48036587	35.16	41594587	5937007	47531594	34.79	-0.37
Total Public Shareholding (B) = (B)(1)+ (B)(2)	57136422	5938283	63074705	46.17	56835050	5937007	62772057	45.95	-0.22
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	130682342	5938283	136620625	100	130683618	5937007	136620625	100	0

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2014)			Shareholding at the end of the year (as on 31st March 2015)			% 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	
I	Bengal & Assam Company Ltd.	3,28,43,299	24.04	-	3,28,43,299	24.04	-	No Change
Total		3,28,43,299	24.04	-	3,28,43,299	24.04	-	

(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 2014)		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	3,28,43,299	24.04	3,28,43,299	24.04
	Increase / Decrease in Promoters Shareholding during the year	NO CHANGE			
	At the end of the year i.e., 31.03.2015			3,28,43,299	24.04

(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 2014)		Cumulative Shareholding at the end of the year (31st March 2015)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	J.K. Fenner (India) Limited	2,54,57,500	18.63	2,54,57,500	18.63
2	Florence Investech Limited	1,16,81,684	8.55	1,18,33,332	8.66
3	P.K. Khaitan jointly with S.K. Somany – Trustees, JK Paper Employees Welfare Trust	124,30,362	9.10	1,16,81,112	8.55
4	International Finance Corporation	76,90,000	5.63	76,90,000	5.63
5	Life Insurance Corporation of India	32,82,805	2.40	32,82,805	2.40
6	Edgefield Securities Limited	25,00,000	1.83	25,00,000	1.83
7	8MF Investments Limited	21,02,297	1.54	22,52,297	1.65
8	General Insurance Corporation of India	21,00,000	1.54	21,00,000	1.54
9	Deepa Bagla Financial Consultants Pvt. Ltd.	5,46,000	0.40	16,58,141	1.21
10	Indian Overseas Bank	11,55,476	0.85	12,49,118	0.91

* The shares of the Company are traded on a daily basis and hence the dotewise increase /decrease in shareholding is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel:**1. 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 2014)		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	1,31,250	0.10	1,31,250	0.10
Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
At the end of the year i.e. 31.03.2015			1,31,250	0.10

2. Shri O.P. Goyal, Whole-time Director

For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2014)		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	3,692	0.00	3,692	0.00
As on 19.1.2015 (increase due to purchase)	10,000	0.01	13,692	0.01
At the end of the year i.e. 31.03.2015			13,692	0.01

3. Smt. Vinita Singhania, Director

For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2014)		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	87,500	0.06	87,500	0.06
Increase/Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
At the end of the year i.e. 31.03.2015			87,500	0.06

NOTE : Sh. Bharat Hari Singhania, Sh. Arun Bharat Ram, Sh. Dharendra Kumar, Sh. MH Dalmia, Sh. RV Kanoria, Sh. Sandip Somany, Sh. Shailendra Swarup, Sh. Udayan Bose and Sh. Wim Wienk, Directors of the Company and Sh. V. Kumaraswamy, Chief Finance Officer and Sh. Suresh Chander Gupta, 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 2014 and at the end of the year i.e., as on 31st March 2015 and hence there was no increase/decrease in their shareholding during the financial year 2014-15.

V. INDEBTEDNESS

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

(Rs. in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebted- ness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1785.23	390.19	13.87	2189.28
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8.17	7.10	0.83	16.10
Total (i+ii+iii)	1793.40	397.29	14.70	2205.38
Change in Indebtedness during the financial year				
• Addition	366.94	268.49	2.14	637.57
• Reduction	473.66	259.84	4.49	737.99
Net Change	-106.72	8.65	-2.35	-100.42
Indebtedness at the end of the financial year				
i) Principal Amount	1678.50	398.84	11.52	2088.86
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	17.80	1.11	0.92	19.83
Total (i+ii+iii)	1696.30	399.95	12.44	2108.69

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in Crores)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Sh. Harsh Pati Singhania (Vice Chairman & Managing Director)	Sh. Om Prakash Goyal (Whole-time Director)	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.04	0.72	2.76
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.44	0.85	1.29
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option/ Sweat Equity/ Commission	Nil	Nil	Nil
3	Others: Contribution to Provident Fund and other Funds	0.55	0.19	0.74
	Total (A)	* 3.03	* 1.76	* 4.79
	Ceiling as per the Act	1.88	1.73	3.61

* Subject to requisite approval

B. Remuneration to other directors:**(Rs. in Crores)**

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 (w.e.f. 11.08.2014)	Sh. Udayan Bose	Sh. Shailendra Swarup	
	• Fee for attending Board/ Committee Meetings	0.007	0.005	0.01	0.004	0.01	0.008	0.05
	• Commission/ Others	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	0.007	0.005	0.01	0.004	0.01	0.008	0.05
2	Other Non-executive Directors	Sh. Bharat Hari Singhania	Sh. Dharendra Kumar	Smt. Vinita Singhania	Mr. Wim Wienk	Sh. Shailesh Haribhakti*		
	• Fee for attending Board/ Committee Meetings	0.02	0.01	0.006	0.005	0.003		0.04
	• Commission/ Others	Nil	Nil	Nil	Nil	-		Nil
	Total (2)	0.02	0.01	0.006	0.005	0.003		0.04
	Total (B) = (1+2)							0.09
	Total Managerial Remuneration(A+B)							4.88
	Overall Ceiling as per the Act	Rs. 3.61 Crore (excluding sitting fee)						

* Shri Shailesh Haribhakti ceased to be a director w.e.f. 27.09.2014 (attended 2 Board Meetings).

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD**(Rs. in Crores)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		
		Sh. Suresh Chander Gupta, Company Secretary	Sh. V. Kumara-swamy, Chief Finance Officer	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.34	1.11	1.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.01	0.01	0.02
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option/Sweat Equity/Commission	-	-	-
3	Others, please specify:			
	Provident Fund	0.02	0.04	0.06
	Insurance *	0.00	0.00	0.00
	Total	0.37	1.16	1.53

* This represents Rs. 7112/- paid for insurance cover for each of them.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Company's CSR Philosophy and Belief

JK Paper believes in inclusiveness of business practices in its efforts to achieve sustainable growth. This inclusive approach to development is reflected in our CSR initiatives within the vicinity of its factories. The Company approach towards CSR is to actively contribute to the social and economic upliftment of the communities in which it operates and thus build a better, sustainable way of life especially for the less privileged section of the Society.

This caring and sharing is the essence of ethical enterprise and thus supplements Government's efforts in improving the overall living standards and quality of life for the citizens.

2. Employee Welfare

In line with our core values we encourage an ownership culture and commitment amongst our employees. The company's policy towards its employees is aimed at ensuring equality of opportunity and access to training and skill upgradation for all its employees, whether it is Managers, Supervisors or the Workers. We do not allow or encourage child or forced labour directly or indirectly. Employees at Corporate, Branch Offices and Factories are provided with safe, hygienic, and humane workplace environment.

3. Respect for Environment

As part of a larger commitment & respect for environment, the Company has sustained its efforts for increasing the green cover within 200 Km area from the plant sites at Jaykaypur, Distt. Rayagada (Odisha) and Fort Songadh (Gujarat). Farm forestry oriented plantation of hardwood species like Eucalyptus, Subabul, Casurina was completed in additional 16,934 Ha area during the reporting FY 2014-15. This represents 14% higher achievement over same period last year FY 2013-14 and cumulative acreage of 1,32,934 Ha till now.

Modern technology along with various other measures has helped the Company to reduce its emissions as well. At unit JKPM around 55% of energy is generated out of renewable source thus reducing dependency on fossil fuels. The unit has generated 1,59,076 RECs in the year 14-15 by using recovered steam to supplement conventional fuel in power generation.

4. CSR activities for Social & Inclusive Development

At JK Paper Ltd, our CSR activities are focussed on five key areas such as Education, Health Care, Skill Development, Livelihood Interventions, and Environment.

4.1 School Education: The Company through its schools has been imparting quality education from the primary to the tertiary level. The three schools near our factories at Odisha and Gujarat make all out efforts to reach out to the weaker sections by enrolling such deserving students from its vicinity.

Both our units JKPM & CPM have also been organising special programmes from time to time for tribal children so that they can compete with other students. Towards promoting computer literacy, the unit CPM has been running Computer Certificate Courses through a Computer training Centre from June 2010. More than 500 students, largely from tribal community, have successfully completed these subsidised Courses till date.

4.2 Adult Education: Adult Education Model has successfully enabled many illiterate women, especially SCs/ STs, to become literates through our community based Adult Education Centres. The twin objective of adult education model is to instill awareness among them to be self dependant with the tool of education & ensure that their children are not deprived of education. The Adult Education movement at JK Paper has helped 11,000 Tribal Adult illiterates, especially women to become literate so far. This includes 7500 in unit JKPM and 3500 in unit CPM.

Apart from literacy, Adult Education has certainly brought a remarkable change in the lives of the tribal women. This has also helped the Sarva Siksha Abhiyan in its effort to reduce the school drop-out ratio. Our efforts have been appreciated by the local community.

4.3 Nutan Gyanvardhini: Unit JKPM, has taken an initiative through Nutan Gyanvardhini, a special school for the Educational Rehabilitation of the Children With Special Needs (CWSN). The school, organized in collaboration with the district administration, Rayagada has 30 students of Rayagada and Kolnora blocks on its rolls.

Efforts in the school have been made for the vocational rehabilitation of these children as well. Training in tailoring has been launched for girls and training for gardening & paper envelope making has also been identified as a part of their vocational rehabilitation. Music classes are also being initiated. A parent meeting is also organized at regular intervals to create an interface for assessing the developmental trend of the CWSNs and General Health check up camp is organized twice a month with support from unit JKPM.

The school runs from 10 AM to 4 PM & the children are served with breakfast and lunch daily. Children are brought into the school and taken back to their home by the school bus regularly with escort services.

4.4 Skill Development: Both the units of JK Paper are located close to the tribal belts and have been making special efforts to enhance the employability of tribal youth by organizing different need based Skill Development Program.

Unit CPM adopted Industrial Training Institute (ITI), Ukai, Gujarat under PPP model in the year 2008. Since then the company has made significant improvements for providing training that meet the requirements of the industry. It now offers 10 different job oriented courses. Declared as Centre of Excellence at all India level its enrollment in 2014 -15 stood at 600 students (471 boys & 129 girls).

ITI Ukai organized Kaushalya Vardhan Kendra (KVK) where 100 Nos. of Employment Kit were distributed by Tribal Development Department to unemployed

boys & girls residing at border villages of Fort Songadh Taluka. A MOU has been signed between ITI Ukai and Unit CPM for training non-qualified workmen for short term KVK courses. Under this initiative, ITI Ukai will provide study material and other assistance to the workmen of CPM identified for the training courses.

Unit JKPM similarly has been taking up activities towards enhancing Skill development for employability of tribal youth. It has been providing adolescent entrepreneurs training in tailoring through constant handholding. A tailoring cum embroidery centre has been created exclusively for SC/ST adolescent girls. Employability among the tribal youth & girls is also enhanced through other vocational trainings like Driving & Beautician courses. After the training, the tribal youth have joined as Drivers with a minimum monthly salary of Rs 4500. Some of the tribal girls have been providing their service to Tribal Girls Hostels & Beauty Parlours for a pocket money of Rs 1500 in the process.

4.5 Healthcare: Basic health services including free medicines to the ST & SC people through health camps and mobile dispensaries have been organised in nearby villages at regular intervals. In the current year over 7500 patients were benefitted by way of 44 Health camps and 80 Mobile Dispensary camps at unit JKPM and CPM respectively. Mobile Medical Dispensary covering villages within 20km radius around unit CPM has been rendering this service since 1998, and has benefitted over 79,645 patients cumulatively till date. Committed health intervention through health camps & mobile dispensaries besides maternal & child health services at the doorstep has successfully reduced the incidence of health hazards in the villages.

Simultaneously, the Community Health Facilitators have been sensitizing the pregnant & lactating mothers through house visits for safe health practices. In the process, the tribal people have considerably developed a health seeking behavior.

4.6 Community Health Interventions: JK through its CSR initiatives at unit JKPM has initiated Training programme on Adolescent Reproductive & Sexual Health (ARSH) and also Life- skill Education through Balika Mandals. Presently there are 57 Balika Mandals

involving 684 tribal adolescent girls who spread this same learning from the training further as Community Health Facilitators (CHFs).

4.7 Livelihood Interventions: Unit JKPM, over the years has been acting as a catalyst in organising the women into Self Help Groups (SHGs) so as to improve the standard of living of the tribal families by enabling them earn supplementary income.

The groups are now been motivated to take up on their own Income Generation Programmes (IGP) like Phenyl Making, Detergent Making, Paper Plate making, Turmeric making for economic self reliance of the members in particular & group in general. Producer Groups consisting of the members of different members of the Self Help Groups were also formed in collaboration with Odisha Livelihood Mission. These were supported by encouraging them to take up Poultry farming as a backyard initiative. This has brought them dual income both from selling of meat & eggs. Individuals with entrepreneurship skills were also supported by helping to set up micro enterprises like Tiffin Stall, Cycle repairing Mart, Fancy Store etc. for supplementary income. These have gradually become their principal source of income.

A total of 840 tribal women have been involved in Micro Credit activities through formation of 72 Self Help Groups. Moreover, Self Help Group Corpus of Rs. 31.48 lakh generated through Micro Saving by members has substantially increased the economic independence of tribal families & released them from the clutches of money lenders. With the relentless handholding & facilitation support of Unit JKPM, SHGs have also been able to mobilize Rs 69.57 lakh as working capital from different financial institutions. Odisha Livelihood Mission (OLM) has come forward to provide revolving fund to best performing SHGs.

The empowerment of women members of SHGs are manifested in active participation of SHG leaders in Gram Sabha deliberations. 12 women from them have been elected to 3 Tier Panchayat Raj Governance System. 174 SHG members have opened individual bank accounts under Jan Dhan Yojana as a step towards financial inclusion.

4.8 Disseminate scientific agricultural practices:

Unit JKPM also helped create additional income for farmers by introducing scientific practices in agriculture. Farmers Clubs have been formed and Crop Specific Training (CST) programmes were organised.

Recently some leading farmers were selected and imparted training on modern agricultural practices. They were also taken for an exposure visit to successful agriculture models for Hybrid Maize, Basmati Rice, Vegetable, Sun Flower & Fruits Cultivation in Uttarakhand and Himachal Pradesh. These visits were organized in collaboration with Dy. Director Agriculture, Govt. of Odisha.

To ensure sustainability in the farm income, scientific agricultural practices introduced to the farmers have significantly increased the yield. Farmers have got a bumper crop in Hybrid Maize worth Rs 22,000 per acre, Hybrid Sun Flower worth Rs 18,000/- per acre & Hybrid Vegetables of Rs 45,000/- per acre. To boost paddy yield, a special project on Line Transplantation of paddy was taken up in 15 villages where remarkable 25% increase in paddy yield in 250 ha. benefitted to 271 farmers.

5. Summing Up

JK Paper is proud of its achievements but recognises it still has a long way to go. It will like to build on what has been achieved so far and by learning from its past to serve the society to the best of its abilities. On 5th January, 2010, 'SPARSH', a NGO was formed under Society Registration Act 1860 in Cuttack, Odisha to take up developmental activities in the nearby villages of unit JKPM to carry out JK's CSR activities systematically.

Presently all our CSR activities at unit JKPM are carried out under the banner of 'SPARSH'. It has also started mobilizing resources from different schemes of Govt. departments like Agriculture, Animal Resources Development, Odisha Livelihood Mission, and Office of the District Social Welfare Officer & NABARD to maximize benefit to the periphery beneficiaries. This has given a boost to our CSR activities. 'SPARSH' is also likely to spread its wings outside Odisha to other states as well in time to come.

ANNUAL REPORT ON THE CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2015

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 is <http://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 Singhanian (Chairman of the Committee), Non-independent
- Shri Shailendra Swarup, Independent
- Shri O.P.Goyal, Non-independent

3. Average Net Profit/(loss) of the Company for last three financial years: (Rs 8.09) crore.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): N.A.

5. Details of CSR spent during the financial year

- a. **Total amount to be spent for financial year : N.A.**
- b. **Amount unspent, if any : Nil**
- c. **Manner in which the amount spent during the financial year is detailed below:** Not applicable

Even though, the company was not required to spend towards CSR since it incurred a net loss in the preceding three years, it has spent Rs.77.83 lac towards CSR activities during the Financial year 2014-15.

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

Sd/-
(Shri O.P. Goyal)
Whole-time Director

Sd/-
(Shri Harsh Pati Singhanian)
Chairman CSR Committee

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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 Ltd.,
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 Ltd. (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, 2015 (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, 2015 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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999- (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) and;
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- (Not applicable to the Company during the Audit Period);
- (vi) Other Laws applicable to the Company as per the representations made by the Management.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India - Not applicable to the Company during the Audit Period;
- (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. 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 Committee of the Board, as the case may be.

I further report that 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 has -

- (i) Obtained Members' approval pursuant to Section 180(1)(c) of the Companies Act, 2013 by means of Special Resolution passed at Annual General Meeting of the Company held on 27th September 2014 for borrowing upto Rs.3,500 Crores.
- (ii) Obtained Members' approval pursuant to Section 180(1)(a) of the Companies Act, 2013 by means of Special Resolution passed at Annual General Meeting of the Company held on 27th September 2014 for creating Mortgage/ charging all the movable and immovable properties of the Company for securing borrowings upto an amount not exceeding Rs. 3,500 Crores.
- (iii) Transfer of Lime Kiln Undertaking of the subsidiary, JK Enviro-Tech Limited to the Company pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Gujarat during the audit year, w.e.f. 1st April, 2013, and
- (iv) Alteration of the Objects Clause III of Memorandum of Association of the company as per Scheme of Arrangement sanctioned by the Hon'ble High Court as aforesaid inserting sub-clause 14A for operating, running and maintaining lime kilns.

Place: New Delhi

Date: 16.05.2015

Namo Narain Agarwal

Secretarial Auditor

FCS No. 234, CP No. 3331

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 and forming part of Directors' Report to the members for the year ended 31st March 2015.

A) CONSERVATION OF ENERGY

(i) the steps taken or impact on conservation of energy:

- 1) Reduction of frequency in 25 MW TG to save power
- 2) Reduction in power by reducing TAP position from 3 to 2 in New Plant transformers (reduction of voltage)
- 3) Direct use of return condensate in LF 6 as feed water and using cold DM water as feed water in CF 6 as feed water (Net steam saving 6TPH)
- 4) Reduction in running of total Raw Water Pumps by 24 Hrs through some modifications & Operational tuning
- 5) Reduction of power used for lighting by small changes like providing master switch, change in work practice etc.

(ii) 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 55% at Unit JKPM is being met by this renewable source.

(iii) the capital investment on energy conservation equipments:

The Company has invested Rs. 54 Lacs for energy conservation equipments during the year.

B) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(i) the efforts made towards technology absorption:

- 1) Technology up gradation of fiber save-all system in JKPM Paper machines – 1 to 5 by installing Poly Disc filters.
- 2) Reduction of Hydrogen Peroxide in EOP stage by optimizing operating conditions based on Raw material mix.
- 3) Maintain higher ash% in paper with PCC loading in paper machines to improve Paper quality with cost saving & resource conservation.
- 4) Maintain higher ash in paper with PCC loading in JKPM PM 6.
- 5) Successfully commissioned the Pet Coke Plant to replace Furnace Oil consumption.

- 6) Basic dye in white paper was replaced by pigment dye in Maplitho Grade paper to improve the brightness and stability of paper.
- 7) Usage of anti fluff agent to reduce dusting problem during printing.
- B) Installation & commissioning of folio size paper Bundle shrink wrapping machine.

(ii) 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.

(iii) Research & Development:

During the year, the Company has spent Rs. 370 Lacs on Research & Development. A number of trials were conducted to improve processes, develop new products, and enrich existing products to exceed customer expectations and maintain quality and leadership.

- 1) Introduction of JK Elektra S2 - 120 gsm, JK SSML (SHB) S2 - 120 gsm with improved quality and JK SSML (SHB) in Natural Shade.
- 2) Introduction of SHB (P) 70, B0 & 90 gsm Pigmented paper for high end printing.
- 3) Extending Double coating in place of single coating in product of 170 & above gsm range to improve product quality with cost saving.
- 4) Use of Imported Tapioca Cationic Starch for ASA emulsion & Wet end application to improve Paper machine runability and reduce fiber furnish.
- 5) Alkali resistant Soap resistant (ARSR) Grade Paper 115 to 130 gsm.
- 6) Introduction of Index Card Paper, Natural and Tinted shade Drawing Books paper and high Bulk Ultra Print Maplitho Paper.
- 7) Introduction of Neo ledger Paper and High Stiffness Ultima (CBL).

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Rs. in Crore (10 Million)

(a)	Foreign Exchange earned	187.54
(b)	Foreign Exchange outgo:	
	- CIF Value of Imports	444.70
	- Others	33.62

PARTICULARS OF CONSERVATION OF ENERGY

A POWER AND FUEL CONSUMPTION

Sl. No.	Particulars	Unit	2014-15	2013-14
1	Electricity			
a)	Purchased Power			
	- Units	KwH in Lac	160.96	356.92
	- Total Amount	Rs. Lac	1,363.60	2,621.45
	- Rate / Units	Rs/KwH	8.47	7.34
b)	Own Generation			
i)	Through Steam Turbine / Generators			
	- Units	KwH in Lac	4,573.93	3,557.93
	- Cost / Units	Rs/KwH	4.04	4.15
ii)	Through Diesel Generator			
	- Units	KwH in Lac	0.10	2.07
	- Units per Litre of Diesel Oil	KwH	3.44	2.22
	- Cost/ Units	Rs/ KwH	16.20	32.75
2	Coal			
	- Quality (Grade)		"D" to "F"	"D" to "F"
	- Where Used		CF Boiler	CF Boiler
	- Quantity *	MT	4,82,524	4,96,874
	- Total Amount	Rs. Lac	15,834.69	16,365.70
	- Average Rate / MT	Rs./T	3,282	3,294
3	Furnace Oil			
	- Quantity **	Kilo Ltr	11,021.94	1,874.58
	- Total Amount	Rs. Lac	4,148.96	834.18
	- Average Rate / Ltr.	Rs./Ltr	37.64	44.50
4	Pet Coke			
	- Quantity	MT	2,839.50	-
	- Total Amount	Rs. Lac	408.09	-
	- Average Rate / Kg	Rs./Kg	14.37	-

* includes Lignite.

** including impact of merger with JK -ETL Ltd.

B. CONSUMPTION PER UNIT OF PRODUCTION

Product	Year	Electricity Kwh/MT	Coal Kg/MT	Furnace Oil Ltrs./MT	Pet Coke Kg /MT
Paper & Board	2014-15	1,161	1,170	36.26	11.17
	2013-14	1,176	1,510	8.30	-

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

The world economy continued to face headwinds with growth in 2014 at 3.3% almost same as previous year. Global growth prospects remain subdued with forecasts revised downwards to 3.5% in 2015 and 3.7% in 2016. While US economy has shown sufficient growth rebound, growth amongst other developed countries, most notably EU and Japan remains weak. The scenario is not much different in the emerging markets, with China witnessing significantly lower growth – around 7% vis-à-vis more than 10% a few years back, with leading indicators pointing to further slowdown. The lower oil prices and increased geopolitical tensions have had a significant adverse impact on Russian economy, whose growth is forecast to be in the negative in the next 2 years. As such, IMF has estimated that growth in emerging world will be around 4.3% in 2015, a sharp scale-down from 7.5% in 2010.

In India, it was hoped that new Government formation with a clear majority, will usher in a series of changes to improve upon the ease of doing business in the country and steer fresh round of investments. The Government has shown its willingness towards reforms but results are taking longer to show up. Overall demand still remains weak as consumer spending, particularly on discretionary items is being postponed deterring private investments.

While the Rupee has remained range-bound, largely due to RBI's intervention, it is hurting exports that are already curtailed by tepid overseas demand. With US Federal Reserve most likely to raise interest rates later in the year, the robust foreign inflows could reverse or taper off.

Impact of Global Development on Indian Paper and Board Industry

The slowdown in global economy had its effect on the Indian economy as well. As per IMF forecasts, India's GDP growth which stood at 6.9% in 2013 improved marginally to 7.2% and is further expected reach to 7.5% in 2015. Consequently, the Indian paper and board industry was impacted by cost cutting by corporate sector

and other end use sectors. The global Paper and Board industry is experiencing a shift in growth pattern with the markets moving from developed regions to Asia, mainly China and India. Similarly Brazil and Indonesia are emerging as power centres for pulp manufacturing due to abundant availability of raw material. The large scale pulp capacities being setup in these countries would ensure stability in global pulp prices in time to come.

Indian paper industry has been passing through a challenging phase due to the tough market conditions and rising input costs especially raw materials and energy. Industry's pricing power has been limited due to domestic surplus and influx of zero duty imports under ASEAN FTA, while rising domestic costs have put pressure on profit margins. Indonesian Rupiah has depreciated more than the Indian Rupee in the current year further affecting the prospects of Indian paper industry. The paper industry has invested in technology and scale to face these challenges and remain competitive. The sharp drop in crude oil prices has resulted in decrease in landed cost of some inputs to partially offset input cost increases. The Indian Paper and Board market has continued to grow despite all these challenges and is still considered to be one of the fastest growing markets in the world. International paper companies experiencing decline in their own markets are finding the Indian market attractive due its future potential and are trying to get a toehold. This is likely to trigger a round of consolidation in the domestic paper industry which so far has been largely fragmented.

During the year, Indian Rupee was relatively stable against the USD. However notable developments in the past year were the starkly different monetary policy stance of the FED on one hand and ECB and Bank of Japan on the other. This resulted in appreciation of the USD against these major currencies. Disinflationary pressures in developed economies gave continued slump across commodities especially crude which in turn helped Indian economy as a whole. Rupee depreciated by 4% against the Dollar over the year, whereas against Euro, Rupee appreciated by 18%. Due to the sharp volatility in Euro/Rupee, the Company adopted a hedging

policy which takes into account the sharp movement of Euro in short term.

Supply and Demand Scenario in Indian Paper & Board Industry

The Indian Paper and Board market is the 15th largest market in the world. With a growth rate of 7% it is also one of the fastest growing markets with further potential for growth due to large population base and lower per capita consumption compared to world average. Greater thrust on literacy and education, changing lifestyle, growth in organised retail and higher disposable income in rural areas will fuel paper and board demand in the country. The industry which is fragmented was handicapped by technology and scale as compared to global producers. Moreover the shortage in domestic supplies was creating an opportunity for international players to export and target this lucrative market. This had triggered a round of investments in the last 5-7 years to achieve contemporary technology and remain competitive with respect to cost and quality vis-a-vis global producers

This led to capacity addition at a rate faster than the demand creating a momentary surplus in uncoated paper. This also led to closure of some mills that could not compete under the changed market scenario thus creating some space for capacity absorption. At the current growth rate we expect the capacity to get absorbed during the latter part of the current year. The Coated Paper market has not witnessed any capacity additions for many years inspite of the market opportunity due to cheap imports from China. The situation is less likely to improve without Government's intervention to regulate the imports. The Packaging Board capacity remained balanced in the current year inspite of the recent capacity addition in the industry. However the market will witness two new capacities that will come on stream during FY 2015-16 and create some supply pressure.

MARKET FOR COMPANY'S PRODUCTS

Since inception, the Company has been striving to meet customers' expectations and aspirations. Customers' requirements are diverse and demand is for products at different price points. Our New Project at unit JKPM has not only enabled us to produce paper quality of global

standards but also helped us reach wider markets and satisfy a larger range of customers through new brands and product categories.

Copier and Office Paper

Increasing needs for documentation, both from Corporate and personal use, shift towards hi-end printing and photocopying have led to rising demand for high quality Copier and Office paper. This has helped the market to absorb the enhanced volume coming from the new machine.

Establishing quality and reaching out to B & C class towns was an uphill task which the Company took up as a challenge. With our aggressive and strategic marketing efforts a growth of 31% could be achieved in the domestic market during the year. The quality of paper produced by the new machine being at par with global standards it could be quickly established in overseas markets as well. As a result, export volumes have more than doubled during the year.

'JK Max' that was introduced last year as a value for money brand targeting the upcountry markets has gained significant grounds and is now established as a pan India brand. 'JK Sparkle' also showed a significant increase in volume in its respective segment. Company's leading brands JK Copier and JK Easy Copier also maintained their market share. The pigmented paper viz; 'JK Cedar', now produced at the new machine was aimed to meet the hi-end digital printing requirements performed extremely well.

Coated Paper

The coated paper segment has high demand growth potential. Given the limited domestic coated paper capacity vis-a-vis the demand, imports will continue to play an important role in meeting domestic requirements. The company has been able to maintain its market position because of its consistent quality of 'JK Cote' brand, customer relationship, and service.

Maplitho Paper

When Paper industry was content with producing ordinary Cream Wove paper, JK pioneered in 1962 the 5surface sized Maplitho Paper popularly known as 'JK Maplitho' – a premium quality printing paper ideally

suited for the Litho Printing process. 'JK Maplitho' thus became an Industry Benchmark.

During the year, the company decided to re-enter the Maplitho segment as a strategic shift. This strategy originated as a result of increased availability of capacity from the new machine at unit JKPM and release of copier capacity from the old machine at unit CPM arising from shift in product mix.

The Company managed to leverage its goodwill to scale up quickly in this segment. To differentiate from the competition, the Company entered into niche segments of this category by introducing brands like JK Easy Draw for the drawing papers, Stiffener Board for Soaps, Blade wrappers and also 'JK Cedar' as pigmented Maplitho in large sheet format. JK Ultra Print, JK Finesse and JK Elektra which are our regular brands of Maplitho are also now well accepted at the market place.

Packaging Board

The demand for Packaging Board is a derived demand as it depends on the growth of end-user segments like FMCG, Pharma, etc. Due to weak economic conditions, consumers limited or reduced their discretionary spending. This along with global slowdown led to decline in consumer segments such as FMCG, and as a result market conditions were challenging.

The Company was able to overcome this situation by adopting various strategies. Product enhancement, better service and flexibility in production helped us to maintain capacity utilisation. The other factors such as direct contact, faster communication with the customers and our channel partners helped us in getting regular order flow.

Outsourcing

Outsourcing is being seen as a strategy to broaden product range and complement the Company's manufacturing operations. The Company has identified market opportunities which are attractive but could not be addressed due to manufacturing constraints. While doing so, care is taken to ensure conformance to JK's quality standards. The Company sees this as an important growth lever in its long term strategy. It is evaluating various other product opportunities to be covered through this route.

Branding and Distribution

JK Paper's strength lies in its aggressive branding efforts, building confidence in our channel partners and customers. Special efforts were made to improve logistics and supply chain management. To reach out to larger base of customers in the rural market, local depots were opened in some states that also helped in better order servicing. Our wholesalers were taken to the new machine at unit JKPM so as to familiarise them with new technology. To strengthen our distribution network, new distributors were appointed in unrepresented areas.

Market promotional schemes like 'Supersitare', Scratch Card" scheme for JK Easy Copier also helped in generating demand for our brands. Our efforts for reaching out to the direct customers, jobbers and dealers of paper continued through Road shows.

OPPORTUNITIES AND STRENGTHS OF THE COMPANY

Being a leading player in the value added and high growth segments of the market like Copier Paper, Coated Paper, Virgin Fibre Boards and High end Maplitho the Company will be a beneficiary of any upside in these segments. The growth of online retail is also creating new opportunities for paper and packaging consumption and the Company is gearing up to tap them. The wide distribution network of the company which is a source of strength for the Company as it plans to grow aggressively. The distribution network provides valuable feedback on market trends and customer expectations apart from providing wider visibility for its products. This distribution network will provide quicker access to the Company for its new products and facilitate a faster ramp up.

Over past five decades the Company has a track record of delivering consistent quality products and service and exceed customer expectations. This has resulted in gaining trust and loyalty of all types of customers and established a JK brand equity that is enjoyed by none in the industry. The manufacturing plants of the Company are strategically located to benefit from nearness to raw material sources as well as ports for imported inputs. The new plant has further strengthened the Company's ability to produce high

quality paper at competitive cost. The manufacturing plants being nearer to consumption centres also provide easy access to the domestic markets. In a industry craving for talent, the Company has a large pool of experienced and expert manpower that has consistently helped the Company to achieve higher standards of performance.

MAJOR CONCERNS

India continues to be a wood deficit country. As against paper industry requirement of 115 Lac tonnes of hardwood, the indigenous supply was much lower resulting in shortage. Diversion of wood to other competing industries like MDF & construction is causing a shortage for the paper industry. During the year, raw material prices ruled at the highest ever levels recorded. The industry had to import some quantities of wood/wood chips at higher price to meet the deficit. The raw material supply is likely to improve as increasing quantity of wood is available from the farm forestry programme.

The widespread use of electronic media may reduce paper consumption in some segments. Initiatives like e-governance, paperless offices may also impact the growth of paper consumption. On the contrary, the emergence of online retail is creating new opportunities for paper and packaging growth.

The Paper industry has been witnessing increasing inflows of cheap imports in some segments due to Free Trade Agreements (FTA). As a result the industry is experiencing a pricing pressure in those segments. The industry has been making representations to the Government to regulate these imports but no action has been initiated yet.

The industry faces shortage of talented and experienced manpower due to scarcity of good institutes offering technical courses for the pulp and paper industry. For talent attraction, the paper industry has to compete with other industries that offer better compensation. The industry also faces challenges for attracting new talent due to remote location of the mills. To address this, the Company provides best possible amenities including housing, recreation, medical and education at its plant locations.

RAW MATERIAL AND OTHER PURCHASES

With the help of imported supplies coupled with sharp decline in fuel prices company was able to effect some reduction in raw material prices during second half of the year.

In order to create adequate capacities aimed at long term availability of raw material, the Company increased its focus on social farm forestry within 200 KM area of the mill. A total area of 16,934 Ha area was covered during the year under this programme. Most of these are planted with Eucalyptus clones as per the requirement of our pulp mills. The planted area was 14% higher than previous year thus taking the total coverage under this programme to 1,32,934 Ha. These plantations have resulted in better utilisation of low productive wasteland of tribals and farming community in the backwards regions of Central & South Gujarat, Northern Maharashtra, Western Madhya Pradesh, Odisha and North Andhra Pradesh. As per Global

With an aim to focus on R&D, the in-house production from our advanced nurseries was increased to 20 million clonal plants at both the manufacturing locations. During the year, field trials of *Casuarina* clones, trials for *Casuarina equisetifolia* provenance and *Lucaenea leucocephala* provenance were started from Sept. '14 under cess approved IPMA project in collaboration with IFGTB, Coimbatore. Additionally, the Company has conducted Eucalyptus clonal trials for 130 clones sourced during the past 4 years. One of Eucalyptus clone is showing promising growth with maturity in shorter time span. All these efforts are likely to boost the raw material availability for the Company and hence control the raw material costs.

The year 2014-15 started with the big challenge of inflationary pressure. The political uncertainty due to the scheduled election in April 2014 for the new government added the pressure on pricing. The situation eased out after second quarter. The falling crude prices from June '14 onwards also arrested the rising trend and resulted in softening of prices of crude based chemicals and hence lower cost for the Company. The new capacity added at JKPM stabilized in the year 2014 resulting in increased scale of operations and purchases giving advantage in buying with better prices.

The weakening of the currency like Euro against Dollar reduced the pulp prices sourced from European pulp mills. Slowing demand from China in this period kept the prices suppressed and touched the lowest levels of the recent years. The dollar parity with Rupee remained stable throughout the year and imports remained competitive and favourable for the Company. The pulp prices have again started moving northwards without justifiable basis, possibly because of dominant global players pricing mechanism.

The coal availability from linkage allotment remained better during the year. However, the preference to core sector by Railways in allotting rakes for the coal movement affected the stocks at our plants but the shortfall was fulfilled with imports. The Indonesian import coal prices remained low throughout the year due to weak demand from China.

FINANCIAL HIGHLIGHTS

Rs. In Crore (10 Million)

	2014-15	2013-14
Gross Sales	2514.97	2025.47
Net Sales	2138.55	1721.37
Profit before Finance Cost and Depreciation (PBIDT)	266.49	138.51
Profit before Depreciation and Tax (PBDT) without exceptional items	62.56	16.65
Profit/(Loss) before Tax (PBT)	(51.03)	(122.94)
Profit/(Loss) after Tax (PAT)	(12.74)	(77.19)

The Company achieved a production of 4.14 Lac tonnes and sales of 3.98 Lac tonnes during the year. Operating profit (PBIDT) of the Company during the year stood at 12% while PBDT stood at 3%. Though the Company increased its selling prices during the year, it was not commensurate with the increase in input costs. However the increased operating efficiency with increased capacity utilisation has resulted in improvement in operating margin during the year, The Company reported a net loss of Rs. 12.74 Crore for the Current Year as against net loss of Rs. 77.19 Cr in Previous Year.

The moderation in inflationary pressures prompted RBI to finally usher in repo rate cuts in 2 phases by a cumulative 50 basis points to 7.5 per cent after maintaining it at 8 per cent for the whole of 2014. However, the commercial banks are yet to fully pass on the benefit to the industry. Moreover oil prices are again on the rise, up more than 40 per cent since Jan 2015 to over US\$68 per barrel. This coupled with unseasonal rains in Feb-March affecting Rabi crops and deficient monsoon forecasts are likely to play spoilsport over containing food inflation. These could lead to some acceleration in inflation thereby making it harder for RBI to cut interest rates any further soon. As a result, cost of capital for industry will remain high for the time being. The Company has managed to achieve relatively lower overall cost of funding due to appropriate mix of rupee loan and foreign currency loan in total debt portfolio.

During the year our new capacity was fully operational and increased production and sales volume has resulted in increased working capital requirement. The Company has managed its increased working capital requirement with better inventory management and credit control with receivables coming down from 35 days to 28 days in the current year. Cost of working capital funds was also managed well despite high interest cost scenario by using optimum utilisation of working capital limits in vendor financing, buyer's credit facilities and Working Capital Demand Loan.

ENVIRONMENT AND NEIGHBOURHOOD

Protection of the environment has been utmost priority of the Company. It strives not only to adhere to the stringent compliance standards but exceed them on a sustained basis to ensure that the environment and the surrounding communities are not subjected to any kind of risks. Conscious efforts are made to conserve the natural resources like Coal, water and wood, which are vital inputs for our plant operations. Our new plant at Unit JKPM is an evidence of the Company's efforts towards achieving this.

The company is also committed to the welfare of the neighbouring communities at all locations where it operates. The company undertakes various initiatives for inclusive growth of neighbouring communities by providing education, livelihood and healthcare

opportunities for them. The Company follows high standards of health, safety and environment to protect interests of all its stakeholders. The Company's efforts in these areas have been widely appreciated at various forums which provides motivation to pursue them further.

HUMAN RESOURCE MANAGEMENT

In the backdrop of startup and stabilization of the new expansion project at JKPM, Rayagada, the Human Resources function played a crucial role to keep the morale of workforce high. Along with the plant team, the Human resources team identified the gaps in operating structure of the new plant and bridged them with a mix of new recruits from the industry and existing talent. Suitable training and development programs were also coordinated for operations of the new plant.

The result of our continuous effort to optimize the manpower deployment showed up during the year when the ratio of employee cost to net sales came down significantly from 9.2% in 2013-14 to 7.8% in 2014-15. The ratio today stands among the best in the industry. The organisation structure at Unit CPM was revamped to have seamless integration of Packaging Board Plant with rest of the Pulp and Paper facilities. This has resulted in better planning and management of operations at the unit.

The annual "Udaan" competition which has been initiated to unleash the innovative potential of young talents in the Company witnessed highly enthusiastic participation across all locations. Some of the ideas thrown up by the young employees were found to be promising and will be implemented in course of time.

The senior management team participated in the Group's biennial Top Management Conference (TMC) in February 2015 at Chennai. With a theme titled

"Leadership Challenges in a Fast Changing World", the TMC was directed by highly sought after Coach of CEOs of many Fortune 100 companies and business transformation consultant, Professor Ram Charan. There are several high impact learnings from the Conference and the JK Paper team is now diligently implementing some of them.

Maximising engagement of employees at workplace has been a top priority for Human Resources function. To ensure this, the company is following many contemporary practices like competency Assessment, focused learning and development and career planning for identified talent pool. These initiatives are used as a build up for fast track growth, Rewards and Recognition and Succession Planning. To track the level of engagement, an Employee Satisfaction Survey (ESS) is administered once in every two years. The result of this survey which was completed in March 2015 is very satisfying and it will be our endeavour to improve employee engagement further.

CAUTIONARY STATEMENT

"Management Discussion and Analysis Report" contains forward-looking statements, which may be identified by the use of words in that direction or connoting the same. All statements that address expectation or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward looking statements.

The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events.

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:

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:

Director	Category	No. of Board Meetings attended during 2014-15	Whether attended last A.G.M. (27.09.2014)	No. of other Directorships and Committee Memberships / Chairmanships		
				Other Directorships\$	Other Committee Memberships**	Other Committee Chairmanships**
Sh. Bharat Hari Singhania, Chairman	Non-Executive Non-Independent	4	Yes	4	1	-
Sh. Harsh Pati Singhania, Vice Chairman & Managing Director	Executive	4	Yes	2	2	-
Sh. Arun Bharat Ram ^Δ	Independent	2	No	6	2	-
Sh. Dharendra Kumar	Non-Executive Non-Independent	4	No	5	2	-
Sh. M.H.Dalmia ^Δ	Independent	3	No	-	-	-
Sh. R. V. Kanoria ^Δ	Independent	3	No	7	4	-
Sh. Sandip Somany ^Δ (w.e.f. 11.08.2014)	Independent	2	No	5	-	-
Sh. Shailendra Swarup ^Δ	Independent	4	No	5	2	-
Sh. Udayan Bose ^Δ	Independent	4	Yes	3	1	-
Smt. Vinita Singhania	Non-Executive Non-Independent	4	No	4	-	-
Sh. Wilhelmus Johannes Maria Wienk (nominee of FCCB Holders)	Non-Executive Non-Independent	3	No	-	-	-
Sh. O. P. Goyal, Whole-time Director	Executive	4	Yes	2	-	-

- * Shri Shailesh Haribhakti ceased to be a director w.e.f. 27.09.2014 (attended 2 Board Meetings).
 - △ Pursuant to the provisions of the Companies Act, 2013, all the six Directors of the Company were appointed by the shareholders as an Independent Directors at the Annual General Meeting (AGM) held on 27th September 2014 for a term of five consecutive years commencing from the date of AGM and the formal letters of appointment have also been issued to each of them. The terms and conditions of their appointment have been disclosed on the website of the Company.
 - \$ Excludes Directorships in Private Ltd Companies, Foreign Companies, memberships of Managing Committees of various Chambers/bodies /Section B Companies.
 - ** only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.
- Shri Harsh Pati Singhania, Vice Chairman & Managing Director is a relative of Shri Bharat Hari Singhania, Chairman.

Date and number of Board Meetings held

Four Board Meetings were held during the year 2014-15 i.e., on 21st May 2014, 11th August 2014, 31st October 2014 and on 10th February 2015.

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 the Clause 49 of the Listing Agreement 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 (www.jkpaper.com). All the Board Members and Senior Management Personnel have affirmed compliance with the code. This report contains a declaration to this effect signed by Vice Chairman & Managing Director.

3. Separate Meeting of the Independent Directors

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 10th February 2015. Shri R. V. Kanoria chaired the said meeting and all the Independent Directors

of the Company, except Shri Arun Bharat Ram, were present at the said Meeting.

4. Familiarisation Programme For Independent Directors

In accordance with the provisions of Clause 49 of the Listing Agreement, the Company has been conducting various familiarisation programmes for Independent Directors. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is <http://www.jkpaper.com/images/pdf/Familiarisation%20Programme%20of%20INDs.pdf>.

5. Performance Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board 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 the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual directors on the basis of the criteria such as the active participation, informed and balanced decision making, independence of judgement etc. In addition, the Chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent Directors, 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. 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.

6. Audit Committee:

Terms of Reference of the Committee cover the matters specified for Audit Committee under Clause 49 of the Listing Agreement with the Stock Exchanges and Section 177 of the Companies Act, 2013.

The Committee presently consists of four Directors, out of which three are Independent Directors and one is Non-Independent Director. The Composition of the Committee is in conformity with the provisions of Section 177 of the Companies Act, 2013 and also Clause 49 of the Listing Agreement.

Four meetings of the Audit Committee were held during the year 2014-15 as detailed hereunder:

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

Dates of meetings	No. of members attended
21 st May 2014	3
11 th August 2014	4
31 st October 2014	3
10 th February 2015	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	4
Shri Arun Bharat Ram	Member	2
Shri R.V.Kanoria	Member	3
Shri Dharendra Kumar	Member	4

7.1 Nomination and Remuneration Committee

The Nomination and Remuneration Committee presently consists of three Independent Directors, namely Shri Arun Bharat Ram, (Chairman), Shri R.V.Kanoria and Shri Udayan Bose. The Composition and the role of the committee are in conformity with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

Three meetings of the Nomination and Remuneration Committee were held during the year 2014-15 as detailed hereunder:

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

Dates of meetings	No. of members attended
21 st May 2014	2
11 th August 2014	3
10 th February 2015	2

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	2
Shri R.V.Kanoria	Member	2
Shri Udayan Bose	Member	3

7.2 Nomination And Remuneration Policy

In accordance with the provisions of the Companies Act 2013 and Clause 49 of the Listing Agreement, the Company has put in place the

Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company including criteria for determining qualifications, positive attributes, independence of a Director as well as a policy on Board Diversity. The 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 subject to the provisions of the Act, Listing Agreement with Stock Exchanges 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.

7.3 Remuneration to Directors

A. Executive Directors

The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the year ended 31st March, 2015 to the Vice Chairman & Managing Director and the Whole-time Director is as follows: Shri Harsh Pati Singhania, Rs. 302.75 lac and Shri O. P. Goyal, Rs. 176.43 lac.

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 Whole-time Director, 6 months salary in lieu of notice period.

B. Non-Executive Directors

The Company has paid sitting fees aggregating to Rs. 8.55 lac 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 2014-IS. Number of Equity shares of Rs.10/- each of the Company held by the Non-Executive Directors: Smt. Vinita Singhania (87,500 Equity Shares).

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

8. Stakeholders' Relationship Committee

The Committee presently consists of three directors, namely Shri R.V.Kanoria (Chairman), Shri Arun Bharat Ram and Shri O.P.Goyal, Whole-time 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 Clause 49 of the Listing Agreement.

Four meetings of the said Committee were held during the year 2014-IS as detailed hereunder:

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

Dates of meetings	No. of members attended
21 st May 2014	2
11 th August 2014	3
31 st October 2014	2
10 th February 2015	2

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

Name	Status	No. of Meetings attended
Shri R.V.Kanoria	Chairman	3
Shri Arun Bharat Ram	Member	2
Shri O.P.Goyal	Member	4

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

Seven investor complaints were received during the financial year ended 31st March 2015, 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 2015, 19 meetings of the said Committee of Directors were held.

9. Corporate Social Responsibility Committee

The Board of Directors constituted the Corporate Social Responsibility Committee (CSR) of the Board at its meeting held on 21st May 2014. This Committee meets the criteria laid down under Section 135 of the Companies Act, 2013 and Rules made therein.

Two meetings of the said Committee were held during the year 2014-IS as detailed hereunder:

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

Dates of meetings	No. of members attended
11 th August 2014	3
10 th February 2015	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 Harsh Pati Singhania	Chairman	2
Shri Shailendra Swarup	Member	2
Shri O.P.Goyal	Member	2

10. General Body Meetings

- Location and time for last three Annual General Meetings were:

Year	Location	Date	Time
2011-12	P.O. Central Pulp Mills – 394 660 Fort Songadh, Distt.Tapi,Gujarat	13-08-2012	12.00 Noon
2012-13	Same as above	17-08-2013	12.15 P.M.
2013-14	Same as above	27-09-2014	12.30 P.M.

- (ii) No Special Resolutions were required to be put through postal ballot last year. However, public shareholders, pursuant to Circular No. CIR/CFD/DIL/S/2013 dated February 04,2013 issued by the Securities and Exchange Board of India as amended vide Circular No. CIR/CFD/DIL/B/2013 dated May 21, 2013, read with Section 110 of the Companies Act, 2013 and Rule 22 of the Companies (Management and Administration) Rules, 2014, have passed an ordinary resolution through Postal Ballot and e-voting, approving the Scheme of Arrangement between JK Enviro-tech Limited and JK Paper Limited and their respective shareholders and creditors in terms of Sections 391-394 of the Companies Act, 1956, for transfer of the Lime Kiln Undertaking of JK Enviro-tech Ltd to the Company, as a going concern on slump sale basis w.e.f. 1st April 2013.
- (iii) Special Resolutions passed in previous 3 Annual General Meetings:
- (a) At the last Annual General Meeting of the Company held on 27th September 2014, Special Resolutions were passed:
- to authorize the Board of Directors to borrow money upto an amount not exceeding Rs. 3,500 Crores.
 - to authorize the Board of Directors to create mortgage/charges on the properties of the Company in favour of the lenders upto an amount not exceeding Rs. 3,500 Crores.
 - to approve the acceptance of deposits by the Company.

(iv)&(v) to approve the payment of minimum remuneration to Vice Chairman & Managing Director and Whole-time Director, in case of no profits or inadequacy of profits in any financial year or years, during the residual tenure of their appointments.

(vi) to approve the continuation of the holding of office or place of profit by Sh. Shrivats Singhania, a related party, upon his redesignation, w.e.f. 1st October 2014, on specified terms of remuneration.

(b) At the Annual General Meeting of the Company held on 17th August 2013, Special Resolution was passed unanimously to amend Clause 134(2) and insert new Clause 130B in the Articles of Association of the Company.

(c) At the Annual General Meeting of the Company held on 13th August 2012, Special Resolutions were passed unanimously:

(i) to approve payment of commission to the Directors other than the Managing or Whole-time Directors.

(ii) to amend sub-clause 3 of Article 101 of the Articles of Association of the Company by substitution of the existing explanation therein by a new explanation.

(iii) to re-appoint and approve the terms of remuneration of the Chairman and the Managing Director of the Company for a period of 5 years w.e.f. 01.01.2012.

(iv) to re-appoint and approve the terms of remuneration of the Whole-time Director of the Company for a period of 3 years w.e.f. 07.09.2012.

II. 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 Clause 49 of the Listing Agreement.

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 Accounting Standard (AS-1B) on Related Party transactions has been made in the Annual Report.

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*

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.

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.

Risk Management: The Company has a risk management system and has laid down procedures to inform Board Members about risk assessment and minimization procedures. These procedures are being periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

The company has systematic process for mapping the risks after discussions with respective

stakeholders, study of past records and scenario building. Each plant has a risk management committee headed by the plant head, which meets periodically and reviews the systems and procedures. Suitable changes are also done after due deliberations, if found necessary. These are further reviewed at Head office once in every six months. The identified risks are segregated into short term and long term risks. External experts are also consulted to provide external perspective to the identified risks. The identified risks are addressed by an appropriate risk mitigation plan.

For new projects, all risks are identified prior to the implementation. These risks are segregated into market risks, operating risks, financial risks etc. and suitable measures are taken to counter them. Review of these risks is done periodically to initiate agreed actions to mitigate them, if needed.

The company as a policy does not take any positions based on speculation in foreign exchange market and covers are initiated only for actual trade exposures. Hedging of currency exposures is resorted only to manage the overall risk and exposures through out of the money call Options and forwards for the liability due in next six month and also entered in long term Swap when the exchange rate and interest rates were in favour.

The Company has identified some key long terms risks that are likely to impact its regular business viz; decrease in raw material availability in India, digitisation, e-media, paperless offices affecting paper consumption and cheap imports due to Free Trade Agreements. The Company has made risk mitigation plan for all these risks which is being reviewed periodically.

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.

During the year, the Company did not have any material unlisted subsidiary as defined in Clause 49 of the Listing Agreement.

12. Means of Communication

Quarterly and annual financial results are normally published in the English Newspaper like Business Standard/Financial Express and the Gujarati Newspaper Sandesh, etc. and are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the web-site of the company "www.jkpaper.com". Management Discussion & Analysis forms part of the Annual Report.

13. General Shareholders' Information:

(i) Annual General Meeting (AGM) :-

(a) Date and Time : Thursday, 24th
September 2015 at
12.30 P.M.

Venue : P.O. Central Pulp Mills-
394660, Fort Songadh,
Distt. Tapi, Gujarat.

(b) As required under Clause 49 VIII (E) (1), a brief resume and other particulars of Directors seeking re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.

(ii) **Book Closure** : 18th September
2015 to 24th
September 2015
(both days
inclusive)

(iii) **Dividend
Payment Date** : Not Applicable

(iv) **Financial Calendar** : Year Ending March 31

Annual General Meeting for the year
ending March 31, 2016
Between June and
September 2016

(v) **Listing of Equity Shares (including Stock Code):** The Equity Shares of the Company are listed on National Stock Exchange of India Limited (Stock Code - JK Paper) and BSE Limited (Stock Code - S32162). Listing Fee for the year 2015-16 has been paid to the said Stock Exchanges.

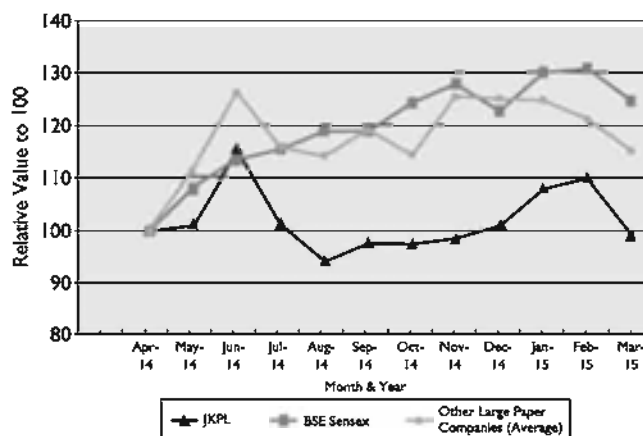
(vi) Stock Market Price Data :

Month	Stock Market Price on BSE Limited (BSE)		Stock Market Price on National Stock Exchange of India Limited (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
2014				
April	35.20	28.55	35.10	29.50
May	37.35	30.10	37.25	30.45
June	41.00	32.60	40.70	32.00
July	37.50	32.10	37.80	32.10
August	33.35	29.35	33.15	29.15
September	34.35	29.45	34.40	29.30
October	31.95	29.55	32.05	29.25
November	32.80	30.30	32.45	30.35
December	33.70	28.80	35.40	28.80
2015				
January	37.50	30.60	38.45	29.45
February	39.40	34.00	39.25	33.25
March	35.80	30.55	35.90	30.55

(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 2014 to March 2015]:



(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 2015, 95.65% 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 transfer/transmission of shares in physical form is normally processed and completed within 10 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.

(x) (a) **Distribution of Equity Shareholding (both in physical and electronic form) as on 31st March 2015:**

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	13,928	78.34	22,23,042	1.63
501 to 1,000	1,699	9.56	14,74,064	1.08
1,001 to 5,000	1,604	9.02	38,02,353	2.78
5,001 to 10,000	226	1.27	16,81,155	1.23
Over 10,000	321	1.81	12,74,40,011	93.28
Total	17,778	100.00	13,66,20,625	100.00

(b) **Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March 2015:**

Category	No. of Equity Shares held	Percentage of Shareholding
Domestic Companies	8,01,17,575	58.64
Resident Individuals & Trusts	3,57,97,943	26.20
FIs, Mutual Funds & Banks	74,10,380	5.43
Foreign Investors/ FIIs / NRIs	1,32,94,727	9.73
Total	13,66,20,625	100.00

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

FCCBs: Unsecured Foreign Currency Convertible Bonds (FCCBs) aggregating to Euro 35 Million, issued by the Company on private placement basis to European Development Institutions on 30th May 2011 are convertible into 3,63,16,875 Equity Shares anytime after 3.5 years from date of the issue of the FCCBs at an initial conversion price of Rs.65/- per Equity Share of Rs. 10 each, subject to adjustments for the FCCBs. If FCCBs are not converted, they are repayable between 15th May 2016 to 15th May 2018.

(xii) Plant locations :

- (i) JK Paper Mills
Jaykaypur - 765 017
Distt. Rayagada (Orissa).
- (ii) Central Pulp Mills
P.O. Central Pulp Mills - 394 660
Fort Songadh
Distt. Tapi (Gujarat)

**(xiii) Address for correspondence for
Share Transfer and related matters:**

1. Registrar and Share Transfer Agent (RTA)
M/s MC5 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: admin@mcsdel.com
2. 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, 563, 564)
Fax No. 91-11-23739475

**(xiv) Exclusive e-mail ID for redressal of investors
complaints:**

In compliance of Clause 47(f) of the Listing Agreement, "sharesjkpaper@jkm.com" is the e-mail ID exclusively for the purpose of registering complaints by investors.

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 2015.

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, 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 Insiders, in terms of the said Regulations.

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of JK Paper Limited

We have examined the compliance of conditions of Corporate Governance by JK Paper Limited for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied in all material respect with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For S.S. Kothari Mehta & Co.

Chartered Accountants

Firm Registration No.: FRN000756N

K.S. Mehta

Partner

Place : New Delhi

Date : 3rd August 2015

(Membership No. 008883)

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
JK Paper Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of JK Paper Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(S) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free

from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

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

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by

the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its loss and its cash flows for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note No.34 (e) of the accompanying financial statements. As per the scheme of Arrangement approved by the Hon'ble High Court of Gujarat and accounting treatment sanctioned therein, the company has withdrawn Rs. 5.04 crores from the Security Premium Account to the Statement of Profit & Loss towards diminution in the value of investments in JK Enviro-Tech Limited. There is no specific accounting treatment prescribed in the Accounting standards specified in the Companies Act, 2013 and consequent to this treatment, the loss for the year ended March 31, 2015 is lower by the said amount with a corresponding reduction in security premium reserve.
- b) We draw attention to Note No.33 (b) of the Financial Statements regarding assets held for sale grouped under 'Other Current Assets' amounting to Rs. 157.84 Crore. pending for disposal since September, 2013.

Our opinion is not qualified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the 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 2015 taken on record by the Board of Directors, none of the directors is disqualified

as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

- (f) 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 financial statements - Refer Note 30 to the financial statements.
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material

foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 5 and 8 to the financial statements.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **S. S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No.: 0007S6N

K.S. MEHTA

Partner

Membership No.: 008883

Place: New Delhi

Date: 16th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31st March 2015, we report that:

- i. (a) The Company has maintained proper records in respect of its fixed assets 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 programme 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, if any, noticed on such physical verification have been properly dealt with in the books of accounts.
- ii. (a) We have been explained by the management that the inventory has been physically verified at reasonable intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory. As far as we can ascertain and according to information and explanations given to us by the management, the discrepancies, whenever material noticed on such physical verification of inventory as compared to book records were properly dealt within the books of accounts.
- iii. According to the information and explanations given to us, the Company has not granted loan to companies, firms or other parties covered in the register maintained under section 189 of the

Companies Act, 2013. Therefore, provision of clause 3(iii)(a) and 3(iii)(b) of Companies (Auditor's Report) Order, 2015 are not applicable.

- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature where suitable alternative sources do not exist for obtaining comparable quotations, there is reasonable internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 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 to 76 or any other relevant provisions of the Companies 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 Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by Central Government for the maintenance of cost records under section 148(1) of the Act in respect to the Company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the company is generally regular in depositing

undisputed statutory dues including provident fund, employees' state insurance, sales-tax, wealth tax, income tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities to the extent applicable and further, 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 2015.

- (b) According to the records and information and explanations given to us, there are no material dues in respect of wealth tax and income tax which have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of sales tax, excise duty, custom duty, service tax and cess that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:

Name of the statute	Nature of dues	Period to which amount relates	Amount Involved (Rs. In Crores)	Forum where dispute is pending
Sales Tax Act	Sales Tax	1983-84/ 1987-88	0.05	Sales Tax Department- Delhi
		1997-98	0.1	Sales Tax Tribunal, Cuttack
		2002-2003	0.01	Deputy Commissioner, Delhi
		2004-2005	0.46	High Court Allahabad
		2005-2009	1.46	Additional Commissioner, Cuttack
		2005-2009	0.16	Sales Tax Tribunal Cuttack
		2006-2007	1.05	High Court Allahabad
		2006-2007	0.12	Joint Commissioner Appeals, Vadodara
		2007-2008 & 2008-2009	0.24	High Court Allahabad
		2009-2010	0.08	High Court Allahabad
Central Excise Act 1944	Excise Duty	2012-13	5.85	Additional Commissioner, Cuttack
		1981-1982/ 1982-1983	0.7	Deputy Commissioner Central Excise, Rayagada
		1982-1983	0.41	Supreme Court
		1986-1987 & 1994-1995	1.31	High Court, Cuttack
		2004-2007	0.05	CESTAT Ahmadabad
		2005-2007	0.03	CESTAT Ahmadabad
		2005-2009	0.05	CESTAT Ahmadabad
		2007-2009	0.9	CESTAT Ahmadabad
		2007-2008/ 2008-2009	0.15	CESTAT Ahmadabad
		2007-2009	2.47	CESTAT Ahmadabad
		2008-2009 & 2009-2010	6.22	CESTAT Kolkata
		2009-2010	0.08	CESTAT Ahmadabad
		2010-2011	0.53	CESTAT Ahmadabad
		2011-2012	0.26	CESTAT Ahmadabad
		2012-2013	0.02	CESTAT Ahmadabad
Custom Act	Custom Duty	2012-2013	0.17	CESTAT Ahmadabad
		2008-2012	0.76	Commissioner (Appeals),Surat
Custom Act	Custom Duty	2012-2013	0.72	Commissioner (Appeals) Custom, Ahmadabad
Finance Act	Service Tax	2009-2010	0.27	Commissioner (Appeals),Surat
Water (PCP) Cess Act, 1977	Cess	2001- 2002 to 2014-15	0.81	Cess Appellate Committee, OSPCB, Bhubaneswar

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.

- viii. The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to banks, financial institutions and debenture/bond holders.
- x. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. In our opinion and on the basis of information and explanations given to us, the term loans were applied for the purposes for which they were obtained.
- xii. According to the information and explanation given to us, no instance of fraud on or by the company, noticed or reported during the year.

For **S. S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No.: 000756N

K.S. MEHTA

Partner

Membership No.: 008883

Place: New Delhi

Date: 16th May, 2015

BALANCE SHEET

AS AT 31ST MARCH, 2015

		Rs. in Crore (10 Million)	
	Note	31 st March, 2015	31 st March, 2014
EQUITY AND LIABILITIES :			
Shareholders' Funds			
Share Capital	2	136.62	136.62
Reserves & Surplus	3	641.38	661.49
		778.00	798.11
Non Current Liabilities			
Long Term Borrowings	4	1,598.28	1,688.84
Deferred Tax Liabilities (Net)		33.19	73.81
Other Long Term Liabilities	5	39.52	34.91
Long Term Provisions	6	1.79	3.14
		1,672.78	1,800.70
Current Liabilities			
Short Term Borrowings	7	244.19	219.05
Trade Payables		237.62	212.09
Other Current Liabilities	8	381.49	438.97
Short Term Provisions	9	1.19	2.67
		864.49	872.78
	TOTAL	3,315.27	3,471.59
ASSETS :			
Non Current Assets			
Fixed Assets:			
Tangible Assets	10	2,293.12	2,463.55
Intangible Assets	11	3.68	4.85
Capital Work- in- Progress		27.46	17.15
		2,324.26	2,485.55
Non Current Investment	12	28.02	31.79
Long Term Loans and Advances	13	94.19	72.90
Other Non Current Assets	14	26.75	24.25
		2,473.22	2,614.49
Current Assets			
Current Investments	15	-	63.79
Inventories	16	373.58	291.51
Trade Receivables	17	145.92	170.80
Cash and Bank Balances	18	17.35	8.34
Short Term Loans and Advances	19	143.07	182.50
Other Current Assets	20	162.13	140.16
		842.05	857.10
	TOTAL	3,315.27	3,471.59

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date

FOR S. S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Reg. No. 000756N

K.S. MEHTA

Partner

Membership No. 008883

New Delhi,
the 16th May, 2015

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

For and on behalf of the Board

B.H. SINGHANIA

Chairman

H.P. SINGHANIA

Vice Chairman & Managing Director

O.P. GOYAL

Whole Time Director

UDAYAN BOSE

Director

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2015

Rs. in Crore (10 Million)

	Note	2014-15	2013-14
REVENUE :			
Sales		2,514.97	2,025.47
Less : Discounts		255.36	203.74
		2,259.61	1,821.73
Less : Excise Duty		121.06	100.36
Net Sales		2,138.55	1,721.37
Other Operating Revenue	21	20.28	16.50
Revenue from Operation		2,158.83	1,737.87
Other Income	22	12.15	14.76
Total Revenue [I]		2,170.98	1,752.63
EXPENSES :			
Cost of Materials Consumed	23	1,295.20	1,079.45
Purchases of Stock-in-Trade		66.39	92.98
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	(25.33)	(58.36)
Employee Benefits Expense	25	166.00	158.71
Other Expenses	26	402.23	341.34
Total [II]		1,904.49	1,614.12
Profit before Interest, Depreciation & Tax (PBITD) [I - II]		266.49	138.51
Finance Costs	27	203.93	121.86
Depreciation and Amortisation Expenses	28	113.59	122.10
Profit/(Loss) before Exceptional Items and Tax		(51.03)	(105.45)
Exceptional Items	38	-	(17.49)
Profit/(Loss) before Tax		(51.03)	(122.94)
Tax Expense :	48		
Current Tax (MAT)		-	0.08
Less : MAT Credit Entitlement		(1.29)	(0.33)
Net Current Tax		1.29	0.41
Deferred Tax Credit		(39.58)	(46.16)
Profit/(Loss) After Tax		(12.74)	(77.19)
Earning per Equity Share (Rs.)	50		
Basic		(0.93)	(5.65)
Diluted		(0.93)	(5.65)

Significant Accounting Policies

1

The accompanying Notes are an integral part of the Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

FOR S. S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Reg. No. 000756N

K.S. MEHTA
Partner
Membership No. 008883

New Delhi,
the 16th May, 2015

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

For and on behalf of the Board

B.H. SINGHANIA Chairman

H.P. SINGHANIA Vice Chairman & Managing Director

O.P. GOYAL Whole Time Director

UDAYAN BOSE Director

Note I

SIGNIFICANT ACCOUNTING POLICIES

- a) Accounts are maintained on accrual basis. Claims/Refunds not ascertainable with reasonable certainty are accounted for on settlement basis.
- b) Cash flows are reported using the indirect method.
- c) Fixed Assets are stated at cost adjusted by revaluation of certain assets.
- d) Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection.
- e)
 - i) Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the Balance Sheet date are translated at exchange rate prevailing at the year end. Premium or discount in respect of forward contracts covered under AS 11 (revised 2003) is recognized over the life of contract. Exchange differences arising on actual payments / realizations and year end translations including on forward contracts are dealt with in Statement of Profit and Loss. The foreign exchange loss/gain on reporting of long-term foreign currency monetary items and forward contracts, held as on reporting date to be used for, or actually used for repayment of loan taken for depreciable assets, are capitalized. Non Monetary Foreign Currency items are stated at cost.
 - ii) In accordance with Announcement issued by the Institute of Chartered Accountants of India all outstanding derivatives except covered under AS 11 (revised 2003) are marked to market on Balance Sheet date and loss, if any, is recognized in Statement of Profit & Loss and gains are ignored.
- f) Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. The current investments are stated at lower of cost and quoted / fair value computed category-wise. When investment is made in partly convertible debentures with a view to retain only the convertible portion of the debentures, the excess of the face value of the non-convertible portion over the realisation on sale of such portion is treated as a part of the cost of acquisition of the convertible portion of the debenture. Income in respect of securities with long-term maturities is accounted for as per contractual obligation.
- g) Inventories are valued at the lower of cost and net realisable value (except scrap/waste which are valued 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.
- h)
 - i) Revenue from operation is recognized when significant risk and reward of ownership is passed on to the customer.
 - ii) Interest Income is recognized on time proportion basis.
 - iii) Dividend Income on investment is accounted for when the right to receive the payment is established.
 - iv) Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss. Project subsidy is credited to Capital Reserve.
 - v) Renewable Energy Certificate (REC) benefits are recognised in Statement of Profit & Loss on receipt of certificate from the relevant authority.
- i) 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 Assets.
- j) Borrowing cost is charged to Statement of Profit and Loss except cost of borrowing for acquisition of qualifying assets which is capitalised till the date of commercial use of the asset. The ancillary costs incurred in connection with the arrangement of borrowings are amortised over the life of underlying borrowings.
- k)
 - i) 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 Rs. \$000/- and on Temporary Sheds is provided in full during the year of additions. Intangible Assets are amortised over their respective individual estimated useful lives on Straight Line Method.

- ii) Depreciation on the increased amount of assets due to revaluation is computed on the basis of the residual life of the assets as estimated by the valuers on straight-line method.
- iii) Leasehold Land is being amortised over the lease period.
- l) An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss when an asset is identified as impaired. Reversal of impairment loss recognised in prior periods is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.
- m) Employee Benefits:
 - i) Defined Contribution Plan
Employee benefit in the form of Superannuation Fund is considered as defined contribution plan and charged to the Statement of Profit and Loss in the year when the contribution to the respective fund is due.
 - ii) Defined Benefit Plan
Retirement benefits in the form of Gratuity is considered as defined benefit obligation and provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance Sheet. The Provident Fund Contribution 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. Shortfall, if any, shall be made good by the Company.
 - iii) Other long-term benefits
Long term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance Sheet.
Actuarial gain/losses, if any, are immediately recognized in the Statement of Profit and Loss.
- n) Lease rentals in respect of assets taken on Operating/Finance lease are accounted for in reference to lease terms.
- o) Expenditure incurred against which benefit is expected to flow into future periods, are treated as Deferred Revenue Expenditure and charged to Revenue Account over the expected duration of benefit. Share issue expense is charged to Securities Premium Reserve in the year of issue. ECA Premium on loans is to be amortised over the tenure of loan.
- p) Intangible Assets are being recognised if the future economic benefits attributable to the asset are expected to flow to the company and the cost of the asset can be measured reliably. The same are being amortised over the expected duration of benefits.
- q) Current tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred tax assets and liabilities are recognised in respect of current year and prospective years. Deferred Tax Assets are recognised on the basis of reasonable certainty / virtual certainty as the case may be, that sufficient future taxable income will be available against which the same can be realised.
- r) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes.
- s) Premium on redemption of preference shares is accounted for in the year of redemption.

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

Note 2

Share Capital

Authorised :

Equity 5shares - 20,00,00,000	200.00	200.00
(Previous year - 20,00,00,000) of Rs.10 each		
Redeemable Preference 5shares - 3,00,00,000	300.00	300.00
(Previous Year - 3,00,00,000) of Rs.100 each		
	<u>500.00</u>	<u>500.00</u>

Issued, Subscribed and Paid-up :

Equity 5shares - 13,66,20,625 (Previous year 13,66,20,625)	136.62	136.62
of Rs.10 each fully paid up		
	<u>136.62</u>	<u>136.62</u>

Notes :

(a) Reconciliation of Equity 5share Capital (In numbers)		
Shares outstanding at the beginning of the year	13,66,20,625	13,66,20,625
Add : Shares issued during the year	-	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>13,66,20,625</u>	<u>13,66,20,625</u>

(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 general meeting.
- The Company has only one class of Equity 5shares having face value of Rs. 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 5share Capital of the Company (In numbers) :

	31st March, 2015	31 st March, 2014
Bengal & Assam Company Limited	3,28,43,299	3,28,43,299
JK Fenner (India) Limited	2,54,57,500	2,54,57,500
Florence Investech Limited (formerly JK Agri Genetics Limited)	1,18,33,332	1,16,81,684
Trustees, JK Paper Employees Welfare Trust	1,16,81,112	1,24,30,362
International Finance Corporation	76,90,000	76,90,000

Rs. in Crore (10 Million)

Note 3

	As at 1st April, 2014	Additions	Transfers	As at 31st March, 2015
RESERVES AND SURPLUS				
Capital Reserve	29.92	-	-	29.92
Capital Redemption Reserve	3.00	-	-	3.00
Securities Premium Reserve	355.08	-	5.04 (a)	350.04
Debenture Redemption Reserve	1.48	-	-	1.48
Revaluation Reserve	3.21	-	0.29 (b)	2.92
General Reserve	45.57	2.31 (c)	4.35 (d)	43.53
Surplus in Statement of Profit & Loss	223.23	(12.74)	-	210.49
	661.49	(10.43)	9.68	641.38
Previous Year	738.87	(77.19)	0.19	661.49

Notes :

- Pursuant to the Scheme of Arrangement (Note no. 34).
- Rs. 0.29 Crore transferred to General Reserve (Previous year Rs. 0.19 Crore transferred to Statement of Profit and Loss) towards Additional Depreciation arising out of revaluation of Fixed Assets.
- Rs. 0.29 Crore transferred from Revaluation Reserve (Previous year Rs. Nil) and Profit of Rs. 2.02 Crore (net of deferred tax of Rs. 0.90 Crore) of Lime Kiln Undertaking related to Financial Year 2013-14 has been added to the General Reserve pursuant to the Scheme of Arrangement (Note no. 34).
- In accordance with Part C, Schedule II of the Companies Act, 2013, Rs.4.35 Crore (net of Deferred Tax of Rs. 1.94 Crore) has been adjusted in respect of Fixed Assets whose useful life had already exhausted as on 1st April, 2014.

Rs. in Crore (10 Million)
31st March, 2015 **31st March, 2014**

Note 4

LONG TERM BORROWINGS

SECURED

Term Loans

- From Banks	1,440.71	1,634.60
- From Financial Institutions	115.58	32.45

UNSECURED

Foreign Currency Convertible Bonds (FCCB's)	236.28	289.02
Loan from Related Party	40.00	-
Public Deposits	11.33	13.01
Finance Lease Obligation	0.76	1.15

	1,844.66	1,970.23
Less : Current maturities of Long Term Borrowings		
Term Loans from Banks (Secured)	227.51	263.16
Term Loan from Financial Institutions (Secured)	12.85	14.22
Public Deposits (Unsecured)	5.60	3.62
Finance Lease Obligation (Unsecured)	0.42	0.39
	246.38	281.39
Total	1,598.28	1,688.84

Notes :

- A Term Loans of Rs. 284.13 Crore (Fls – Rs. 88.99 Crore and Banks Rs. 195.14 Crore) are secured by means of first pari passu mortgage/charge on the fixed assets of the Company. Out of the above Term Loan Rs. 199.74 Crore (Fls - Rs. 88.99 Crore and Banks Rs. 110.75 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 Rs. 15.02 Crore are repayable in total 5 half-yearly instalments from June-2015 to June-2016,
 - 2 Term Loan of Rs. 14.61 Crore is repayable in 7 equal half-yearly instalments from June-2015 to June-2018,
 - 3 Term Loans aggregating to Rs. 221.25 Crore are repayable in total 124 equal quarterly instalments from September-2016 to March-2024,
 - 4 Term Loan of Rs. 33.25 Crore is repayable in 7 equal quarterly instalments from September-2016 to March-2018.
- B Term Loans of Rs. 1119.34 Crore (Fls – Rs. Nil and Banks Rs. 1119.34 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 repayable as under :-
- 1 Term Loans aggregating to Rs. 310.00 Crore are repayable in total 47 equal quarterly instalments from June-2015 to June-2021,
 - 2 Term Loans aggregating to Rs. 472.79 Crore are repayable in total 64 equal half-yearly instalments from May-2015 to August-2023.
 - 3 Term Loans aggregating to Rs. 336.55 Crore are repayable in total 79 quarterly instalments from August-2015 to March-2024.
- C Term Loans aggregating to Rs. 126.23 Crore (Fls – Rs. Nil and Banks Rs. 126.23 Crore) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit CPM of the company. These Term Loans are repayable in total 38 quarterly instalments from April-2015 to January-2021.
- D Term Loan of Rs. 23.45 Crore (Fls – Rs. 23.45 Crore, Banks Rs. Nil) is secured by equitable mortgage of townships of the subsidiaries of the company namely Jaykaypur Infrastructure & Housing Limited located at Jaykaypur, Rayagada & Songadh Infrastructure & Housing Limited located at Songadh, Tapi and are repayable in 85 monthly instalment from April 2015 to April 2022.
- E Term Loan aggregating to Rs. 3.14 Crore (Fls – Rs. 3.14 Crore, Banks Rs Nil) is secured by specific charge on Lime Kiln Undertaking of the JK Enviro-Tech Ltd transferred Pursuant to the Scheme of Arrangement. This Term Loan is repayable in 4 monthly instalments from April 2015 to July 2015.
- F Certain charges are in the process of satisfaction. Secured Term Loans from Financial Institutions and Banks include Rs. 502.42 Crore foreign currency loans.
- G Finance Lease of Rs. 0.76 Crore is repayable in 7 equal quarterly instalments from June-2015 to December-2016.
- H FCCB's of EURO 35 Million @ 6.455% issued on 30th May, 2011 are convertible into equity shares of the company at an initial conversion price of Rs. 65 per share, subject to price adjustment as per agreement, after 3 years and 6 months from the date of issue. If not converted then the FCCBs will be redeemed at par between 15th May 2016 to 15th May 2018 in 5 half yearly instalments.
- I Term Loan of Rs. 40 Crore from related party is repayable in 47 monthly installment from June 2018 to April 2022.
- J Public deposits are due for repayment in 2015-16, 2016-17 & 2017-18.

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

Note 5

OTHER LONG TERM LIABILITIES

Trade Deposits	36.69	34.38
Interest accrued but not due on loans	1.46	0.53
Derivative Financial Instruments	1.37	-
	<u>39.52</u>	<u>34.91</u>

Note 6

LONG TERM PROVISIONS

Provision for Employee Benefits	1.79	3.14
	<u>1.79</u>	<u>3.14</u>

Note 7

SHORT TERM BORROWINGS

SECURED

Working Capital Borrowings from Bank	122.21	118.17
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UNSECURED

Vendor Bill discounting	80.79	72.69
Buyer's Credit facilities from Bank	41.00	27.33
Public Deposits	0.19	0.86
	<u>244.19</u>	<u>219.05</u>

Note :

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.

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

Note 8

OTHER CURRENT LIABILITIES

Current maturities of Long Term Borrowings	246.38	281.39
Interest accrued but not due on Borrowings	18.37	15.57
Unclaimed Dividends #	0.18	0.21
Unclaimed Matured Deposits #	0.63	0.59
Unclaimed interest on Unclaimed Matured Deposits #	0.07	0.06
Loans and advances from related parties:		
JK Enviro-Tech Limited (Subsidiary)	1.45	-
Songadh Infrastructure & Housing Limited (Wholly Owned Subsidiary)	0.51	-
Advance from Customers	10.33	6.37
Statutory Dues	13.28	14.78
Derivative Financial Instruments	4.07	0.28
Capital Creditors	27.06	58.79
Other Payables	59.16	60.93
	<u>381.49</u>	<u>438.97</u>

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

Note 9

SHORT TERM PROVISIONS

Provision for Employee Benefits	1.19	2.67
	<u>1.19</u>	<u>2.67</u>

Note 10**TANGIBLE ASSETS**

Rs. in Crore (10 Million)

Description	GROSS BLOCK (b)					DEPRECIATION				NET BLOCK	
	As at 1 st April, 2014	Additions/ Adjustments	Sales/ Adjustments	Impact of Scheme (d)	As at 31 st March, 2015	Upto 31 st March, 2014	For the year	On Sales/ Adjustments	Impact of Scheme (d)	As at 31 st March, 2015	As at 31 st March, 2014
Land - Freehold (a)	4.90	4.99	-	-	9.89	-	-	-	-	9.89	4.90
- Leasehold	0.17	-	-	-	0.17	0.03	0.00 (Rs. 21,488/-)	-	-	0.14	0.14
Building	330.31	3.02	-	3.06	336.39	48.87	14.13	-	0.10	273.29	281.44
Plant & Equipment (c)	2,658.81	(84.08)	0.91	21.34	2,595.16	504.32	96.54	0.21	1.13	1,993.38	2,154.49
Furniture and Fixture	5.27	0.08	0.10	0.01	5.26	2.65	0.74	0.04	0.00 (Rs. 7246/-)	1.91	2.62
Office Equipment	17.19	0.60	0.30	0.00 (Rs. 19471/-)	17.49	8.93	3.98	0.23	0.00 (Rs. 925/-)	4.81	8.26
Vehicles & Locomotive	15.86	0.79	2.17	0.01	14.49	5.90	1.91	0.94	0.00 (Rs. 2064/-)	7.62	9.96
Railway Siding	4.64	1.75	-	-	6.39	2.90	1.41	-	-	2.08	1.74
Total	3,037.15	(72.85)	3.48	24.42	2,985.24	573.60	118.71	1.42	1.23	2,293.12	2,463.55
Previous year	1,511.59	1,954.26	428.70	-	3,037.15	740.71	121.15	288.26	-	573.60	2,463.55

Notes:

- 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 for which title is yet to be transferred in name of the Company.
- Gross Block includes amount of revaluation {Note no. 33 (a)}.
- During the year Rs. 113.56 Crore has been deducted from Plant & Equipment due to Foreign Exchange Fluctuation (Net) (Previous year Rs. 154.49 Crore was added) .
- Pursuant to the scheme of arrangement (Note no. 34)

Note 11**INTANGIBLE ASSETS**

Rs. in Crore (10 Million)

Description	GROSS BLOCK				AMORTISATION			NET BLOCK	
	As at 1 st April, 2014	Additions/ Adjustments	Sales/ Adjustments	As at 31 st March, 2015	Upto 31 st March, 2014	For the year	On Sales/ Adjustments	As at 31 st March, 2015	As at 31 st March, 2014
Computer Software	13.35	-	-	13.35	8.50	1.17	-	9.67	4.85
Total	13.35	-	-	13.35	8.50	1.17	-	9.67	4.85
Previous year	7.51	5.84	-	13.35	7.36	1.14	-	8.50	4.85

Rs. in Crore (10 Million)

		31 st March, 2015		31 st March, 2014		
	Face Value Rs./Share	Nos.	Book Value	Nos.	Book Value	
Note 12						
NON CURRENT INVESTMENTS						
Long Term Investments (At cost, other than trade)						
-	Quoted Equity Shares (fully paid up)					
	JK Lakshmi Cement Limited.	5/-	1,91,000	0.46	2,16,000	0.52
	Udaipur Cement Works Limited.	4/-	34,02,171	3.40	50,00,000	5.00
	Bengal & Assam Company Limited.	10/-	-	-	4,677	0.06
-	Unquoted Equity Shares (fully paid up)					
	JK Enviro-Tech Limited (Subsidiary) #	10/-	16,33,135	6.71	49,00,000	6.71
	JK Paper Mills Employees' Co-operative Stores Limited.	10/-	250	♦0.00	250	♦0.00
	Songadh Infrastructure & Housing Limited. (Wholly Owned Subsidiary)	10/-	49,50,600	4.95	49,50,600	4.95
	Jaykaypur Infrastructure & Housing Limited. (Wholly Owned Subsidiary)	10/-	49,50,600	4.95	49,50,600	4.95
	Oji JK Packaging Pvt. Limited. (Joint Venture)	10/-	1,25,90,000	12.59	96,00,000	9.60
-	Others					
				▲0.00		▲0.00
				33.06		31.79
Less : Provision for diminution in value of Investments (Note No. 34)			5.04			-
			28.02			31.79
Aggregate book value of quoted investments			3.86			5.58
Aggregate book value of unquoted investments			24.16			26.21
Aggregate market value of quoted investments			11.12			6.64

Equity Shares pledged with IDFC Limited. There is reduction in Number of Equity Shares subsequent to the reduction in the Share Capital of JK Enviro-Tech Limited (as per the Scheme).

♦ Rs. 2,500/-

▲ Others represent Investment in Government Securities of Rs. 3,000/-.

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

Note 13

LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)

Capital Advances	0.88	8.42
Deposits with Government Authorities and Others	11.19	10.82
Loans and advances to related parties :		
JK Enviro-Tech Limited (Subsidiary)	-	4.24
Jaykaypur Infrastructure & Housing Limited. (Wholly Owned Subsidiary)	28.50	2.00
Songadh Infrastructure & Housing Limited. (Wholly Owned Subsidiary)	8.00	0.50
Other Loans & Advances :		
MAT Credit Entitlement	26.64	27.94
Others	18.98	18.98
	94.19	72.90

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

Note 14

OTHER NON CURRENT ASSETS

Others

Un-amortised Ancillary costs on Loan	26.75	22.87
Derivative Financial Instruments	-	1.38
	<u>26.75</u>	<u>24.25</u>

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

	Book		Book
Nos.	Value	Nos.	Value

Note 15

CURRENT INVESTMENTS

Investments in Mutual Funds (Lower of Cost and quoted /fair value)

ICICI Prudential Banking and PSU Debt Fund - Regular Plan - Growth	-	-	2,50,67,503	35.00
Baroda Pioneer Liquid Fund Plan A - Growth	-	-	1,97,123	28.79
	<u>-</u>			<u>63.79</u>
Aggregate book value of quoted investments	-			63.79
Aggregate book value of unquoted investments	-			-
Aggregate market value of quoted investments	-			64.25

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

Note 16

INVENTORIES

(As certified by the Management)

Raw Materials #	179.68	133.75
Work-in-Progress @	22.30	34.27
Finished Goods	117.01	75.81
Stock-in-Trade	2.28	4.24
Stores & Spares #	52.31	43.44
	<u>373.58</u>	<u>291.51</u>

Includes Raw Materials in transit Rs. 2.99 Crore (Previous year Rs. 22.21 Crore) and Stores & Spares in transit Rs. 2.09 Crore (Previous year Rs. 1.17 Crore).

@ Includes Pulp in process Rs. 4.80 Crore (Previous year Rs. 5.36 Crore) and Semi Finished Goods Rs. 17.50 Crore (Previous year Rs. 28.91 Crore).

Rs. in Crore (10 Million)
31st March, 2015 31st March, 2014

Note 17

TRADE RECEIVABLES

UNSECURED

Exceeding six months (from due date) :

Considered Good	13.41	9.59
Considered Doubtful	19.18	14.13

Others

Considered Good	132.51	161.21
	<u>165.10</u>	<u>184.93</u>
Less: Provision for Doubtful Debts	19.18	14.13
	<u>145.92</u>	<u>170.80</u>

Note 18

CASH & BANK BALANCES

Cash & Cash Equivalents

Balance with Banks :

Current Accounts	9.46	3.92
Cash on Hand	0.31	0.30

Other Bank Balances

Bank Deposits with original maturity of 12 months or more #	2.71	1.84
Unclaimed Dividend Accounts	0.18	0.21
Margin Money Deposits	4.69	2.07
	<u>17.35</u>	<u>8.34</u>

Includes Rs. 1.34 Crore pledged with Government Authorities.

Note 19

SHORT TERM LOAN AND ADVANCES

(Unsecured, Considered Good)

Loans and advances to related parties

JK Enviro-Tech Limited (Subsidiary)	-	26.95
Jaykaypur Infrastructure & Housing Limited. (Wholly Owned Subsidiary)	1.71	3.07
Songadh Infrastructure & Housing Limited. (Wholly Owned Subsidiary)	-	0.54

Others

Advances recoverable in cash or in kind or for value to be received	48.06	35.59
Interest accrued but not due	3.60	1.02
Advances to Employees	0.80	0.96
Advances to Suppliers	15.43	23.11
CENVAT Recoverable	69.07	82.05
Advance Income Tax / Tax deducted at source (Net of Provision)	2.17	3.91
Other Deposits	2.23	5.30

Doubtful

Doubtful advances / loans	0.49	0.49
Less : Provision for doubtful advances / loans	0.49	0.49
	<u>143.07</u>	<u>182.50</u>

Rs. in Crore (10 Million)
31st March, 2015 31st March, 2014

Note 20

OTHER CURRENT ASSETS

Others

Assets held for Sale	157.84	134.15
Un-amortised Ancillary costs on Loan	4.10	3.20
Deferred Premium on Forwards	0.19	2.81
	<u>162.13</u>	<u>140.16</u>
	2014-15	2013-14

Note 21

OTHER OPERATING REVENUE

Insurance charges recovered	0.15	1.28
Miscellaneous Income	20.13	15.22
	<u>20.28</u>	<u>16.50</u>

Note 22

OTHER INCOME

Interest Income	8.66	5.69
Dividend Income	0.05	0.06
Net Gain on sale of Current Investments	2.34	3.82
Net Gain on sale of Non-Current Investments	1.10	-
Foreign Exchange Fluctuation	-	5.19
	<u>12.15</u>	<u>14.76</u>

Note 23

COST OF MATERIALS CONSUMED

Bamboo	33.75	33.28
Hardwood	611.77	404.08
Pulp	279.75	322.86
Chemicals	277.31	252.05
Packing Material	92.62	67.18
	<u>1,295.20</u>	<u>1,079.45</u>

Note 24

CHANGES IN FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE

OPENING STOCK

Finished Goods	75.81	22.12
Stock-In-Trade	4.24	14.71
Stock-In-Process	34.27	16.81
	<u>114.32</u>	<u>53.64</u>

CLOSING STOCK

Finished Goods	117.01	75.81
Stock-In-Trade	2.28	4.24
Stock-In-Process	22.30	34.27
	<u>141.59</u>	<u>114.32</u>

Add : Excise Duty on Variation of Stock	1.94	2.32
(Increase) / Decrease in Stock	<u>(25.33)</u>	<u>(58.36)</u>

Rs. in Crore (10 Million)
2014-15 2013-14

Note 25

EMPLOYEE BENEFITS EXPENSES

Salaries, Wages, Allowances, etc.	142.89	130.70
Contribution to Provident and Other Funds	6.43	9.52
Staff Welfare Expenses	16.68	18.49
	<u>166.00</u>	<u>158.71</u>

Note 26

OTHER EXPENSES

Consumption of Stores and Spares	84.22	64.08
Power, Fuel and Water	210.52	199.64
Repairs to Building	4.36	4.10
Repairs to Machinery	12.28	8.64
Rent (Net)	11.28	12.69
Insurance Premium	1.64	1.89
Rates and Taxes	0.84	0.81
Commission on Sales	2.51	1.86
Directors' fees	0.09	0.08
Premium on Forward Exchange Contracts	6.94	8.36
Foreign Exchange Fluctuation	4.70	-
Loss on Sale of Assets	0.21	0.23
Asset Written off	0.01	0.27
Provision for Doubtful Debts	5.05	1.04
Provision for Diminution in value of the investments	5.04	
Less: Transfer from Securities Premium Reserve (Note no. 34)	<u>5.04</u>	-
Travelling and Other Misc. Expenses	57.58	37.65
	<u>402.23</u>	<u>341.34</u>

Note 27

FINANCE COSTS

Interest on :		
Term Loan and Public Deposits	167.21	94.73
Others	24.98	18.75
Other Borrowing Costs:		
Financial Charges	6.08	4.32
Premium on Forward Exchange Contracts	1.39	2.87
Lease rent on Machinery	0.11	0.20
Net Loss on Foreign currency transactions and translation	4.16	0.99
	<u>203.93</u>	<u>121.86</u>

Note 28

DEPRECIATION & AMORTISATION EXPENSE

Depreciation on Tangible Assets	118.71	121.15
Transfer from Revaluation Reserve	-	(0.19)
Amortisation of Intangible Assets	1.17	1.14
Transfer to General Reserve	<u>(6.29)</u>	-
	<u>113.59</u>	<u>122.10</u>

29. Estimated amount of (i) contracts remaining to be executed on capital account (Net of Advances) Rs. 5.12 Crore (Previous year Rs. 27.19 Crore), (ii) Investment Rs. 2.41 Crore (Previous year Rs. 5.40 Crore) and, (iii) Export commitments against import of capital goods under EPCG scheme Rs. 747.52 Crore (Previous year Rs. 864.90 Crore).

30. Contingent liabilities in respect of claims not acknowledged and not provided for, are as follows:

	Rs. in Crore (10 million)	
	31 st March, 2015	31 st March, 2014
a) Excise duty liability in respect of matters in appeals	14.31	12.69
b) Sales tax liability in respect of matters in appeals	0.72	2.82
c) Other Matters	11.36	9.99

In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally determined.

31. In respect of levy of Octroi pertaining to Unit - CPM by Songadh Group Gram Panchayat, the Company has paid Rs. 1.25 Crore till 31st March 1997 under protest and also created a liability for 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.

32. The Company has only one business segment i.e. Paper and Boards and geographical reportable segment i.e. Operations mainly within India, hence Segment Reporting as defined in Accounting Standard (AS - 17) is not required.

33. a) Land, Roads, Buildings and Pulp Mill Plant & Machinery of Unit - CPM were revalued as on 30.09.1976. The revaluation in respect of these assets (other than Land and Roads) were updated and Plant & Machinery of Paper Machine I & II and Railway Sidings were revalued as on 31.03.1994 based on current replacement cost by the approved valuers appointed for the purpose. As a result, the book value of such assets has been increased by Rs. 42.27 Crore, which has been transferred to Revaluation Reserve during the year ended 31.03.1994.

b) The Assets of Rs. 157.84 Crore held for sale, disclosed under the heading of "Other Current Assets" consists of Old Pulp Mill, Recovery Island, Power Block (Coal Fired Boilers & TG Sets) and Old Lime Kiln Plant based on lower of Written down value and estimated Net Realisable Value. The Management is actively pursuing for disposal of these assets.

34. Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Gujarat under section 391 to 394 of the Companies Act 1956, which has become effective on 10th April 2015, Lime Kiln Undertaking of the JK Enviro-Tech Limited has been transferred and vested in the Company as a going concern on slump sale basis with effect from appointed date i.e. 1st April 2013.

The accounts for the year have been prepared by giving the effect of the above scheme. As per the Scheme, the assets of the Lime Kiln Undertaking have been recorded at its purchase cost to JK Paper Limited and apportioned based on independent expert advice.

As per the Scheme the effect of the above on the accounts is shown below:

Rs. in Crore (10 million)

S.No.	Particulars	Amount
a)	Assets are increased by:	
	Fixed Assets #	49.00
	Long term Loans and Advances (Rs. 20,000/-)	0.00
	Inventories	4.09
	Short Term Loans and Advances	1.51
	Other Current Assets	0.01
	Total Assets	54.61
b)	Liabilities are increased by:	
	Long Term Borrowings	23.83
	Trade Payables	0.40
	Other Current Liabilities	28.79
	Total Liabilities	53.02
c)	Lump sum sale consideration in Cash	1.59

d) With effect from Appointed date and up to and including the Effective date:

- JK Enviro-Tech Limited carried on the business activities of the Lime Kiln undertaking w.e.f. from 1st April 2013 till 10th April 2015 for and behalf of the JK Paper Limited.
- All profits or income that accrued to JK Enviro-Tech Limited and all taxes thereof or losses arising or incurred by it with respect to Lime Kiln Undertaking has been, for all purposes including accounting and Tax, treated as the profits, taxes or losses as the case may be, of JK Paper Limited.
- Pursuant to above, profit of Rs. 2.02 Crore (net of deferred tax of Rs. 0.90 Crore) of Lime Kiln Undertaking related to Financial Year 2013-14 has been added to the General Reserve.

includes Rs. 24.58 Crore. disclosed as held for sale, under the heading of "Other Current Assets "

e) As a result of the above, there is diminution in value of the investments made in the shares of JK Enviro-Tech Limited. As per the Scheme, Loss arising as a result of the diminution has been charged to the statement of profit and loss of the Company and an amount equivalent to the aforementioned diminution in value of the investments, i.e., Rs. 5.04 Crore has been transferred from the securities premium reserve to the statement of profit and loss.

35. a) Long Term Loans and Advances includes concessional loan of Rs. 18.98 Crore (previous year Rs. 18.98 crore) and Short Term Loans and Advances includes Rs. 2.00 Crore (Previous year Rs. 2.00 Crore) to JK Paper Employees' Welfare Trust, a shareholder of the Company. Loan to employees of Rs. 0.37 Crore (Previous year Rs. 0.40 Crore) in the ordinary course of business and as per service rules of the Company.
- b) Long Term Loans and Advances includes loan of Rs. 36.50 Crore (previous year Rs. 2.50 crore) and Short Term Loans and Advances includes loan of Rs. 1.00 Crore (Previous year Rs. 1.25 Crore) to Housing Subsidiaries for general corporate purpose.
- c) Advances recoverable in cash or in kind or for value to be received under " Short Term Loan and Advances" in Note No.19 ,includes Rs. 4.73 Crore (Previous Year Rs. 7.77 Crore) payments made for various development projects being undertaken by the Company including in Vietnam and Myanmar. The same will be adjusted once these projects are finalised.
36. a) Sales include export incentives of Rs. 6.38 Crore (Previous year Rs. 3.14 Crore).
- b) Discount includes Trade Discount Rs 63.42 Crore (Previous year Rs. 55.05 Crore).

37. Employee Defined Benefits:

- a) Defined Benefit Plans/Long Term Compensated Absences - As per Actuarial Valuation on Balance Sheet date:

Rs. in Crore (10 million)

Sl. No.	Nature of Transactions	2014-15		2013-14	
		Gratuity (Funded)	Long Term Compensated Absences (Non Funded)	Gratuity (Funded)	Long Term Compensated Absences (Non Funded)
I	Expenses recognized in the Statement of Profit & Loss				
1	Current Service Cost	1.51	0.92	1.61	0.97
2	Interest Cost	2.89	0.36	2.98	0.42
3	Expected return on plan assets	(2.57)	-	(2.90)	-
4	Actuarial (gains)/losses	(3.57)	0.70	(0.30)	0.66
5	Past Service Cost	-	-	-	-
6	Total expense	(1.74)	1.98	1.39	2.05
II	Net Assets/(Liability) recognized in the Balance Sheet				
1	Present Value of Defined Benefit Obligation	28.24	4.72	30.97	4.41
2	Fair Value of plan assets	29.98	-	29.58	-
3	Funded status [Surplus/(Deficit)]	1.74	(4.72)	(1.39)	(4.41)
4	Net Assets/(Liability) recognized	1.74	(4.72)	(1.39)	(4.41)
III	Change in obligation during the period				
1	Present Value of Defined Benefit Obligation at the beginning of the period	30.97	4.41	36.11	5.11
2	Current Service Cost	1.51	0.92	1.61	0.97
3	Interest Cost	2.89	0.36	2.98	0.42
4	Actuarial (gains)/losses	(2.38)	0.70	(0.97)	0.66
5	Past Service Cost	-	-	-	-
6	Benefits Paid	(4.75)	(1.67)	(8.76)	(2.75)
7	Present Value of Defined Benefit Obligation at the end of the period	28.24	4.72	30.97	4.41
IV	Change in Assets during the period				
1	Fair Value of plan assets at the beginning of the period	29.58	-	33.30	-
2	Expected return on plan assets	2.57	-	2.90	-
3	Contribution by employer	1.39	-	2.81	-
4	Actual benefits paid	(4.75)	-	(8.76)	-
5	Actuarial gains/(losses)	1.19	-	(0.67)	-
6	Fair value of plan assets at the end of the period	29.98	-	29.58	-
7	Actual return on plan assets	3.76	-	2.23	-
V	The major categories of plan assets as % of total plan				
	Mutual Funds	73%	-	59%	-
VI	Actuarial Assumptions:				
1	Discount Rate	7.95%	7.95%	9.33%	9.33%
2	Expected rate of return on plan assets	7.95%	-	8.70%	-
3	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate		Indian Assured Lives Mortality (2006-08) Ultimate	
4	Turnover rate	Age upto 30-3%, upto 44-2%, above 44-1% 5.00%		Age upto 30-3%, upto 44-2%, above 44-1% 5.00%	
5	Salary Escalation				

Rs. in Crore (10 million)

Particulars	Gratuity					Leave Encashment				
	2014-15	2013-14	2012-13	2011-12	2010-11	2014-15	2013-14	2012-13	2011-12	2010-11
Present Value of Defined Benefit Obligation	28.24	30.97	36.11	32.86	31.49	4.72	4.41	5.11	5.15	5.58
Fair Value of plan assets	29.98	29.58	33.30	32.91	30.37	-	-	-	-	-
Surplus/(Deficit)	1.74	(1.39)	(2.81)	0.05	(1.12)	(4.72)	(4.41)	(5.11)	(5.15)	(5.58)
Experience adjustments on Plan Liabilities (Gain)/Loss	(4.55)	2.69	0.26	0.59	0.40	0.30	1.24	(0.18)	(0.28)	0.72
Experience adjustments on Plan Assets (Gain)/Loss	(1.19)	0.67	(0.82)	(0.11)	0.42	-	-	-	-	-

- b) Defined Benefit Plans –
Gratuity Expense Rs. (-) 1.74 Crore (Previous year Rs. 1.39 Crore) has been recognized in “Salaries, Wages, Bonus and Gratuity etc.” under Note 25.
Amount recognized as an expense and included in Note 25 & Note 47 below, Item “Contribution to Provident and Other Funds” Rs. 7.21 Crore (Previous year Rs. 7.35 Crore).
- c) Defined Contribution Plans –
Amount recognized as an expense and included in Note 25 Item “Contribution to Provident and Other Funds” Rs. 1.21 Crore (Previous year Rs. 1.12 Crore) for Superannuation Fund.
- d) Other Long-Term Benefits –
Amount recognized as an expense and included in Note 25 Item “Salaries, Wages, Allowances etc.” Rs. 1.98 Crore (Previous year Rs. 2.05 Crore) for long term compensated Absences.
- e) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risk of assets management, historical results on plan assets and the policy for plan assets management.
- f) The estimates of future salary increase, considered in actuarial valuation, after taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- 3B. Exceptional Items for the previous year ended 31st March, 2014 represent gain on Derivative transactions Rs. 13.30 Crore, write back of provisions for diminution in the value of investments Rs. 4.53 Crore. and losses due to adverse operating parameters during stabilization period at Unit –JKPM Rs.35.32 Crore.
39. Interest Income includes Rs. 0.53 Crore (Previous year Rs 0.28 Crore) on Deposits with banks, Rs. 0.22 Crore (Previous year Rs. 0.10 Crore) on Income Tax refund and Rs. 7.91 Crore (Previous year Rs. 5.31 Crore) on others.
40. Capital Work in progress includes machinery, building under construction and the following expenses pending allocation/capitalization.

Rs. in Crore (10 million)

	31 st March, 2015	31 st March, 2014
Salaries & Wages	-	4.70
Contribution to PF & Other Funds	-	0.20
Staff Welfare & Other benefits	-	0.13
Power, Fuel and Water	-	2.25
Travelling and Other Misc. Expenses	-	3.12
Interest on Loan & FCCB's	-	43.53
Foreign Exchange Fluctuation (Net)	-	213.37
Other Borrowing Cost (Commitment charges, Management Fees, Advisory Fees, Processing Fees etc.)	-	39.74
Income on Deployment of Funds - Fixed Deposit	-	(0.51)
Add: Expenditure up to previous year	-	178.60
	-	485.13
Less : Allocated to Fixed Assets	-	485.13
Total	-	-

41. a) Future minimum lease payments under non-cancelable operating leases as on 31st March, 2015 are Rs. 42.20 Crore - Rs. 6.18 Crore within one year and Rs. 24.70 Crore later than one year but not later than five years and Rs. 11.32 Crore after Five year (Previous year Rs. Nil - Rs. Nil within one year and Rs. Nil later than one year but not later than five years).
- b) Future minimum lease payments under non-cancelable Finance leases as on 31st March, 2015 are Rs. 0.82 Crore - Rs. 0.47 Crore within one year and Rs. 0.35 Crore later than one year but not later than five years (Previous year Rs. 1.29 Crore - Rs. 0.47 Crore within one year and Rs. 0.82 Crore later than one year but not later than five years) and their present value as on 31st March, 2015 are Rs. 0.76 Crore - Rs. 0.42 Crore within one year and Rs.0.34 Crore later than one year but not later than five year (Previous year Rs.1.14 Crore - Rs. 0.39 Crore within one year and Rs. 0.75 Crore later than one year but not later than five year).
42. Based on information so far available in respect of MSME (as defined in The Micro Small & Medium Enterprises Developments Act, 2006) there is no delay in payment of dues to such enterprises during the year and there is no such dues payable at the end of the period.
43. Consumption of Stores, Spares is net off scrap sale of Rs. 6.62 Crore (Previous year Rs. 6.46 Crore).
44. a) In accordance with Announcement issued by the Institute of Chartered Accountants of India all outstanding derivatives except those covered under AS 11 (revised 2003) are marked to market on Balance Sheet date and there is gain of Rs. 0.36 Crore – reversal of previously recognised MTM Losses (Previous year gain of Rs. 0.55 Crore – reversal of previously recognised MTM Losses) which has been recognized in Statement of Profit and Loss.
- b) Forward contract outstanding for purpose of hedging as at Balance Sheet date:

Sl. No.	Foreign Currency	31 st March, 2015		31 st March, 2014	
		FC in Million	Rs. in Crore	FC in Million	Rs. in Crore
(i)	US Dollar	9.89	61.89	21.12	126.93
(ii)	Euro	15.80	106.67	2.77	22.89

- c) Nominal amounts of Currency and Interest Rate Swaps for hedging entered into by the Company and outstanding at end of the year is Rs. 58.39 Crore (Previous year Rs.14.42 Crore)
- d) Foreign currency exposure not hedged as at Balance Sheet date:

Sl. No.	Foreign Currency	31 st March, 2015		31 st March, 2014	
		FC in Million	Rs. in Crore	FC in Million	Rs. in Crore
(i)	US Dollar*	23.92	149.71	39.90	239.77
(ii)	Euro	58.36	393.98	85.70	707.70
(iii)	GBP *	(0.04)	(0.36)	(0.04)	(0.32)
(iv)	SEK	-	-	0.07	0.06

*Net of Receivables USD 3.45 Million – Rs. 21.59 Crore (Previous year USD 2.32 Million – Rs. 13.93 Crore) and GBP 0.04 Million – Rs. 0.36 Crore (Previous year GBP 0.04 Million –Rs. 0.32 Crore).

45. Expenditure on Research and Development (R&D) activities during the year :

	Rs. in Crore (10 million)	
	2014-15	2013-14
i) Revenue Expenditure*:		
1. Employee Cost	2.18	2.50
2. Cost of Materials	1.02	0.28
3. Other Expenses	0.33	1.58
Sub total (i)	3.53	4.36
ii) Capital Expenditure	0.17	0.03
Total (i+ii)	3.70	4.39

* Included in respective revenue accounts.

46. Amount Paid to Auditors (including service tax):

	Rs. in Crore (10 million)	
	2014-15	2013-14
i) Statutory Auditors :		
Audit Fee	0.13	0.12
Tax Audit Fee	0.02	0.02
Other Services	0.05	0.11
Reimbursement of expenses	0.02	-
	0.22	0.25
ii) Cost Auditors :		
Audit Fee	-	0.01
Reimbursement of expenses	0.00	0.00
(Current year Rs. 13,689/- & Previous year Rs. 8,909/-)	0.00	0.01

47. Expenses included under other heads of account:

	Rs. in Crore (10 million)	
	2014-15	2013-14
Salaries, Wages and Allowances etc.	5.96	2.06
Contribution to Provident and Other Funds	0.25	0.34
Employees' Welfare and Other benefits	0.53	0.72
Consumption of Stores and Spares	0.91	0.14
Power, Fuel and Water (CY Rs. 1,880/- & PY 15,212/-)	0.00	0.00
Rent	0.25	0.16
Insurance	0.01	0.05
Rates and Taxes (CY Rs. 26,960/-)	0.00	0.01
Royalty for Bamboo	0.56	1.30
Miscellaneous Expenses	8.86	5.34
	17.33	10.12

48. a) Pursuant to the Accounting Standard (AS 22) - 'Accounting for Taxes on Income', deferred tax (liability) / asset at Balance Sheet date is:

Rs. in Crore (10 million)
31st March, 2015 31st March, 2014

i) Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	(345.54)	(323.99)
ii) Tax on carry forward unabsorbed Depreciation	294.71	238.30
iii) Tax on Others	17.64	11.88
	(33.19)	(73.81)

- b) 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.
- c) During the current year the Company has provided Current Tax Rs. Nil (Previous year Rs. 0.08 Crore) and also reversed MAT credit Entitlement of Rs. 1.29 Crore (previous year reversed MAT credit entitlement of Rs.0.33 Crore) related to earlier years.

49. Disclosure as required under 'Related Party Disclosures' (AS 18) are as below:

a. List of Related Parties

- i. Subsidiaries (Wholly Owned)
 - Songadh Infrastructure & Housing Limited.
 - Jaykaypur Infrastructure & Housing Limited.
- ii. Subsidiary
 - JK Enviro-Tech Limited.
- iii. Joint Venture
 - Oji JK Packaging Pvt. Limited.
- iv. Associate
 - Bengal & Assam Company Limited.
- v. Enterprise over which KMP's have significant influence
 - Habras International Ltd. (ceased w.e.f. 22nd July 2013)
 - Nav Bharat Vanijya Limited
- vi. Key Management Personnel (KMP)

- Shri Harsh Pati Singhania	- Vice Chairman & Managing Director
- Shri Om Prakash Goyal	- Whole-time Director
- Shri V. Kumaraswamy	- Chief Finance Officer
- Shri S.C. Gupta	- Company Secretary

- b. The following transactions were carried out with related parties in the ordinary course of business:

Rs. In Crore (10 million)

Sl. No.	Nature of Transactions	Subsidiaries (Wholly Owned)	
		2014-15	2013-14
(i)	Reimbursement of Expenses – Paid (CY Rs. 16,456/-)	0.00	0.02
(ii)	Reimbursement of Expenses – Received	0.81	0.96
(iii)	Sale of Assets	-	0.01
(iv)	Rent Paid	8.26	11.19
(v)	Interest received	3.34	0.40
(vi)	Loans given	35.50	-
(vii)	Loan installment received	1.75	1.25
(viii)	Outstanding at end of the period - Receivable	37.69	6.11

Rs. in Crore (10 million)

Sl. No.	Nature of Transactions	Subsidiary	
		2014-15	2013-14
(i)	Reimbursement of Expenses – Received	-	0.02
(ii)	Purchase of Goods	-	22.54
(iii)	Reimbursement of Expenses – Paid	-	3.42
(iv)	Interest received	-	1.78
(v)	Sale of Goods	-	0.16
(vi)	Loan installment received	-	7.91
(vii)	Outstanding at end of the year – Receivable	-	31.19
	– Payable	1.45	-

Sl. No.	Nature of Transactions	Joint Venture	
		2014-15	2013-14
(i)	Equity Contribution	2.99	7.20
(ii)	Reimbursement of Expenses – Received	0.01	0.18
(iii)	Outstanding at end of the period – Receivable	0.01	0.19

Sl. No.	Nature of Transactions	Associate	
		2014-15	2013-14
(i)	Interest & Processing Fee Paid	5.32	-
(ii)	Rent Paid	0.04	0.04
(iii)	Reimbursement of Expenses – Received (Rs. 17,622/-)	0.00	-
(iv)	Loan Received	80.00	-
(v)	Loan Repaid	40.00	-
(vi)	Outstanding at end of the year – Payable	41.11	-

Sl. No.	Nature of Transactions	Enterprise over which KMP's have significant influence	
		2014-15	2013-14
(i)	Reimbursement of Expenses – Received	0.12	0.06
(ii)	Sale of Assets	0.22	0.10
(iii)	Rent Paid	0.40	0.40
(iv)	Reimbursement of Expenses – Paid	6.01	4.99
(v)	Sale of Goods	-	8.11
(vi)	Commission on Purchase/Sales	-	0.40
(vii)	Outstanding at end of the period – Receivable	-	1.77

Key Management Personnel (KMP) :

The remuneration paid to Vice Chairman & Managing Director Rs. 3.03 Crore (Previous year Rs. 3.05 Crore) and Whole Time Director Rs. 1.76 Crore (Previous year Rs. 1.73 Crore). The remuneration paid to these Managerial Personnel by way of minimum remuneration, in terms of the appointment, exceeds the limit prescribed under Schedule V and Section 197 of the Companies Act 2013, by Rs.1.82 Crore, and is subject to requisite approvals from Ministry of Corporate Affairs, Central Government. The remuneration paid to Chief Finance Officer Rs. 1.15 Crore (Previous year Rs. 1.18 Crore) and Company Secretary Rs. 0.36 Crore (Previous year Rs. 0.38 Crore). The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

50. Earnings Per Share:

	Rs. in Crore (10 million)	
	31 st Mar, 2015	31 st Mar, 2014
a) Profit/(Loss) after tax for Basic Earnings Per Shares	(12.74)	(77.19)
Add : Interest on Foreign Currency Convertible Bonds (Net of Tax)	12.11	7.85
Profit/(Loss) for Diluted Earnings Per Share	<u>(0.63)</u>	<u>(69.34)</u>
b) Weighted average No. of Ordinary Shares		
- Basic	13,66,20,625	13,66,20,625
- Effect of Conversion Option	3,63,16,875	3,63,16,875
- Diluted	17,29,37,500	17,29,37,500
c) Nominal Value of Ordinary Share (Rs.)	10.00	10.00
d) Earnings per Ordinary Share (Rs.)		
- Basic	(0.93)	(5.65)
- Diluted (as anti dilutive)	(0.93)	(5.65)

51. Other Particulars:

	Rs. in Crore (10 million)	
	2014-15	2013-14
a) Earnings in Foreign Exchange:		
i) Export of goods at FOB Value	187.54	85.27
b) CIF Value of Imports :		
i) Raw Materials	354.54	339.29
ii) Stores and Spares	22.03	40.23
iii) Capital Goods	9.08	6.33
iv) Others – Paper	59.05	80.72
	<u>444.70</u>	<u>466.57</u>
c) Expenditure in Foreign Currency on account of:		
i) Interest Expenses	29.45	20.98
ii) Consultancy	2.03	1.04
iii) Royalty	0.31	1.80
iv) Others	1.83	2.02
	<u>33.62</u>	<u>25.84</u>
d) Remittance in foreign currency during Previous year on account of Final Dividend for the year – 2012-13		
- Number of Non-resident Shareholders (No.)	1	1
- Number of Equity Shares held by them (No.)	25,00,000	25,00,000
- Amount of Dividend remitted	-	0.13

	2014-15		2013-14	
e) Raw Materials, Stores and Spares consumed:	Rs. in Crore (10 million)	% of Total	Rs. in Crore (10 million)	% of Total
i) Raw Materials				
- Imported	378.01	29.19	362.69	33.60
- Indigenous	917.19	70.81	716.76	66.40
	<u>1,295.20</u>	<u>100.00</u>	<u>1,079.45</u>	<u>100.00</u>
ii) Stores and Spares:				
- Imported	14.11	15.38	6.52	9.22
- Indigenous	77.64	84.62	64.16	90.78
	<u># 91.75</u>	<u>100.00</u>	<u># 70.68</u>	<u>100.00</u>

includes Rs. 6.62 Crore Scrap sale (Previous Year Rs. 6.46 Crore) and Rs. 0.91 Crore grouped under Note No. 47 in other heads of account (Previous Year Rs. 0.14 Crore).

52. Depreciation has been provided in accordance with Part C, Schedule II of the Companies Act, 2013 w.e.f. 1st April, 2014. Consequently the Depreciation and amortization expenses for the year are lower by Rs.37.02 Crore.

53. Current year's figures include impact of Scheme of Arrangement, hence previous year figures are not comparable. Previous year's figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date

FOR S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. 000756N

K.S. MEHTA
Partner
Membership No. 008883

New Delhi,
the 16th May, 2015

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

For and on behalf of the Board

B.H. SINGHANIA *Chairman*

H.P. SINGHANIA *Vice Chairman & Managing Director*

O.P. GOYAL *Whole Time Director*

UDAYAN BOSE *Director*

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2015

Rs. in Crore (10 Million)

	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extra-ordinary Items	(51.03)	(122.94)
Adjustments for :		
Depreciation	113.59	122.10
Income from Investments	(3.44)	(3.82)
(Profit)/ Loss on Sale of Assets (Net)	0.21	0.23
Dividend Income	(0.05)	(0.06)
Finance Cost	203.93	121.86
Interest Income	(8.66)	(5.69)
Foreign Exchange Fluctuation	4.70	(5.19)
Premium on Forward Exchange Contracts	6.94	8.36
Assets Written off	0.01	0.27
Provision for Doubtful Debts	5.05	1.04
Operating Profit before Working Capital Changes	271.25	116.16
Adjustments for Working Capital Changes:		
Trade and Other Receivables	30.20	(23.62)
Inventories	(82.07)	(75.51)
Trade and Other Payables	32.86	111.38
Cash generated from Operations	252.24	128.41
Taxes paid	1.73	1.82
Net Cash from Operating Activities	253.97	130.23
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(123.95)	(266.98)
Sale of Fixed Assets	1.84	5.78
Sale/(Purchase) of Investments (Net)	65.97	(76.71)
Dividend Income	0.05	0.06
Interest Received	6.07	5.84
Net Cash from Investing Activities	(50.02)	(332.01)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2015

Rs. in Crore (10 Million)

	2014-15	2013-14
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds of Long-Term Borrowings	404.85	372.26
Repayment of Long-Term Borrowings	(413.07)	(162.81)
Proceeds/(Repayment) from Short-Term Borrowings (Net)	25.14	95.91
Interest and Financial Charges	(211.83)	(121.05)
Dividend (including Dividend Tax)	(0.03)	(7.99)
Net cash from Financing Activities	(194.94)	176.32
D. Increase/(Decrease) in Cash and Cash Equivalents		
- Cash & Bank Balance	9.01	(25.46)
E. Cash and Cash Equivalents as at the beginning of the year		
- Cash & Bank Balances (Note No. 18)	8.34	33.80
F. Cash and Cash Equivalents as at the close of the year		
- Cash & Bank Balances (Note No. 18)	17.35	8.34

Notes :

I. Previous year's figures have been re-grouped / re-arranged wherever necessary.

As per our report of even date

FOR S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. 000756N

K.S. MEHTA
Partner
Membership No. 008883

New Delhi,
the 16th May, 2015

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

For and on behalf of the Board

B.H. SINGHANIA Chairman

H.P. SINGHANIA Vice Chairman & Managing Director

O.P. GOYAL Whole Time Director

UDAYAN BOSE Director

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

Rs. In Crore (10 Million)

Sl. No	Particulars	Jaykaypur Infrastructure & Housing Limited.	Songadh Infrastructure & Housing Limited.	JK Enviro-Tech Limited.
1	Financial Year ended on	31 st March, 2015	31 st March, 2015	31 st March, 2015
2	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees
3	Share Capital	4.95	4.95	1.65
4	Reserve & Surplus/ (Accumulated Losses)	0.44	1.20	0.19
5	Total Assets	38.22	15.01	1.91
6	Total Liabilities	38.22	15.01	1.91
7	Investments	-	-	-
8	Total Turnover	5.40	2.62	-
9	Profit/ (Loss) before tax	0.28	0.80	(5.83)
10	Provision for Income Tax	(0.03)	0.29	(3.23)
11	Profit/ (Loss) after tax	0.31	0.51	(2.60)
12	Proposed Dividend	-	-	-
13	% of Shareholding	100%	100%	98.98%

Part - "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

1	Name of Joint Venture Company	OJI JK Packaging Private Limited
2	Financial Year ended on	31 st March, 2015
3	% of Shareholding	20%
4	Investment in Joint Venture	Rs. 12.59 Crore
	Extent of Holding %	20%
5	Description of how there is significant influence	Based on Shareholding
6	Reason why the Joint Venture is not consolidated	Not Applicable
7	Net worth attributable to Share Holding as per latest Audited Balance sheet	Rs. 8.40 Crore
8	Profit / Loss for the year	Loss of Rs. 19.47 Crore
i)	Considered in consolidation	Loss of Rs. 3.89 Crore (20%)
i)	Not Considered in consolidation	Loss of Rs. 15.58 Crore

For and on behalf of the Board

B.H. SINGHANIA *Chairman*

H.P. SINGHANIA *Vice Chairman & Managing Director*

O.P. GOYAL *Whole Time Director*

UDAYAN BOSE *Director*

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

New Delhi,
the 16th May, 2015

INDEPENDENT AUDITOR'S REPORT

To
The Members
JK Paper Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of JK Paper Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, Comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of 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, the selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the

accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements gives the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

- a) We draw attention to Note No. 2 (a) of the accompanying consolidated financial statements. As per the scheme of Arrangement approved by the Hon'ble High Court of Gujarat and accounting treatment sanctioned therein, the company has withdrawn Rs. 5.04 crores from the Security Premium Account to the Statement of Profit & Loss towards diminution in the value of investments in JK Enviro-Tech Limited. There is no specific accounting treatment prescribed in the Accounting standards specified in the Companies Act, 2013 and consequent to this treatment, the loss for the year ended March 31, 2015 is lower by the said amount with a corresponding reduction in security premium reserve.
- b) We draw attention to Note No.34 (b) of the accompanying Consolidated Financial Statements regarding assets held for sale grouped under 'Other Current Assets' Amounting to Rs. 157.84 Crores pending for disposal since September, 2013.

Our opinion is not qualified in respect of the above matter.

Other Matters

We did not audit the financial statements of three subsidiaries and one jointly controlled entity, whose financial statements reflect total assets of Rs. 180.00 Crores as at 31st March, 2015, total revenues of Rs. 15.12 Crores and net cash outflows amounting to Rs. 16.04 Crores 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 jointly controlled entity, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and jointly controlled entity, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, and jointly controlled companies incorporated in India, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and jointly controlled Entity incorporated in India, none of the directors of the Group and jointly controlled Entity incorporated in India is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and

Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity—Refer Note 31 to the consolidated financial statements.
- 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, Refer Note 4 & 7 to the consolidated financial statements in respect of such items as it relates to the Group and jointly controlled entity.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by jointly controlled entity.

For **S. S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No.: 0007S6N

K.S. MEHTA

Partner

Membership No.: 008883

Place: New Delhi

Date: 16th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENT

Annexure referred to in paragraph I under "Report on Other Legal and Regulatory Requirements" of our report of even date for the year ended 31st March 2015.

Our reporting on the Order includes three subsidiaries and one jointly controlled entity, to which the Order is applicable. The subsidiaries and the jointly controlled entity have been audited by the other auditors and our report in respect to these entities is solely based on the reports of the other auditors, to the extent considered applicable for reporting under the Order in case of the consolidated financial statements.

- i. (a) The Group and Jointly Controlled Entity have maintained proper records in respect of their fixed assets showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management of the respective entities according to the programme of periodical verification in phased manner which, in our opinion and the opinion of the other auditors, is reasonable having regard to the size of the Group and Jointly Controlled Entity and the nature of their Fixed Assets. The discrepancies, if any, noticed on such physical verification have been properly dealt with in the books of accounts.
- ii. (a) As explained to us and the other auditors, the inventories have been physically verified during the year by the management of the Holding Company and Jointly controlled Entity at reasonable intervals. However in case of Subsidiary Companies there is no Inventory; hence provisions of clause (ii) (a) (b) and (c) of Companies (Auditor's Report) Order, 2015 are not applicable to the Subsidiary Companies.
- (b) In our opinion and the opinion of the other auditors and according to the information and

explanations given to us and the other auditors, the procedures of physical verification of inventories followed by the management of the Holding Company and Jointly controlled Entity are reasonable and adequate in relation to the size of the respective entities and nature of their business.

- (c) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors the Holding company and Jointly controlled Entity, have maintained proper records of their inventories and no material discrepancies were noticed on physical verification.
- iii. According to the information and explanations given to us and the other auditors, the Group and Jointly controlled Entity have not granted any loan to companies, firms or other parties covered in the register maintained under Section 189 of the Companies' Act, 2013. Therefore, provisions of clause 3(iii)(a) and 3(iii)(b) of Companies (Auditor's Report) Order, 2015 are not applicable.
- iv. In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, having regard to the explanations that some of the items purchased are of special nature where suitable alternative sources do not exist for obtaining comparable quotations, wherever applicable, there is reasonable internal control system in the Group and Jointly Controlled Entity commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our and the other auditors' audit, no continuing failure to correct major weaknesses in such internal control system has been observed.

v. In our opinion and according to the information and explanations given to us, the Holding company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies 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 Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard. The Subsidiary Companies and Jointly controlled Entity have not accepted any deposits from the public.

vi. We and the other auditors have broadly reviewed the respective books of account maintained by the Holding Company and one subsidiary Company pursuant to the rules made by Central Government for the maintenance of cost records under section 148(1) of the Act in respect to the company's products to which said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We and the other auditors have however not made a detailed examination of the said records with a view to determine whether they are accurate or complete.

According to information and explanation given to us by other auditors, maintenance of the cost records as stated above is not applicable in case of two subsidiary Companies & jointly controlled Entity.

vii. (a) According to the information and explanations given to us and on the basis of examination of the records, the Group and Jointly Controlled entity are generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, sales-tax, wealth tax, income tax, service tax, custom duty, excise duty, value added tax, cess and any other material statutory dues with the appropriate authorities to the extent applicable though

there has been slight delay in few cases. Further, 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 2015 except for one time tax on purchase of forklifts of Rs 0.09 Crores (including interest of Rs 0.01 Crores) which has not been paid by Jointly Controlled Entity.

(b) According to the records produce before us and as per the information and explanations given to us by the Holding Company, there are no material dues in respect of wealth tax and income tax which have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of sales tax, excise duty, custom duty, service tax and cess that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:

Name of the statute	Nature of dues	Period to which amount relates	Amount Involved (Rs. In Crores)	Forum where dispute is pending
Sales Tax Act	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
		2004-2005	0.46	High Court Allahabad
		2005-2009	1.46	Additional Commissioner, Cuttack
		2005-2009	0.16	Sales Tax Tribunal Cuttack
		2006-2007	1.05	High Court Allahabad
		2006-2007	0.12	Joint Commissioner Appeals, Vadodara
		2007-2008 & 2008-2009	0.24	High Court Allahabad
		2009-2010	0.08	High Court Allahabad
		2012-13	5.85	Additional Commissioner, Cuttack
Central Excise Act 1944	Excise Duty	1981-1982/1982-1983	0.7	Deputy Commissioner Central Excise, Rayagada
		1982-1983	0.41	Supreme Court
		1986-1987 & 1994-1995	1.31	High Court, Cuttack
		2004-2007	0.05	CESTAT Ahmadabad
		2005-2007	0.03	CESTAT Ahmadabad
		2005-2009	0.05	CESTAT Ahmadabad
		2007-2009	0.9	CESTAT Ahmadabad
		2007-2008/2008-2009	0.13	CESTAT Ahmadabad
		2007-2009	2.47	CESTAT Ahmadabad
		2008-2009 & 2009-2010	6.22	CESTAT Kolkata
		2009-2010	0.08	CESTAT Ahmadabad
		2010-2011	0.53	CESTAT Ahmadabad
		2011-2012	0.26	CESTAT Ahmadabad
		2012-2013	0.02	CESTAT Ahmadabad
		2012-2014	0.17	CESTAT Ahmadabad
		2008-2012	0.76	Commissioner (Appeals),Surat
Custom Act	Custom Duty	2012-2013	0.72	Commissioner (Appeals) Custom, Ahmadabad
Finance Act	Service Tax	2009-2010	0.27	Commissioner (Appeals),Surat
Water (PCP) Cess Act, 1977	Cess	2001- 2002 to 2014-15	0.81	Cess Appellate Committee, OSPCB, Bhubaneswar

According to information and explanations given to the other auditors of the Subsidiary Companies and Jointly Controlled Entity, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, value added tax and cess which have not been deposited on account of any dispute.

- (c) According to the records of the Group and as per the information and explanations given to us and the other auditors, the amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (I of 1956) and rules made there under have been transferred to such fund within time.

According to the information and explanations given to us, there are no amounts, which were required to be transferred to the Investor Education and Protection Fund by the Jointly controlled Entity.

- viii. The Group does not have accumulated losses at the end of the financial year and the Group has not incurred cash losses in the Current financial year and in the immediately preceding financial year.

The Jointly controlled Entity has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty percent or more of its net worth and whether it has incurred cash losses in the current financial year and in the immediately preceding financial year.

- ix. In our opinion and the opinion of the other auditors, on the basis of audit procedures and

according to the information and explanations given to us and the other auditors, the Group and Jointly controlled Entity have not defaulted in repayment of any dues to banks, financial institutions and debenture/bond holders.

- x. According to the information and explanations given to other auditors, two Subsidiaries have given guarantee for loans taken by others from banks. The terms and conditions of the above are not, prima facie, prejudicial to the interest of the respective company.

According to the information and explanations given to us, the Holding Company, one Subsidiary and Jointly Controlled Entity have not given any guarantee for loans taken by others from banks or financial institutions.

- xi. In our opinion and the opinion of the other auditors and on the basis of information and explanations given to us and the other auditors, the term loans were applied by the Holding Company & Jointly Controlled Entity, for the purposes for which they were obtained.

Subsidiary Companies did not have any term loan outstanding during the year.

- xii. According to the information and explanation given to us and the other auditors, no instance of fraud on or by the Group and Jointly controlled entity, noticed or reported during the year.

For **S. S. KOTHARI MEHTA & CO.**

Chartered Accountants

Firm Reg. No.: 000756N

K.S. MEHTA

Partner

Membership No.: 008883

Place: New Delhi

Date: 16th May, 2015

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2015

Rs. in Crore (10 Million)

	Note	31 st March, 2015	31 st March, 2014
EQUITY AND LIABILITIES :			
Shareholders' Funds			
Share Capital	1	136.62	136.62
Reserves & Surplus	2	638.99	663.57
		<u>775.61</u>	<u>800.19</u>
Minority Interest		0.02	0.09
Non Current Liabilities			
Long Term Borrowings	3	1,612.71	1,739.31
Deferred Tax Liabilities (Net)		33.19	77.34
Other Long Term Liabilities	4	39.52	34.91
Long Term Provisions	5	1.81	3.14
		<u>1,687.23</u>	<u>1,854.70</u>
Current Liabilities			
Short Term Borrowings	6	245.21	219.05
Trade Payables		238.23	213.35
Other Current Liabilities	7	380.65	448.34
Short Term Provisions	8	1.20	2.67
		<u>865.29</u>	<u>883.41</u>
TOTAL		<u>3,328.15</u>	<u>3,538.39</u>
ASSETS :			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	2,365.84	2,571.82
Intangible Assets	10	4.09	4.85
Capital Work-in-Progress		27.46	22.74
		<u>2,397.39</u>	<u>2,599.41</u>
Non Current Investment	11	3.86	5.58
Long Term Loans and Advances	12	57.73	76.30
Other Non Current Assets	13	26.75	24.25
		<u>2,485.73</u>	<u>2,705.54</u>
Current Assets			
Current Investments	14	-	63.79
Inventories	15	374.35	292.59
Trade Receivables	16	146.25	170.80
Cash and Bank Balances	17	17.83	12.05
Short Term Loans and Advances	18	141.86	153.46
Other Current Assets	19	162.13	140.16
		<u>842.42</u>	<u>832.85</u>
TOTAL		<u>3,328.15</u>	<u>3,538.39</u>

The accompanying Notes are an integral part of the Financial Statements.

As per our report of even date.

FOR S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. 000756N

K.S. MEHTA
Partner
Membership No. 008883

New Delhi,
the 16th May, 2015

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

For and on behalf of the Board

B.H. SINGHANIA Chairman

H.P. SINGHANIA Vice Chairman & Managing Director

O.P. GOYAL Whole Time Director

UDAYAN BOSE Director

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2015

		Rs. in Crore (10 Million)	
	Note	2014-15	2013-14
REVENUE :			
Sales		2,516.33	2,025.47
Less : Discounts		255.36	203.74
		<u>2,260.97</u>	<u>1,821.73</u>
Less : Excise Duty		121.14	100.36
Net Sales		<u>2,139.83</u>	<u>1,721.37</u>
Other Operating Revenue	20	20.28	16.56
Revenue from Operation		<u>2,160.11</u>	<u>1,737.93</u>
Other Income	21	8.96	12.64
Total Revenue [I]		<u>2,169.07</u>	<u>1,750.57</u>
EXPENSES :			
Cost of Materials Consumed	22	1,296.33	1,055.69
Purchases of Stock-in-Trade		66.39	92.98
Changes in Inventories of Finished Goods, Work-in-Progress and Stock -in-Trade	23	(25.46)	(58.36)
Employee Benefits Expense	24	167.15	159.91
Other Expenses	25	397.31	346.92
Total [II]		<u>1,901.72</u>	<u>1,597.14</u>
Profit before Interest, Depreciation & Tax (PBITD) [I - II]		<u>267.35</u>	<u>153.43</u>
Finance Costs	26	205.35	128.53
Depreciation and Amortisation Expenses	27	115.76	126.52
Profit/(Loss) before Exceptional Items and Tax		<u>(53.76)</u>	<u>(101.62)</u>
Exceptional Items	36	(5.82)	(17.49)
Profit/(Loss) before Tax		<u>(59.58)</u>	<u>(119.11)</u>
Tax Expense :	37		
Current Tax (MAT)		0.26	1.09
Less : MAT Credit Entitlement		(1.29)	(0.33)
Net Current Tax		1.55	1.42
Deferred Tax Credit		(42.71)	(45.82)
Profit/(Loss) After Tax before Minority Interest		<u>(18.42)</u>	<u>(74.71)</u>
Less : Minority Interest		(0.03)	0.01
Profit/(Loss) for the year		<u>(18.39)</u>	<u>(74.72)</u>
Earning per Equity Share (Rs.)	39		
Basic		(1.35)	(5.47)
Diluted		(1.35)	(5.47)

The accompanying Notes are an integral part of the Financial Statements.

This is the Statement of Profit and Loss referred to in our report of even date.

FOR S. S. KOTHARI MEHTA & CO.

Chartered Accountants

Firm Reg. No. 000756N

K.S. MEHTA

Partner

Membership No. 008883

New Delhi,
the 16th May, 2015

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

For and on behalf of the Board

B.H. SINGHANIA

Chairman

H.P. SINGHANIA

Vice Chairman & Managing Director

O.P. GOYAL

Whole Time Director

UDAYAN BOSE

Director

Rs. in Crore (10 Million)
31st March, 2015 31st March, 2014

Note I

Share Capital

Authorised :

Equity Shares - 20,00,00,000 (Previous year - 20,00,00,000) of Rs.10 each	200.00	200.00
Redeemable Preference Shares - 3,00,00,000 (Previous Year - 3,00,00,000) of Rs.100 each	300.00	300.00
	<u>500.00</u>	<u>500.00</u>

Issued, Subscribed and Paid-up :

Equity Shares - 13,66,20,625 (Previous year 13,66,20,625) of Rs.10 each fully paid up	136.62	136.62
	<u>136.62</u>	<u>136.62</u>

Notes :

(a) (i) Reconciliation of Equity Share Capital (In numbers)

Shares outstanding at the beginning of the year	13,66,20,625	13,66,20,625
Add : Shares issued during the year	-	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	<u>13,66,20,625</u>	<u>13,66,20,625</u>

(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 general meeting.
- The Company has only one class of Equity Shares having face value of Rs. 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)

	31st March, 2015	31 st March, 2014
Bengal & Assam Company Limited	3,28,43,299	3,28,43,299
JK Fenner (India) Limited	2,54,57,500	2,54,57,500
Florence Investech Limited (formerly JK Agri Genetics Limited)	1,18,33,332	1,16,81,684
Trustees, JK Paper Employees Welfare Trust	1,16,81,112	1,24,30,362
International Finance Corporation	76,90,000	76,90,000

Note 2	Rs. in Crore (10 Million)			
	As at 1 st April, 2014	Additions	Transfers	As at 31 st March, 2015
RESERVES AND SURPLUS				
Capital Reserve	29.92	-	-	29.92
Capital Redemption Reserve	3.00	-	-	3.00
Securities Premium Reserve	355.08	-	5.04 (a)	350.04
Debenture Redemption Reserve	1.48	-	-	1.48
Revaluation Reserve	3.21	-	0.29 (b)	2.92
General Reserve	45.57	2.31 (c)	4.36 (d)	43.52
Surplus in Statement of Profit & Loss (e)	225.31	(17.20)	-	208.11
	663.57	(14.89)	9.69	638.99
Previous Year	738.71	(74.95)	0.19	663.57

Notes :

- (a) Pursuant to the Scheme of Arrangement.
- (b) Rs. 0.29 Crore transferred to General Reserve (Previous year Rs. 0.19 Crore transferred to Statement of Profit and Loss) towards Additional Depreciation arising out of revaluation of Fixed Assets.
- (c) Rs. 0.29 Crore transferred from Revaluation Reserve (Previous year Rs. Nil) and Profit of Rs. 2.02 Crore (net of deferred tax of Rs. 0.90 Crore) of Lime Kiln Undertaking related to Financial Year 2013-14 has been added to the General Reserve pursuant to the Scheme of Arrangement.
- (d) In accordance with Part C, Schedule II of the Companies Act, 2013, Rs.4.36 Crore (net of Deferred Tax of Rs. 1.94 Crore) has been adjusted in respect of Fixed Assets whose useful life had already exhausted as on 1st April, 2014.
- (e) Details of surplus in Statement of Profit and Loss from Previous year :

	As at 31 st March, 2015	As at 31 st March, 2014
Surplus in Statement of Profit and Loss from Previous year	225.31	300.26
Net Profit/ (Loss) for the Current year	(18.39)	(74.72)
Adjustment related to earlier years #	-	(0.23)
Pursuant to the Scheme of Arrangement	1.19	-
Surplus in Statement of Profit and Loss carried to Balance Sheet	208.11	225.31

previous year figure includes Rs. 0.10 Crore pertaining to subsidiary acquired during the year and Rs. 0.13 Crore pertaining to Joint Venture.

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

Note 3

LONG TERM BORROWINGS

SECURED

Term Loans

- From Banks	1,440.71	1,634.60
- From Financial Institutions	115.5B	B0.02

UNSECURED

Foreign Currency Convertible Bonds (FCCB's)	236.2B	2B9.02
Loan from Related Party	40.00	-
Public Deposits	11.33	13.01
Finance Lease Obligation	0.76	1.15
	<u>1,844.66</u>	<u>2,017.80</u>
Share of Joint Venture	14.43	10.82
	<u>1,859.09</u>	<u>2,028.62</u>

Less : Current maturities of Long Term Borrowings

Term Loans from Banks (Secured)	227.51	263.16
Term Loan from Financial Institutions (Secured)	12.85	22.14
Public Deposits (Unsecured)	5.60	3.62
Finance Lease obligation (Unsecured)	0.42	0.39
	<u>246.38</u>	<u>289.31</u>
Total	<u>1,612.71</u>	<u>1,739.31</u>

Notes :

A Term Loans of Rs. 284.13 Crore (Fls – Rs. 88.99 Crore and Banks Rs. 195.14 Crore) are secured by means of first pari passu mortgage/charge on the fixed assets of the Company. Out of the above Term Loan Rs. 199.74 Crore (Fls - Rs. 88.99 Crore and Banks Rs. 110.75 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 Rs. 15.02 Crore are repayable in total 5 half-yearly instalments from June-2015 to June-2016,
- 2 Term Loan of Rs. 14.61 Crore is repayable in 7 equal half-yearly instalments from June-2015 to June-2018,
- 3 Term Loans aggregating to Rs. 221.25 Crore are repayable in total 124 equal quarterly instalments from September-2016 to March-2024,
- 4 Term Loan of Rs. 33.25 Crore is repayable in 7 equal quarterly instalments from September-2016 to March-2018.

B Term Loans of Rs. 1119.34 Crore (Fls – Rs. Nil and Banks Rs. 1119.34 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 repayable as under :-

- 1 Term Loans aggregating to Rs. 310.00 Crore are repayable in total 47 equal quarterly instalments from June-2015 to June-2021,

- 2 Term Loans aggregating to Rs. 472.79 Crore are repayable in total 64 equal half-yearly instalments from May-2015 to August-2023.
 - 3 Term Loans aggregating to Rs. 336.55 Crore are repayable in total 79 quarterly instalments from August-2015 to March-2024.
- C Terms Loans aggregating to Rs. 126.23 Crore (Fls – Rs. Nil and Banks Rs. 126.23 Crore) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit CPM of the company. These Term Loans are repayable in total 38 quarterly instalments from April-2015 to January-2021.
- D Terms Loan of Rs. 23.45 Crore (Fls – Rs. 23.45 Crore, Banks Rs. Nil) is secured by equitable mortgage of townships of the subsidiaries of the company namely Jaykaypur Infrastructure & Housing Limited located at Jaykaypur, Rayagada & Songadh Infrastructure & Housing Limited located at Songadh, Tapi and are repayable in 85 monthly instalment from April 2015 to April 2022.
- E Term Loan aggregating to Rs. 3.14 Crore (Fls – Rs. 3.14 Crore, Banks Rs. Nil) is secured by specific charge on Lime Kiln Undertaking of the JK Enviro-Tech Limited transferred Pursuant to the Scheme of Arrangement. This Term Loan is repayable in 4 monthly instalments from April 2015 to July 2015.
- F Certain charges are in the process of satisfaction. Secured Terms Loans from Financial Institutions and Banks include Rs. 502.42 Crore foreign currency loans.
- G Finance Lease of Rs. 0.76 Crore is repayable in 7 equal quarterly instalments from June-2015 to December-2016.
- H FCCB's of EURO 35 Million @ 6.455% issued on 30th May, 2011 are convertible into equity shares of the company at an initial conversion price of Rs. 65 per share, subject to price adjustment as per agreement, after 3 years and 6 months from the date of issue. If not converted then the FCCBs will be redeemed at par between 15th May 2016 to 15th May 2018 in 5 half yearly instalments.
- I Term Loan of Rs. 40 Crore from related party is repayable in 47 monthly installment from June 2018 to April 2022.
- J Public deposits are due for repayment in 2015-16, 2016-17 & 2017-18.
- K Term Loan of Rs. 14.43 Crore is repayable in 16 equal quarterly instalments from October-2016 to April-2020.

Rs. in Crore (10 Million)
31st March, 2015 31st March, 2014

Note 4

OTHER LONG TERM LIABILITIES

Trade Deposits	36.69	34.38
Interest accrued but not due on loans	1.46	0.53
Derivative Financial Instruments	1.37	-
	<u>39.52</u>	<u>34.91</u>

Note 5

LONG TERM PROVISIONS

Provision for Employee Benefits	1.79	3.14
Share of Joint Venture	0.02	-
	<u>1.81</u>	<u>3.14</u>

Rs. in Crore (10 Million)
31st March, 2015 31st March, 2014

Note 6

SHORT TERM BORROWINGS

SECURED

Working Capital Borrowings from Bank	122.21	118.17
--------------------------------------	--------	--------

UNSECURED

Vendor Bill discounting	80.79	72.69
Buyer's Credit facilities from Bank	41.00	27.33
Public Deposits	0.19	0.86
	<u>244.19</u>	<u>219.05</u>
Share of Joint Venture	1.02	-
	<u>245.21</u>	<u>219.05</u>

Note :

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 7

OTHER CURRENT LIABILITIES

Current maturities of Long Term Borrowings	246.38	289.31
Interest accrued but not due on Borrowings	18.37	15.85
Unclaimed Dividends #	0.18	0.21
Unclaimed Matured Deposits #	0.63	0.59
Unclaimed interest on Unclaimed Matured Deposits #	0.07	0.06
Advance from Customers	10.33	6.37
Statutory Dues	13.67	14.91
Derivative Financial Instruments	4.07	0.28
Capital Creditors	27.06	58.79
Other Payables	59.19	61.20
	<u>379.95</u>	<u>447.57</u>
Share of Joint Venture	0.70	0.77
	<u>380.65</u>	<u>448.34</u>

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

Note 8

SHORT TERM PROVISIONS

Provision for Employee Benefits	1.19	2.67
Share of Joint Venture	0.01	0.00
(Previous year Rs. 36,365/-)	<u>1.20</u>	<u>2.67</u>

Note 9**TANGIBLE ASSETS**

Rs. in Crore (10 Million)

Description	GROSS BLOCK (b)				DEPRECIATION				NET BLOCK		
	As at 1 st April, 2014	Additions/ Adjustments	Sales/ Adjustments	Impact of Scheme (d)	As at 31 st March, 2015	Upto 31 st March, 2014	For the year	On Sales/ Adjustments	Impact of Scheme (d)	As at 31 st March, 2015	As at 31 st March, 2014
Land - Freehold (a)	11.88	4.99	-	-	16.87	-	-	-	-	16.87	11.88
- Leasehold	12.18	-	-	-	12.18	0.88	0.17	-	-	11.13	11.30
Building	375.98	3.02	-	(6.94)	372.06	53.15	14.82	-	(1.44)	305.53	322.83
Plant & Equipment (c)	2,720.38	(84.08)	0.91	(40.22)	2,595.17	519.80	96.54	0.21	(14.34)	1,993.38	2,200.58
Furniture and Fixture	6.42	0.10	0.10	(0.00)	6.42	2.97	0.94	0.04	(0.00)	2.55	3.45
				(Rs. -20,983/-)					(Rs. -23,309/-)		
Office Equipment	17.76	0.60	0.32	(0.01)	18.03	9.05	4.09	0.24	(0.00)	5.13	8.71
Vehicles & Locomotive	15.87	0.80	2.17	(0.01)	14.49	5.90	1.91	0.94	(Rs. -18,983/-)	7.62	9.97
									(0.00)		
Railway Siding	4.64	1.75	-	-	6.39	2.90	1.41	-	(Rs. -11,749/-)	2.08	1.74
Share of Joint Venture	3,165.11	(72.82)	3.50	(47.18)	3,041.61	594.65	119.88	1.43	(15.78)	697.32	2,344.29
Total	1.37	21.17	0.01	-	22.53	0.01	0.97	-	-	21.55	1.36
Previous year	3,166.48	(51.65)	3.51	(47.18)	3,064.14	594.66	120.85	1.43	(15.78)	698.30	2,365.84
	1,567.54	2,027.68	428.74	-	3,166.48	743.87	139.05	288.26	-	594.66	2,571.82

Notes:

- 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 for which title is yet to be transferred in name of the Company.
- Gross Block includes amount of revaluation {Note no. 34 (a)}
- During the year Rs. 113.56 Crore has been deducted from Plant & Equipment due to Foreign Exchange Fluctuation (Net) (Previous year Rs. 154.49 Crore was added) .
- Pursuant to the scheme of arrangement.

Note 10**INTANGIBLE ASSETS**

Rs. in Crore (10 Million)

Description	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As at 1 st April, 2014	Additions/ Adjustments	Sales/ Adjustments	As at 31 st March, 2015	Upto 31 st March, 2014	For the year	On Sales/ Adjustments	As at 31 st March, 2015	As at 31 st March, 2014	As at 31 st March, 2014
Computer Software	13.35	-	-	13.35	8.50	1.17	-	9.67	3.68	4.85
	13.35	-	-	13.35	8.50	1.17	-	9.67	3.68	4.85
Share of Joint Venture	-	0.45	-	0.45	-	0.04	-	0.04	0.41	-
Total	13.35	0.45	-	13.80	8.50	1.21	-	9.71	4.09	4.85
Previous year	7.51	5.84	-	13.35	7.36	1.14	-	8.50	4.85	

Rs. in Crore (10 Million)

Note 11	Face Value Rs./5share	31 st March, 2015		31 st March, 2014	
		Nos.	Book Value	Nos.	Book Value
NON CURRENT INVESTMENTS					
Long Term Investments (At cost, other than trade)					
- Quoted Equity Shares (fully paid up)					
JK Lakshmi Cement Limited.	5/-	1,91,000	0.46	2,16,000	0.52
Udaipur Cement Works Limited.	4/-	34,02,171	3.40	50,00,000	5.00
Bengal & Assam Company Limited.	10/-	-	-	4,677	0.06
- Unquoted Equity Shares (fully paid up)					
JK Paper Mills Employees' Co-operative Stores Limited.	10/-	250	♦0.00	250	♦0.00
- Others			▲0.00		▲0.00
			<u>3.86</u>		<u>5.58</u>
Aggregate book value of quoted investments			3.86		5.58
Aggregate book value of unquoted investments			*0.00		*0.00
Aggregate market value of quoted investments			11.12		6.64

♦Rs. 2,500/-

▲Others represent Investment in Government Securities of Rs. 3,000/-

*Rs. 5,500/-

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

Note 12

LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)

Capital Advances	0.88	8.42
Deposits with Government Authorities and Others	11.19	10.82
Other Loans & Advances :		
MAT Credit Entitlement	26.64	27.94
Others	18.98	18.98
	<u>57.69</u>	<u>66.16</u>
Share of Joint Venture	0.04	10.14
	<u>57.73</u>	<u>76.30</u>

Note 13

OTHER NON CURRENT ASSETS

Others

Un-amortised Ancillary costs on Loan	26.75	22.87
Derivative Financial Instruments	-	1.38
	<u>26.75</u>	<u>24.25</u>

Rs. in Crore (10 Million)			
31 st March, 2015		31 st March, 2014	
Book		Book	
Nos.	Value	Nos.	Value

Note 14

CURRENT INVESTMENTS

Investments in Mutual Funds (Lower of Cost and quoted/fair value)

ICICI Prudential Banking and PSU Debt Fund - Regular Plan - Growth	-	-	2,50,67,503	35.00
Baroda Pioneer Liquid Fund Plan A - Growth	-	-	1,97,123	28.79
			<u>-</u>	<u>63.79</u>
Aggregate book value of quoted investments			-	63.79
Aggregate book value of unquoted investments			-	-
Aggregate market value of quoted investments			-	64.25

Rs. in Crore (10 Million)			
31 st March, 2015		31 st March, 2014	

Note 15

INVENTORIES

(As certified by the Management)

Raw Materials #	179.68	134.47
Work-in-Progress @	22.30	34.27
Finished Goods	117.01	75.81
Stock-in-Trade	2.28	4.24
Stores & Spares #	52.31	43.80
	<u>373.58</u>	<u>292.59</u>
Share of Joint Venture	0.77	-
	<u>374.35</u>	<u>292.59</u>

Includes Raw Materials in transit Rs. 2.99 Crore (Previous year Rs. 22.21 Crore) and Stores & Spares in transit Rs. 2.09 Crore (Previous year Rs. 1.17 Crore).

@ Includes Pulp in process Rs. 4.80 Crore (Previous year Rs. 5.36 Crore) and Semi Finished Goods Rs. 17.50 Crore (Previous year Rs. 28.91 Crore).

Note 16

TRADE RECEIVABLES

UNSECURED

Exceeding six months (from due date)

Considered Good	13.41	9.59
Considered Doubtful	19.18	14.13
Others		
Considered Good	132.51	161.21
	<u>165.10</u>	<u>184.93</u>
Less: Provision for Doubtful Debts	19.18	14.13
	<u>145.92</u>	<u>170.80</u>
Share of Joint Venture	0.33	-
	<u>146.25</u>	<u>170.80</u>

Rs. in Crore (10 Million)

31st March, 2015 31st March, 2014

Note 17

CASH & BANK BALANCES

Cash & Cash Equivalents

Balance with Banks :

Current Accounts	9.67	4.17
Cash on Hand	0.32	0.30

Other Bank Balances

Bank Deposits with original maturity of 12 months or more #	2.71	1.84
Unclaimed Dividend Accounts	0.18	0.21
Margin Money Deposits	4.69	2.07
	<u>17.57</u>	<u>8.59</u>
Share of Joint Venture	0.26	3.46
	<u>17.83</u>	<u>12.05</u>

Includes Rs. 1.34 Crore pledged with Government Authorities

Note 18

SHORT TERM LOAN AND ADVANCES

(Unsecured, Considered Good)

Others

Advances recoverable in cash or in kind or for value to be received	48.07	35.60
Interest accrued but not due	0.70	0.76
Advances to Employees	0.80	0.96
Advances to Suppliers	15.43	23.16
CENVAT Recoverable	69.07	82.13
Advance Income Tax/ Tax deducted at source (Net of Provision)	3.93	5.22
Other Deposits	2.23	5.30

Doubtful

Doubtful advances / loans	0.49	0.49
Less : Provision for doubtful advances / loans	0.49	0.49
	<u>140.23</u>	<u>153.13</u>
Share of Joint Venture	1.63	0.33
	<u>141.86</u>	<u>153.46</u>

Note 19

OTHER CURRENT ASSETS

Others

Assets held for Sale	157.84	134.15
Un-amortised Ancillary costs on Loan	4.10	3.20
Deferred Premium on Forwards	0.19	2.81
	<u>162.13</u>	<u>140.16</u>

	Rs. in Crore (10 Million)	
	2014-15	2013-14
Note 20		
OTHER OPERATING REVENUE		
Insurance charges recovered	0.15	1.28
Miscellaneous Income	20.13	15.28
	<u>20.28</u>	<u>16.56</u>
Note 21		
OTHER INCOME		
Interest Income	5.33	3.53
Dividend Income	0.05	0.06
Net Gain on sale of Current Investments	2.34	3.82
Net Gain on sale of Non-Current Investments	1.10	-
Foreign Exchange Fluctuation	-	5.19
	<u>8.82</u>	<u>12.60</u>
Share of Joint Venture	0.14	0.04
	<u>8.96</u>	<u>12.64</u>
Note 22		
COST OF MATERIALS CONSUMED		
Bamboo	33.75	33.28
Hardwood	611.77	404.08
Pulp	279.75	322.86
Chemicals	277.31	228.29
Packing Material	92.62	67.18
	<u>1,295.20</u>	<u>1,055.69</u>
Share of Joint Venture	1.13	-
	<u>1,296.33</u>	<u>1,055.69</u>
Note 23		
CHANGES IN FINISHED GOODS, WORK IN PROGRESS & STOCK IN TRADE		
OPENING STOCK		
Finished Goods	75.81	22.12
Stock-In-Trade	4.24	14.71
Stock-In-Process	34.27	16.81
	<u>114.32</u>	<u>53.64</u>
CLOSING STOCK		
Finished Goods	117.01	75.81
Stock-In-Trade	2.28	4.24
Stock-In-Process	22.30	34.27
	<u>141.59</u>	<u>114.32</u>
Add : Excise Duty on Variation of Stock	1.94	2.32
(Increase) / Decrease in Stock	<u>(25.33)</u>	<u>(58.36)</u>
Share of Joint Venture	(0.13)	-
	<u>(25.46)</u>	<u>(58.36)</u>
Note 24		
EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Allowances, etc.	142.98	131.77
Contribution to Provident and Other Funds	6.44	9.57
Staff Welfare Expenses	16.68	18.51
	<u>166.10</u>	<u>159.85</u>
Share of Joint Venture	1.05	0.06
	<u>167.15</u>	<u>159.91</u>

Rs. in Crore (10 Million)

2014-15 2013-14

Note 25

OTHER EXPENSES

Consumption of Stores and Spares	84.22	64.96
Power, Fuel and Water	210.52	212.68
Repairs to Building	6.03	6.05
Repairs to Machinery	12.28	9.06
Rent (Net)	3.27	1.72
Insurance Premium	1.65	1.94
Rates and Taxes	0.85	0.82
Commission on Sales	2.51	1.86
Directors' fees	0.09	0.09
Premium on Forward Exchange Contracts	6.94	8.36
Foreign Exchange Fluctuation	4.70	-
Loss on Sale of Assets	0.22	0.25
Asset Written off	0.01	0.27
Provision for Doubtful Debts	5.05	1.04
Provision for Diminution in value of the investments	5.04	-
Less: Transfer from Securities Premium Reserve	5.04	-
Travelling and Other Misc. Expenses	57.59	37.68
	395.93	346.78
Share of Joint Venture	1.38	0.14
	397.31	346.92

Note 26

FINANCE COSTS

Interest on :		
Term Loan and Public Deposits	167.85	101.39
Others	24.98	18.75
Other Borrowing Costs:		
Financial Charges	6.08	4.32
Premium on Forward Exchange Contracts	1.39	2.87
Lease rent on Machinery	0.11	0.20
Net Loss on Foreign currency transactions and translation	4.16	0.99
	204.57	128.52
Share of Joint Venture	0.78	0.01
	205.35	128.53

Note 27

DEPRECIATION & AMORTISATION EXPENSE

Depreciation on Tangible Assets	119.88	125.56
Transfer from Revaluation Reserve	-	(0.19)
Amortisation of Intangible Assets	1.17	1.14
Transfer to General Reserve	(6.30)	-
	114.75	126.51
Share of Joint Venture	1.01	0.01
	115.76	126.52

28 Principles of Consolidation:

- a) The Consolidated Financial Statements comprise of the financial statements of JK Paper Limited (Parent Company) and the following as on 31st March, 2015;

i) Subsidiaries:

Name	Proportion of ownership interest	Financial Statements as on	Status
Jaykaypur Infrastructure & Housing Limited, India	100%	31 st March, 2015	Audited
Songadh Infrastructure & Housing Limited, India	100%	31 st March, 2015	Audited
JK Enviro-Tech Limited, India	98.98%	31 st March, 2015	Audited

ii) Joint Venture:

Name	Proportion of ownership interest	Financial Statements as on	Status
Oji JK Packaging Private Limited India	20%	31 st March, 2015	Audited

- 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) In case of Joint Venture Company has adopted the proportionate consolidation method in accordance with Accounting Standard (AS-27) – “Financial Reporting of Interest in Joint Ventures”.
- d) The summary of share of Net Assets and Profit/(Loss) of Subsidiaries and Joint Venture :

Rs. in Crore (10 million)

Name of the Entity	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Loss	Amount
Subsidiaries				
Jaykaypur Infrastructure & Housing Limited	0.70%	5.39	-1.68%	0.31
Songadh Infrastructure & Housing Limited	0.79%	6.16	-2.77%	0.51
JK Enviro-tech Limited	0.24%	1.82	13.98%	(2.57)
Minority Interest				
JK Enviro-Tech Limited	0.002%	0.02	0.14%	(0.03)
Joint Venture				
Oji JK Packaging Private Limited	1.08%	8.40	21.17%	(3.89)

- e) The Accounting Policies of the Parent Company, its Subsidiaries and Joint Venture are largely similar, hence not be re-produced.
- f) Significant Accounting Policies and Notes on Accounts of the Financial Statements of the Company and its Subsidiaries are stated in their respective Financial Statements.

29. Trade Payable includes Rs. 0.39 Crore (Previous year Rs. 0.07 Crore), Capital work in progress includes Rs. 0.02 Crore (Previous year Rs. 5.60 Crore), Sales includes Rs. 1.36 Crore (Previous year Rs. Nil), Excise includes Rs. 0.08 Crore (Previous year Rs. Nil), Current Tax (MAT) includes Rs. Nil (Previous year Rs. 0.05 Crore) and Deferred Tax Credit includes Rs. 0.10 Crore (Previous year Rs. 0.06 Crore) for share of Joint Venture.

30 Estimated amount of (i) contracts remaining to be executed on capital account (Net of Advances) Rs. 5.14 Crore (Previous year Rs. 30.56 Crore) including share of Joint Venture Rs. 0.02 Crore (Previous year Rs. 3.37 Crore), (ii) Investment Rs. 2.41 Crore (Previous year Rs. 5.40 Crore) and, (iii) Export commitments against import of capital goods under EPCG scheme Rs. 747.52 Crore (Previous year Rs. 864.90 Crore).

31 Contingent liabilities in respect of claims not acknowledged and not provided for, are as follows:

	Rs. in Crore (10 million)	
	31 st March, 2015	31 st March, 2014
a) Excise duty liability in respect of matters in appeals	14.31	12.69
b) Sales tax liability in respect of matters in appeals	0.72	2.82
c) Other Matters	11.36	9.99

In respect of certain disallowances and additions made by the Income Tax Authorities, appeals are pending before the Appellate Authorities and adjustment, if any, will be made after the same are finally determined.

32 Jaykaypur Infrastructure & Housing Limited & Songadh Infrastructure & Housing Limited extended mortgage of Township in favour of HDFC Limited for Rs. 40 Crore Loan availed by Bengal & Assam Company Limited.

33 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".

Rs. in Crore (10 million)

Sl. No.	Particulars	For the year ended 31 st March 2015			For the year ended 31 st March 2014		
		Paper & Board	Others	Total	Paper & Board	Others	Total
A	Segment Revenue						
	External Revenue	2,158.83	1.28	2,160.11	1,737.87	0.06	1,737.93
	Inter-segment Revenue	-	8.02	8.02	-	32.44	32.44
	Total Revenue	2,158.83	9.30	2,168.13	1,737.87	32.50	1,770.37
B	Segment Results						
	Segment Results (PBIT excluding Exceptional items)	140.75	1.88	142.63	1.65	12.62	14.27
	Less : (i) Interest & Financial Charges (Net)			205.35			128.53
	(ii) Exceptional items			5.82			17.49
	(iii) Other Un-allocable Expenditure (Net off Un-allocable Income)			(8.96)			(12.64)
	Total Profit / (Loss) before Tax (PBT)			(59.58)			(119.11)
C	Other Information						
	Segment Assets	3,315.27	12.88	3,328.15	3,471.59	66.80	3,538.39
	Segment Liabilities	2,537.27	15.25	2,552.52	2,673.48	64.63	2,738.11
	Capital Expenditure (Excluding Rs. 72.73 Crore relating to acquisition of subsidiary and Joint Venture during the previous year)	(72.85)	21.65	(51.20)	1,960.10	0.69	1,960.79
	Depreciation & Amortisation	113.59	2.17	115.76	122.10	4.42	126.52
	Non Cash Expenses other than Depreciation	-	-	-	-	-	-

- 34 a) Land, Roads, Buildings and Pulp Mill Plant & Machinery of Unit - Central Pulp Mills were revalued as on 30.09.1976. The revaluation in respect of these assets (other than Land and Roads) were updated and Plant & Machinery of Paper Machine I & II and Railway Sidings were revalued as on 31.03.1994 based on current replacement cost by the approved valuers appointed for the purpose. As a result, the book value of such assets has been increased by Rs. 42.27 Crore, which has been transferred to Revaluation Reserve during the year ended 31.03.1994.
- b) The Assets of Rs. 157.84 Crore held for sale, disclosed under the heading of "Other Current Assets" consists of Old Pulp Mill, Recovery Island, Power Block (Coal Fired Boilers & TG Sets) and Old Lime Klin Plant based on lower of Written down value and estimated Net Realisable Value. The Management is actively pursuing for disposal of these assets.
- 35 a) Long Term Loans and Advances includes concessional loan of Rs.18.98 Crore (previous year Rs. 18.98 crore) and Short Term Loans and Advances includes Rs. 2.00 Crore (Previous year Rs. 2.00 Crore) to JK Paper Employees' Welfare Trust, a shareholder of the Company. Loan to employees of Rs. 0.37 Crore (Previous year Rs. 0.40 Crore) in the ordinary course of business and as per service rules of the Company.
- b) Advances recoverable in cash or in kind or for value to be received under "Short Term Loan and Advances" in Note No.18, includes Rs. 4.73 Crore (Previous Year Rs. 7.77 Crore) payments made for various development projects being undertaken by the Company including in Vietnam and Myanmar. The same will be adjusted once these projects are finalised.
36. Exceptional Items for the current year represent Loss on sale of undertaking Rs. 9.12 Crore, after setting-off loss of Rs. 3.30 Crore against Share Capital (previous year represent gain on Derivative transactions Rs.13.30 Crore, write back of provisions for diminution in the value of investments Rs.4.53 Crore and losses due to adverse operating parameters during stabilization period at Unit -JKPM Rs.35.32 Crore.
37. a) Pursuant to the Accounting Standard (AS 22)- 'Accounting for Taxes on Income' deferred tax (liability) / asset at Balance Sheet date is:

	Rs. in Crore (10 million)	
	31 st March,2015	31 st March,2014
i) Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	(345.54)	(333.20)
ii) Tax on carry forward unabsorbed Depreciation	294.71	243.88
iii) Tax on Others	17.64	11.88
	(33.19)	(77.44)
iv) Share of Joint Venture	-	0.10
	(33.19)	(77.34)

- b) 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.
- c) During the current year the Company has provided Current Tax Rs. 0.24 Crore (Previous year Rs. 0.08 Crore) and also reversed MAT credit Entitlement of Rs. 1.29 Crore (previous year reversed MAT credit entitlement of Rs.0.33 Crore) related to earlier years.

38. Disclosure as required under 'Related Party Disclosures' (AS 18) are as below:

a) List of Related Parties

i. Associate

- Bengal & Assam Company Limited.

ii. Enterprise over which KMP's have significant influence

- Habras International Limited (ceased w.e.f. 22nd July 2013)
- Nav Bharat Vanijya Limited

iii. Key Management Personnel (KMP)

- Shri Harsh Pati Singhania
- Shri Om Prakash Goyal
- Shri V. Kumaraswamy
- Shri S.C. Gupta
- Vice Chairman & Managing Director
- Whole-time Director
- Chief Finance Officer
- Company Secretary

b) The following transactions were carried out with related parties in the ordinary course of business:

Rs. in Crore (10 million)

Sl. No.	Nature of Transactions	Associate	
		2014-15	2013-14
(i)	Interest & Processing Fee Paid	5.32	-
(ii)	Rent Paid	0.04	0.04
(iii)	Reimbursement of Expenses – Received (Rs. 17,622/-)	0.00	-
(iv)	Loan Received	80.00	-
(v)	Loan Repaid	40.00	-
(vi)	Outstanding at end of the year - Payable	41.11	-

Sl. No.	Nature of Transactions	Enterprise over which KMP's have significant influence	
		2014-15	2013-14
(i)	Reimbursement of Expenses – Received	0.12	0.06
(ii)	Sale of Assets	0.22	0.10
(iii)	Rent Paid	0.40	0.40
(iv)	Reimbursement of Expenses – Paid	6.01	4.99
(v)	Sale of Goods	-	8.11
(vi)	Commission on Purchase/Sales	-	0.40
(vii)	Outstanding at end of the period - Receivable	-	1.77

Key Management Personnel (KMP) :

The remuneration paid to Vice Chairman & Managing Director Rs. 3.03 Crore (Previous year Rs. 3.05 Crore) and Whole Time Director Rs. 1.76 Crore (Previous year Rs. 1.73 Crore). The remuneration paid to these Managerial Personnel by way of minimum remuneration, in terms of the appointment, exceeds the limit prescribed under Schedule V and Section 197 of the Companies Act 2013, by Rs.1.82 Crore, and is subject to requisite approvals from Ministry of Corporate Affairs, Central Government. The remuneration paid to Chief Finance Officer Rs. 1.15 Crore (Previous year Rs. 1.18 Crore) and Company Secretary Rs. 0.36 Crore (Previous year Rs. 0.38 Crore). The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

39. Earnings Per Share:

	Rs. in Crore (10 million)	
	31 st Mar, 2015	31 st Mar, 2014
a) Profit/(Loss) after tax for Basic Earnings Per Shares	(18.39)	(74.72)
Add : Interest on Foreign Currency Convertible Bonds (Net of Tax)	12.11	7.85
Profit/(Loss) for Diluted Earnings Per Share	(6.28)	(66.87)
b) Weighted average No. of Ordinary Shares		
- Basic	13,66,20,625	13,66,20,625
- Effect of Conversion Option	3,63,16,875	3,63,16,875
- Diluted	17,29,37,500	17,29,37,500
c) Nominal Value of Ordinary Share (Rs.)	10.00	10.00
d) Earnings per Ordinary Share (Rs.)		
- Basic	(1.35)	(5.47)
- Diluted (as anti dilutive)	(1.35)	(5.47)

40. Current year's figures include impact of Scheme of Arrangement, hence previous year figures are not comparable. Previous year's figures have been re-grouped/re-arranged wherever necessary.

As per our report of even date.

FOR S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. 000756N

K.S. MEHTA
Partner
Membership No. 008883

New Delhi,
the 16th May, 2015

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

For and on behalf of the Board

B.H. SINGHANIA Chairman

H.P. SINGHANIA Vice Chairman & Managing Director

O.P. GOYAL Whole Time Director

UDAYAN BOSE Director

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2015

Rs. in Crore (10 Million)

	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit before Tax and Extra-ordinary Items	(59.58)	(119.11)
Adjustments for :		
Depreciation	115.76	126.52
Income from Investments	(3.44)	(3.82)
(Profit)/ Loss on sale of Assets (Net)	0.22	0.25
Dividend Income	(0.05)	(0.06)
Finance Cost	205.35	128.53
Interest Income	(5.47)	(3.57)
Foreign Exchange Fluctuation	4.70	(5.19)
Premium on Forward Exchange Contracts	6.94	8.36
Assets Written off	0.01	0.27
Provision for Doubtful Debts	5.05	1.04
Operating Profit before Working Capital Changes	269.49	133.22
Adjustments for Working Capital Changes:		
Trade and Other Receivables	41.04	(37.33)
Inventories	(81.75)	(72.50)
Trade and Other Payables	29.99	112.94
Cash generated from Operations	258.77	136.33
Taxes paid	1.03	1.04
Net Cash from Operating Activities	259.80	137.37
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets	(90.82)	(273.11)
Sale of Fixed Assets	1.84	5.81
Sale/(Purchase) of Investments (Net)	68.96	(68.38)
Dividend Income	0.05	0.06
Interest Received	5.52	3.50
Net Cash from Investing Activities	(14.45)	(332.12)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2015

Rs. in Crore (10 Million)

	2014-15	2013-14
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Proceeds of Long-term Borrowings	408.46	383.08
Repayment of Long-term Borrowings	(460.64)	(170.52)
Proceeds/(Repayment) from Short-term Borrowings (Net)	26.16	95.91
Interest and Financial Charges	(213.52)	(127.60)
Dividend (including Dividend Tax)	(0.03)	(7.99)
Net cash from Financing Activities	(239.57)	172.88
D. Increase/(Decrease) in Cash and Cash Equivalents		
- Cash & Bank Balance	5.78	(21.87)
E. Cash and Cash Equivalents as at the beginning of the year		
- Cash & Bank Balances (Note No. 17)	12.05	33.92
F. Cash and Cash Equivalents as at the close of the year		
- Cash & Bank Balances (Note No. 17)	17.83	12.05

Notes :

- Previous year's figures have been re-grouped / re-arranged wherever necessary.

As per our report of even date

FOR S. S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Reg. No. 000756N

K.S. MEHTA
Partner
Membership No. 008883

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For and on behalf of the Board

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UDAYAN BOSE Director

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Adolescent Girls' Health Awareness CSR Initiative of J.K. Paper Mills

Empowering People: Leading Communities.

CSR at JK Paper is a matter of faith that goes beyond the obligatory commitment. This year strong foundation has been laid to improve the life of poor and marginal families in and around our manufacturing locations through significant interventions in livelihood creation, health and education. In this direction our programmes include creation of Women Self Help Groups, Micro Enterprises, hand-holding the groups till they reach the level of self sufficiency, ensuring that they get access to all the development programs and schemes of National and State Governments, building awareness about health and hygiene and creating an aspirational need for better quality of life.

A total of 840 tribal women have been involved in Micro Credit activities through formation of 72 Self Help Groups. A healthy Corpus of Rs. 31.48 lakh has been generated through Micro Saving by each member has resulted in economic independence of tribal families and freed them from the clutches of the money lenders (Sahookars).

Small and marginal farmers were motivated to introduce scientific practices in their farming practices and provided with training and high yield seeds to venture in cultivating new crops which has increased farm yields and generated higher returns.

Critical interventions amongst the dis-advantaged have resulted in social inclusion of these otherwise excluded children through a special program – Nutan Gyanvardhini. The program strives to provide with vocational rehabilitation through training in Tailoring, Gardening and Paper Envelope making.

The company has had a policy of supporting various skill development and vocational training institutions. For a number of years, the thrust on strengthening these institutions has only multiplied. The company interacts with local leadership and groups and responds from time to time towards community needs may it be Community Hall, providing assets for schools or building community facilities such as water tanks etc.

The Adult Education movement at JK Paper has helped 11,000 Tribal Adult illiterates, specially women to become literate so far. This includes 7500 in unit JKPM and 3500 in unit CPM.

Our health outreach program through mobile dispensary, health check-up camps, etc have benefitted over one lakh individuals in the neighbouring communities at both our plants.





JK PAPER LTD.

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JK PAPER LIMITED

Annexure to the Directors' Report for the Financial Year ended 31st March 2015

PARTICULARS OF REMUNERATION

Pursuant to the provisions of Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the details regarding the ratio of remuneration of each Director to the median employee's remuneration and such other details as required therein are as under:

(A) 1. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2014-15:

Sl. No.	Directors	Ratio to median Remuneration *
1.	Shri Bharat Hari Singhania, Chairman	0.58
2	Shri Harsh Pati Singhania, Vice Chairman & Managing Director	112.42
3	Shri O. P. Goyal, Whole-time Director	65.59
4.	Shri Arun Bharat Ram	0.26
5.	Shri Dharendra Kumar	0.37
6.	Shri M.H.Dalmia	0.19
7.	Shri R.V.Kanoria	0.43
8.	Shri Sandip Somany	0.13
9.	Sh. Shailendra Swarup	0.28
10.	Shri Udayan Bose	0.45
11.	Smt. Vinita Singhania	0.22
12.	Shri Wim Wienk	0.17

* Non Executive Directors do not draw any remuneration from the Company except sitting fee.

Note: Shri Shailesh Haribhakti ceased to be a Director w.e.f. 27.9.2014 and hence these particulars pertaining to him have not been given here.

2. The percentage increase in Remuneration of each Director, Chief Finance Officer and Company Secretary, in the Financial Year 2014-15: There was no increase in the remuneration of Sh. Bharat Hari Singhania, Chairman, Sh. Arun Bharat Ram, Sh. Dharendra Kumar, Smt. Vinita Singhania, Sh. Wim Wienk, Sh. Harsh Pati Singhania, Vice Chairman & Managing Director, Sh. OP Goyal, Whole-time Director, Sh. V. Kumaraswamy, Chief Finance Officer and Sh. Suresh

Chander Gupta, Company Secretary of the Company in the Financial year 2014-15. There was increase in the Financial Year 2014-15 in remuneration of Sh. MH Dalmia- 67%, Sh. RV Kanoria – 15%, Sh. Shailendra Swarup-67% and Sh. Udayan Bose-42%. Non Executive Directors do not draw any remuneration from the Company except sitting fee. Since Shri Sandip Somany joined the Board w.e.f. 11th August 2014 and Shri Shailesh Haribhakti ceased to be a Director w.e.f. 27.9.2014, the percentage increase in Remuneration pertaining to them have not been given. The Remuneration paid to Directors and KMP is available at para VI of Form MGT-9 annexed to this report.

3. Percentage increase in the median remuneration of employees in the financial year: 3.70%
4. The number of permanent employees on the rolls of company as on 31st March 2015: 2565
5. The explanation on the relationship between average increase in remuneration and company performance: Due to loss during previous F.Y 2013-14, there has been no increase in remuneration during the financial year 2014-15 for senior personnel of the company. A nominal increase of 4% was given to employees other than staff and workers to keep them motivated. The Staff and Workers were given increases only as per long term settlements.
6. Comparison of the Remuneration of the Key Managerial Personnel against the performance of the Company for the Financial Year 2014-15:

The Key Managerial Personnel of the Company, namely, Shri Harsh Pati Singhania (Vice Chairman & Managing Director), Shri O. P. Goyal (Whole-time Director), Shri V. Kumaraswamy (Chief Finance Officer) and Shri Suresh Chander Gupta (Company Secretary), received remuneration of Rs. 302.41 lac, 176.43 lac, Rs114.85 lac and Rs 36.42 lac respectively aggregating to Rs. 630.11 lac for the Financial Year 2014-15. During the year, the Company achieved highest ever production and sales. PBDT increased from Rs. 16.65 Crore to Rs. 62.56 Crore, however due to higher interest and depreciation, there was net loss of Rs. 12.74 Crore, which was much lower than the last year's loss of Rs. 77.19 Crore.

7. (a) Variations in the market capitalization of the Company: The Market capitalization as on 31st March 2015 was Rs.432 Crore (Rs.407 crore as on 31st March 2014).
- (b) Price earnings ratio of the Company was (33.98) as at 31st March 2015 and was (5.27) as at 31st March 2014.
- (c) Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer - The Company had come out with initial public offer (IPO) in 1965. An amount of Rs.100 invested in the said IPO would be worth Rs.317 as on 31st March 2015 indicating a growth of over 200% over the period. This is excluding the dividend and other benefits accrued thereon.
8. Average percentile increase already made in the salaries of employees (other than the managerial personnel) in the last financial year, i.e, 2014-15 was 1.53%. However, there was no increase in managerial remuneration in the last financial year. Hence comparison of the two is not feasible.
9. No variable component of remuneration was availed by the directors during the financial year ended 31st March 2015, hence key parameters for the same are not applicable.
10. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year – Not Applicable; and
11. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.
12. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate

annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.