JK PAPER LTD.
Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110002

JKP/SH/2020

19th August 2020

Electronic Filing

Department of Corporate Services/Listing BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001 Scrip Code No. 532162	National Stock Exchange of India Ltd. "Exchange Plaza" Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051 Symbol: JKPAPER Series : EQ

Dear Sir/Madam,

Re: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Annual Report for the financial year ended 31st March 2020

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), we submit herewith Annual Report 2019-20 of the Company for the Financial Year ended 31st March 2020, being sent to those members by email whose email addresses are registered with the Company/Depository Participant(s), in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India. The Annual Report is also uploaded on the website of the Company at www.jkpaper.com.

Submitted for your kind reference and records.

Thanking you

Yours faithfully
For JK Paper Limited

(Deepak Gupta)
Company Secretary

Encl: a/a

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

ANNUAL REPORT 2019-20

Sustainability. Responsibility. Integrity.

JK PAPER

JK PAPER LTD.

Forward-looking statement

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

This year our Annual Report theme is 'Sustainability which is part of our DNA'

Contents

JKPM: JK Paper Mills
CPM: Central Pulp Mills
SPM: Sirpur Paper Mills

Corporate information

Board of Directors

Bharat Hari Singhania
Chairman

Harsh Pati Singhania
Vice Chairman & Managing Director

Arun Bharat Ram
Deepa Gopalan Wadhwa
Dhirendra Kumar
M.H. Dalmia
R.V. Kanoria
Sandip Somany
Shailendra Swarup
S.K. Roongta
Udayan Bose
Vinita Singhania

A.S. Mehta
President & Director

Plants

JK Paper Mills (Unit JKPM)
Jaykaypur - 765 017
Rayagada (Odisha)

Central Pulp Mills (Unit CPM)
P. O. Central Pulp Mills - 394 660
Fort Songadh
Distt. Tapi (Gujarat)

Offices

Registered Office
P.O. Central Pulp Mills - 394 660
Fort Songadh
Distt. Tapi (Gujarat)

Administrative Office
Nehru House,
4, Bahadur Shah Zafar Marg
New Delhi - 110 002

Bankers

State Bank of India
Axis Bank
IDBI Bank
Indusind Bank
Bank of Bahrain and Kuwait

Company Website

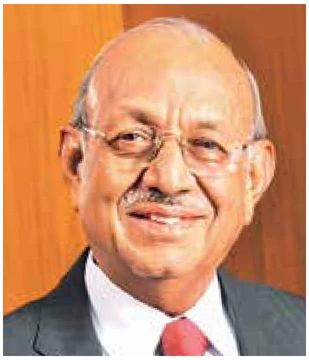
www.jkpaper.com

Auditors

Lodha & Co.
Chartered Accountants

Suresh Chander Gupta
Vice President & Company Secretary

Chairman's statement



The year 2020 ushered in a positive outlook for the world economy with growth pegged at 3.3% by IMF in early January, buoyed by a temporary truce in US-China trade war and positive Brexit negotiations. But that was before the corona virus pandemic engulfed the world, leading to an instantaneous collapse of the global economy.

IMF calls it the Great Lockdown, akin to the Great Depression, where most countries came to a standstill. In its April 2020 release, IMF estimated the global GDP growth to fall to 2.9% in 2019, a 70 bps de-growth y-o-y. In almost 170 countries, people are likely to face a decline in average income over the previous year as well.

The complete lockdown in India is one of the most stringent, for ~70 days, where almost two-thirds of all economic activity came to a grinding halt. While the advanced countries are set to experience prolonged pains, India is expected to be one of the few bright spots in the world economy, sustaining positive growth at 4.2% for 2019-20.

Unfortunately, the COVID-19 pandemic arrived at a time when the Indian economy was already experiencing a growth slowdown, as reflected in lower discretionary spending over the last 12 months, particularly in automobiles, consumer durables and high-end FMCG products.

Despite these bottlenecks, the paper industry has been growing at a healthy rate of around 6%. Overall sales at JK Paper have been growing at a CAGR of 5-6%. Growth has been quite robust in the coated paper segment, which showed an uptick of over 14% last year.

Your company had achieved a multifold jump in gross sales revenue in the last decade. It is not only the market leader in the copier segment, where it accounts for a quarter of the market, but also among the top producers of coated paper and packaging board.

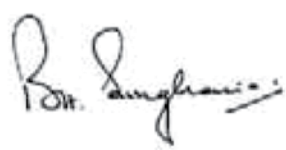
At a time when the manufacturing sector in India is faced with significant spare capacity, with overall capacity utilisation falling to ~68% in the December quarter, both JKPM and CPM have been running at full capacity. This augurs well for our planned expansion, where we are targeting to reach 8 lac tonnes per annum (TPA) by March 2021. The impetus will mainly be in the packaging board segment, while maintaining the focus on other segments too, particularly where we enjoy a leadership position in the market.

JK Paper is equally committed to the people and the community. We have formed about 170 self-help groups, with ~1,900 members helping create demand for various agro-based programmes, facilitating MUDRA loans, etc. Through our adult literacy program, we have provided free education to 15,000 tribals, mainly women.

Our focus on agro forestry has not only been an important step in securitising our raw material requirement and greening mother earth, but also provided farmers an additional source of income, which, in a time of a crisis, becomes a crucial safety net for them. Our plantation coverage cumulatively reached 1.73 lac hectares.

Uncertainty prevails over the containment of COVID-19 and thereby the global economic recovery. To ensure that the economic engine starts moving, governments across the world are providing fiscal stimulus of varying magnitude. This is important as the end consumers should be provided an adequate safety net to revive demand. That would determine whether the projected V-shaped recovery, where India's GDP growth is expected to recover, will happen or not.

In last year's message I had conveyed that past patterns cannot always be applied to find answers for tomorrow, for which we have to be flexible in our approach. This is all the more relevant in the current situation when everything is uncertain and volatile. With your continued support, we will overcome this challenge by better understanding and clarity of our vision.



Bharat Hari Singhania

Vice Chairman and Managing Director's statement

The global economy that was taking the first tentative steps to a growth revival following a period of slowing growth last year (lowest since the 2009 financial crisis), was all of a sudden jolted by the COVID-19 pandemic. The Indian economy too was going through a slowdown even before the present crisis, when growth slipped below 5%, with particular concern over the sliding growth in the manufacturing sector.

This was exacerbated by the surge in cheaper imports, not only from our FTA partners, but also crucially from China. Although the Government decided to opt out of the RCEP, the threat of imports routed through third-country remains. To address the growth slowdown, the government also undertook significant tax reforms, where the corporate tax rate was cut down to 25% for all companies, with lower rates of 15% for new manufacturing units to incentivise firms away from China and set up shop in India. RBI on its part also lent a helping hand through 'significant' monetary easing where policy rates were cut by a whopping 135 bps. This has continued after the COVID-19 outbreak, with policy rates now pegged at 4.15%. Besides, other monetary measures have infused about 4% of GDP into the system. It is another matter that banks have transmitted only a small part of the rate cuts, with most remaining risk-averse and quite content to park the excess funds back with the RBI.

In such a scenario, JK Paper was able to maintain its leadership in the market, where it achieved a strong EBITDA despite a fall in selling prices. This was achieved through a combination of lower input costs, high operational efficiencies and lower finance costs through deleveraging.

Owing to our extensive plantation activities since the last 5-7 years, our wood procurement is now totally from areas closer to our mills. This has led to a steady reduction in material costs.

Your Company achieved the best energy efficiency parameters in the industry during the year; power consumption has been reduced further with low fresh water consumption per tonne of paper. In fact, we are the best in the paper industry to use treated sewage water in our process. Furthermore, JK Paper is also a pioneer in burning secondary sludge in the recovery boilers.

JK Paper's focused deleveraging had led to a significant reduction in finance costs, despite overall interest rates remaining high (due to lower transmission of RBI's policy rate cuts). Your Company's net debt had come down by over 50% in the last 5 years, resulting in a net debt-equity ratio of 0.4x in 2019-20 from over 2x in 2015. Our interest coverage ratio has improved 6 times over this period.

To take advantage of the growth momentum witnessed in the country's paper sector, JK Paper is working towards increasing its production capacity from 4.5 lac TPA to 8 lac TPA (including capacity of The Sirpur Paper Mills Limited) by next year. This capacity augmentation is aimed at significantly expanding our packaging board capacity to take up growth opportunities on offer, with the proliferation of e-commerce, digital initiatives and growth upsurge in the pharmaceuticals sector.

Despite the setback from the COVID-19 triggered lockdown, it is progressing as per schedule, although support from banks and financial institutions would be critical for us to adhere to timelines. Sirpur Paper Mills, with a capacity of about 1.4 lac TPA, which we acquired through the IBC route, commenced production. We have undertaken significant refurbishments at the plant in the last year and achieved up to 70% of the operative capacity.

Your Company is also continuously focusing on value-added products. These are based on emerging market trends, especially the higher demand for packaging paper with the increased emphasis on e-commerce, retail, pharma, digital payment systems, etc. Some specific new products that were well accepted in the market are JK Carry for paper carry bags, JK Ecosip for paper straw, JK Pharma print and JK Devine Print for pharma industry and JK DiGi Roll as Receipt/invoice print paper for POS machines.

To enable our product reach to more geographies and markets, our strong distribution network of over 4,000 dealers and over 300 trade partners play a significant role.

The global economy is currently going through a period of heightened uncertainty - a VUCA (volatility, uncertainty, complexity and ambiguity) world, with no real breakthrough in sight over the containment of the virus. This obviously will have repercussions on consumer demand and overall growth. Already the projected growth decline for this year is far worse than we witnessed in recent times, including the financial crisis of 2008. Early indicators point towards a severity similar to the great depression that engulfed the world economy almost a century ago. However, the recovery, which is expected to take hold in the second half of the year, is likely to be swift. Your Company remains committed to put its best efforts to ensure its return to the growth path soon.

Harsh Pati Singhania

Sustainability in our DNA

At JK Paper, every initiative that we undertake is marked by two over-riding priorities.

One, can we make it better?

Two, can we make it sustainable?

The result is that sustainability is not just an after-thought.

It is embedded into our DNA.

JK Paper Limited.

One of the most respected paper companies in India today.
Respected for competitive and sustainable operations.
For a wide range of products providing a one-stop solution.
For investing in world-class technologies.
For reinforcing its resource security.
Reinforcing its positioning as one of India's most sustainable paper companies.

Ethical pedigree

Vision

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

Mission

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

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

Products

The Company's diversified product portfolio comprises office paper, writing and printing paper to packaging board and specialty paper, among others. The JK Paper brand name is synonymous with superior product quality and customer service with a sustainable approach.

Position

JK Paper enjoys a rich experience of ~six decades, which has enabled it to emerge as one of the biggest wood-based paper companies in India as well as a leader in the branded office paper segment.

Leadership

The Company is spearheaded by an eminent Board of Directors comprising Mr. Bharat Hari Singhania (Chairman) and Mr. Harsh Pati Singhania (Vice-Chairman and Managing Director) and a Team of professionals headed by Mr. A.S. Mehta (President and Director).

Manufacturing facilities

The Company comprises state-of-the-art integrated manufacturing facilities in three locations, helping moderate logistics cost, deliver products with speed and service a pan-Indian customer base. The Company's three manufacturing plants comprise:

- JK Paper Mills in Rayagada, Odisha, with an installed capacity of 2,95,000 TPA
- Central Pulp Mills in Songadh, Gujarat, with an installed capacity of 1,60,000 TPA
- Sirpur Paper Mills in Kagaznagar, Telangana (owned through its subsidiary), with an installed capacity of 1,36,000 TPA

Brands

The Company offers a plethora of established brands – JK Copier, JK Easy Copier, JK Sparke, JK Cedar, JK Max JK Excel Bond, JK SS Maplitho (SHB), JK Cote, JK Ultima and JK Endure, among others, helping the Company strengthen its brand recall.

Certifications

The Company is accredited with ISO 45001, ISO 9001 and ISO 14001 certification, validating JK Paper's compliance with stringent quality management norms and environment norms, respectively. The FSC certification was bestowed upon the Company, which speaks volumes about JK Paper's health & safety policies and sustainable wood procurement policies.

Employees

JK Paper is one of the biggest and renowned employers in India's organised paper industry, and has been recognised as 'India's Best Workplaces in Manufacturing 2020- Top 30'- GPTW.

Footprint

The Company leveraged its robust distribution network to service a pan-Indian customer presence and a global presence across 62 countries including the USA, major countries of Europe, Middle East, Asia and Africa.

Group pedigree

The JK Group enjoys an industrial and business legacy of more than 100 years, which has helped it emerge as one of the leading business conglomerates in India, helping the country towards its goal of Atmanirbhar Bharat. The Group enjoys a multi-vertical presence across the paper, automotive tyres, cement, power transmission, V-belts, oil seals, hybrid seeds, dairy products, textiles, health care, education and clinical research sectors. JK Paper forms a part of this illustrious JK Group. The Company embarked on its journey in 1962, when it commissioned its first paper manufacturing unit at JKPM, Odisha.

Listing

The Company is listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company ranked amongst the top 500 companies by market capitalisation.

Milestones

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

1992
Acquired Unit – CPM (Gujarat).

2005
Commissioned a coating plant at Unit – JKPM (Odisha).

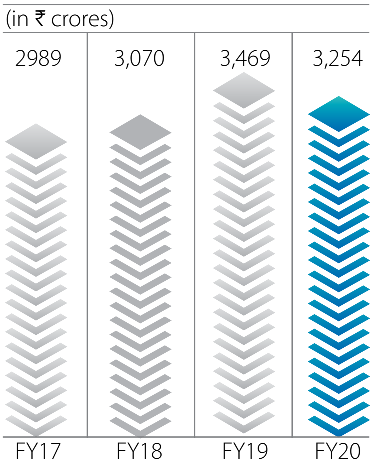
2007
Commissioned a premium packaging board plant at Unit – CPM (Gujarat).

2013
Commissioned a state-of-the-art new fibre line and high-speed paper manufacturing machine at Unit – JKPM (Odisha) with a capacity of 1,65,000 tonnes per annum.

2018
Acquired Sirpur Paper Mills in Telangana with a capacity of 1,36,000 metric tonnes per annum.

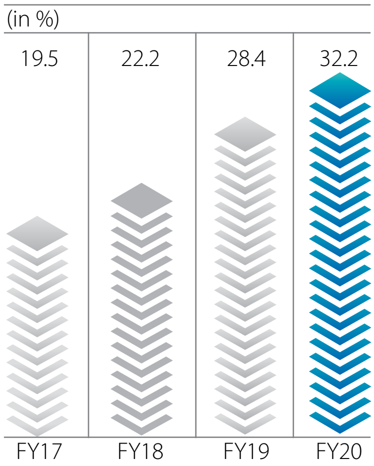
2019
JKPL was certified as a Great Place to Work and the Unit CPM of the Company was awarded the Dr. B.L. Bihani, the Memorial Award for Best Paper (National) at PaperEx 2019.

How we have financially **grown** over the years



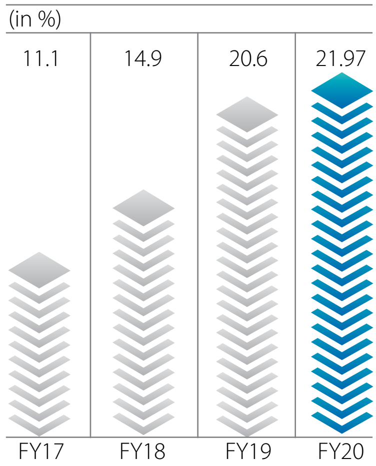
Revenues

Aggregate sales increased by 8.9% to ₹3,254 crores in 2019-20 over 2016-17.



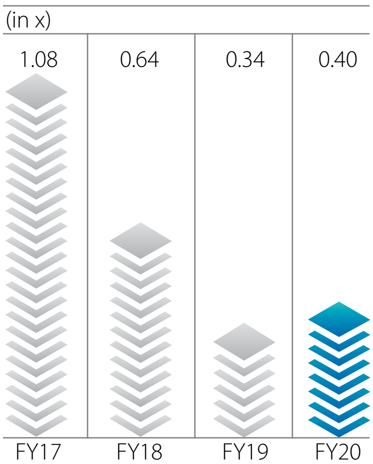
EBITDA margin

The Company reported a 380 bps increase in EBIDTA margin in 2019-20 through a superior product basket comprising value-added products and improved operating efficiency.



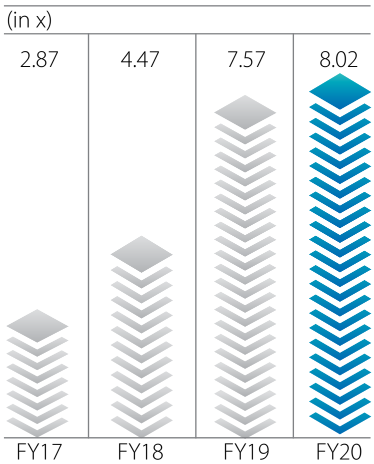
RoCE

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



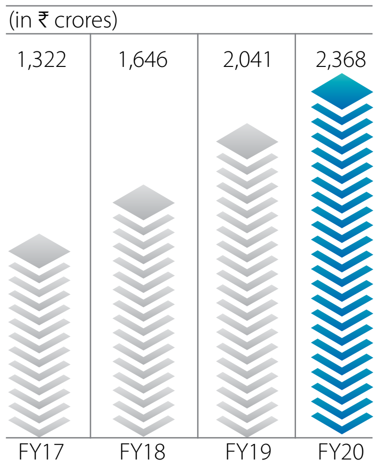
Net Debt-equity ratio

The Company's gearing moderated from 1.08 in 2016-17 to 0.40 in 2019-20 as the Company utilised surpluses to repay debt.



Interest cover

The Company's declining debt and rising profits translated into a stronger interest cover, indicating superior liquidity.



Net worth

The Company's rising surplus was reflected in a stronger net worth, indicating a larger proportion of Shareholder's Capital being employed in the business.

The **sustainable** framework of our business

Overview

Over the past few years, companies have been increasingly recognising the importance of synergies between the various competencies of business, namely manufacturing, financial, procurement, distribution, environment and community-building.

This has been born out of an understanding that a one-off profitable year needs to be replaced by multi-year business profitability; the operative word is no longer profitability, but sustainability.

At JK Paper, we believe that multi-year business sustainability is derived from prudent investments in all business aspects, the balancing of these initiatives with the objective to generate a consolidated growth outlook.

In this evolving business climate, the need to produce as much is balanced by the need to conserve finite resources; the need to report financial outperformance is balanced by the need to do so within prudential norms.

JK Paper's sustainable development is directed to address the needs of today without compromising the ability of succeeding generations to meet theirs.

United Nations' sustainability principles

The United Nations has outlined 10 principles for responsible manufacturing leading to environmental sustainability across Human Rights, Labour, Environment and Anti-corruption.

Across the years, JK Paper invested in sustainable initiatives to reinforce its respect as responsible corporate citizen. The Company's operating policy integrates business arms and practices with the objective to optimise resource utilisation while reducing waste disposal and logistics cost, strengthening financials, moderating debt and enhancing business sustainability.

At JK Paper, we believe that sustainability is important on account of rising temperatures, increasing awareness of environment protection a stronger media watchdog of transgressions and a lower transgression tolerance.

Over the years, JK Paper has made proactive investments in strategic sustainable initiatives, controls against process deviations, targeted outcomes, capacity building, relevant training to all employees and constant monitoring of sustainability performance. The result: at JK Paper, our overarching commitment to sustainability has extended from mere regulatory compliance to forward-looking practices, strengthening business viability, liquidity and competitiveness.

Our **sustainability** framework

01 **Environmental integrity**
- Reduce the consumption of finite natural resources
- Protect the region's environment balance
- Enhance environmental consciousness in every initiative

02 **Community support**
- Provide livelihood support in the regions of presence
- Provide holistic multi-genre community support
- Focus on integrated development

03 **Procurement economies**
- Procure closest
- Procure most economically
- Procure sustainably

04 **Manufacturing excellence**
- Maximise asset utilisation
- Maximise manufacturing economies
- Enhance quality consistency

Financial structure
- Moderate debt and finance cost
- Extend average maturities
- Strengthen credit rating

05

People competence
- Maximise human productivity
- Deepen the culture of passion and outperformance
- Strengthen the kaizen momentum

06

Distribution network
- Make available products where consumers are
- Strengthen engagements with primary customers (distributors)
- Capture every demand upturn – wherever

07

Brand and customer capital
- Widen the product portfolio
- Maximise value-addition and realisations
- Service customers with products they need, ensuring top-of-the-mind brand recall

08

The outcomes of our **sustainability** focus

Overall impact

JK Paper a wood-postive company since 2013-14

JK Paper is a carbon-positive company

Strengthened RoCE every year since 2015-16

Procurement economies

77
% of wood procured from within 200 km radius

5
Number of years of increasing wood procurement from within 200 km

Manufacturing excellence

5.98
(bps) decline in manufacturing costs as % of revenues since 2015-16

7.11
% decline in raw material cost as a of revenues since 2015-16

Financial structure

27.6
% decline in debt since 2015-16

210
(bps) decline in debt cost since 2015-16

Environment integrity

24
% reduction in water consumption per tonne of paper since 2016-17

7
% reduction in coal consumption per tonne of paper since 2016-17

100
(MT) wood productivity per Ha, 2019-20

65
(MT) wood productivity per Ha, in 2015-16

People competence

21
% increase in output per person since 2016-17

92
% people retention per year

Distribution network

40
% increase in distributors

70+
new trade partners added to increase the distribution reach

Brand and customer capital

42
% increase in product portfolio since 2015-16

~24
% leading market share in the branded copier segment

Community support

6x
increase in CSR spending since 2015-16

43,000+
households by our CSR effort

The principal measures of our business sustainability

Revenues

2,881
₹ crores, revenues, 2015-16

3,254
₹ crores, revenues, 2019-20

Profitability

7.6
Return on Capital Employed %, 2015-16

21.97
Return on Capital Employed %, 2019-20

Net debt

2035
₹ crores, debt on our books, 31 March 2015

957
₹ crores, debt on our books, 31 March 2020

Market capitalisation

432
₹ crores, market capitalisation, 31 March 2015

1329
₹ crores, market capitalisation, 31 March 2020

How JK Paper is enhancing **financial** value

Overview

In the capital-intensive business of paper manufacturing, the two principal raw materials are wood and funds. A complement of both makes it possible for companies to outperform in the long run, making it possible to absorb cyclical and unforeseen shocks.

At JK Paper, the increased availability of funds from external capital and debt providers as well as from within the business (through accruals and reduced capital appetite) have reinforced the foundation of multi-year sustainability.

This increased financial comfort has been secured by efficient operations translating into superior margins, debt drawdown, superior credit rating, lower cost of debt, declining receivables and an increased surplus translating into a virtuous financial cycle.

Strengths

Credit rating
The Company's credit rating at AA- is among the best in India's paper industry, making it possible to attract debt at competitive costs.

Gearing
The Company's gearing at 0.40 as on 31 March 2020 provides adequate repayment and servicing comfort on the one hand and room to borrow at attractively low costs on the other.

Debt cost
The Company's average debt cost of 8.3% makes it possible to grow the business by generating a superior return.

Debt tenure
The Company's average long-term debt repayment tenure provides adequate repayment comfort and a positive asset-liability mismatch between project payback and the repayment tenure.

Treasury income
The Company possessed a cash and cash equivalent corpus of ₹412.86 crores as on 31st March 2020 that made it possible to generate an attractive financial return to lubricate liquidity.

Working capital efficiency
The Company strengthened its inventory management and terms of trade with distribution partners to moderate the working capital load on its business, ensuring one of the highest working capital efficiencies in India's paper sector.

Cost management
The Company invested in various projects with clarity on financial payback; the result was that total costs (ex-interest and tax) declined as a percentage of revenues in the last few years to one of the lowest levels in India's wood-based paper sector.

Receivables cycle
The Company manufactured a superior product quality that translated into a distinctive consumer pull. The result was that primary customers were willing to pay upfront or in shorter receivables cycles as their products moved faster, making the business win-win for the Company, trade partners and consumers.

Economies of scale
The Company invested in each of its manufacturing facilities around the prevailing economies of scale, which translated into a relatively low manufacturing cost per tonne, a substantial platform on which to grow the business.

Capital cost per tonne
The Company focused on generating a low capital cost per tonne, one of the most critical drivers of long-term competitiveness – through a combination of prudent negotiation at the time of capital spending and technological insights

Fit for purpose
The Company strengthened the alignment between different business segments resulting in a near business fit – the cultivation of specific clonal saplings that helped grow trees customised for the paper industry resulting in a lower consumption of chemicals.

Highlights, 2019-20

- The Company reported superior financials in a challenging year for the Indian economy: profitable growth where PAT growth in percentage terms was higher than revenue growth; the Company higher margins and lower debt, strengthening business sustainability.
- The Company announced its 1.7 lac TPA paper board expansion project at Unit CPM for about ₹1,900 crores (net of GST); capital cost per tonne was around ₹15,000 lower than the prevailing benchmarks on account of the Company's decision to repurpose an existing pulp mill and use existing infrastructure, strengthening business sustainability

Outlook

The lockdown induced by the pandemic affected the Company's performance in the first quarter of the current financial year. The prevailing outlook appears hazy related to consumer demand, with commercial offices and schools remaining closed during the lockdown. Even as the sales outlook appears hazy, the Company possesses one of the strongest Balance Sheets in the sector – declining debt, lower cost and longer repayment moratoriums.

The expansion of our packaging board project… and how this will reinforce our financial sustainability

Expansion: Proposed packaging board unit at CPM, site of the Company's existing manufacturing facility, seeding the ground for the next round of growth

Integrated: Integration of packaging board and pulp mill (repurposed), strengthening value-addition

Sizable: Proposed expansion by 1.7 lac TPA, graduating the Company to among the largest packaging board companies in the country

Location: Location proximate to address growing demand pockets in western India with declining turnaround times

Competitive: Project cost lower than a greenfield plant of similar capacity by around ₹15,000 per tonne

Funding: Funded by debt at 8% cost per annum across ten years with a two-year moratorium, graduating the debt to quasi-equity status

How JKPL strengthened its financial standing

Rating

The Company generated a superior credit rating on account of declining debt and stronger surpluses.

Short-term credit rating

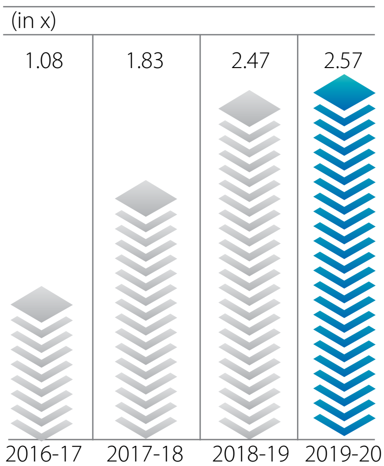
2016-17	2017-18	2018-19	2019-20
A1	A1	A1+	A1+

Long-term credit rating

2016-17	2017-18	2018-19	2019-20
A/ STABLE	A/ POSITIVE	A+/ STABLE	AA-/ STABLE

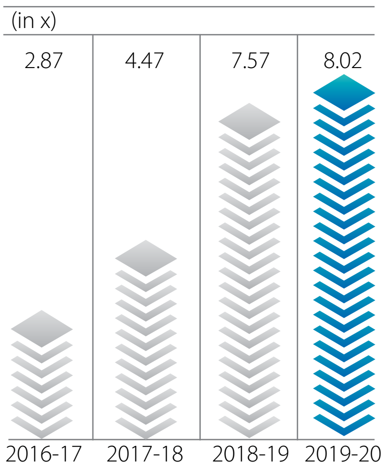
Liquidity

The Company strengthened its financial comfort through a rising interest cover and debt service cover, indicating its increased capacity to service its obligations on schedule.



Debt service coverage ratio*

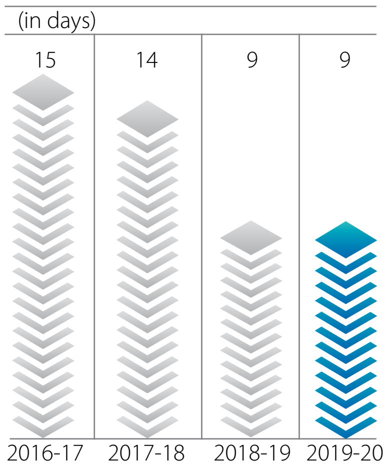
* Net of prepayment of loans



Interest coverage ratio

Receivables cycle

A larger proportion of material was marketed to primary customers (trade partners) on a cash and carry basis, strengthening working capital management.



Receivables cycle

A **culture** of procurement economies

Big numbers

41%
Raw material cost as a percentage of revenues, 2010-11

45%
Raw material cost as a percentage of revenues, 2015-16

37%
Raw material cost as a percentage of revenues, 2019-20

Overview

In the business of paper manufacturing that relies extensively on the procurement of wood resource, there is a premium on the ability to procure the largest volume at the most affordable cost within the shortest procurement distance.

In a world where the availability of wood resources is being increasingly affected by a perspective that this is environment unfriendly, there is a growing need to create responsible business models that reconcile the interests of the farmer, user and the environment.

When JK Paper embarked on an ambitious programme to encourage farmers in growing plantation wood, the challenges were considerable: the vast volume of wood required warranted a long-term investment that was not easily available from within the Company's fundamentals. The Company took a considered long-term approach: it invested, demonstrated the proof of its concept, scaled and transformed the growth of plantation wood into a full-fledged movement.

Over the years, the Company's success in enhancing the throughput of available plantation wood has kick-started a rural transformation in the areas of it's presence: enhanced farmer livelihoods, secured availability of precious raw material within 200 kms of the Company's manufacturing facilities, moderated the delivery cost of wood resource, enhanced rural prosperity and subsequent re-investment in commercial farming, improved wood quality and strengthened the output of paper and corresponding realisations.

This extensive value chain – farmer engagement to generate superior realisations – has translated into one of the most compelling success stories related to business sustainability within the Company. In turn, the economic availability of wood resources helped moderate raw material costs for the Company, strengthening competitiveness in a business marked by a high proportion of resource costs.

Strengths

Lower distance

The Company has moderated the average distance covered in the procurement of wood resource, reducing time and distance taken on the one hand and the average cost of procurement on the other.

Stability of engagement

The Company entered into stable engagements with a growing number of farmers (estimated at more than 55,000), representing a dependable procurement backbone resulting in multi-year resource visibility.

Holistic role

The Company has graduated from just a buyer to a friend-philosopher-guide helping farmers generate superior yields and advising on re-investments, widening the circle of prosperity.

Increased availability

The Company has enhanced the coverage of plantation wood in its hinterland by planting ~50,000 hectares in the last four years. The Company commenced operations in SPM in 2019-20, capitalising on the abundant availability of wood in Telangana and Andhra Pradesh, proximate to its manufacturing facility.

Clonal

The Company has reinforced its wood plantation programme through the availability of high yielding clonal saplings, increasing tonnage per hectare and enhancing farmer prosperity. Besides, reduction in the gestation period to grow clonal saplings (from four years in 2015 to three years today) into full-fledged trees has proved win-win: quicker incomes for farmers, greater inducement to grow trees and secured material availability for the Company.

Challenges and responses

In the absence of any procurement contract between JK Paper and wood vendors, the latter could market their produce to any buyer.

The Company deepened its farmer engagement through support and guidance and the payment of fair wood rates; JKPM and CPM are located in pockets where no other industry players operate, making the Company a preferred customer.

The Company developed a system to track plantation and farmer data for better traceability and forecast.

Heavy monsoons moderated wood inventory at CPM

The Company increased available wood inventory from 90 days to 100 days; the Company identified road-side plantations to be harvested in the rainy season for convenient loading and unloading.

Highlights, 2019-20

- The Company focused on local sourcing from six prime districts, namely Rayagada, Koraput, Vishakhapatnam, Nabrangpur, Vizianagaram and Srikakulam, reducing its procurement and logistics costs.
- The Company moved from seedlings to clones, strengthening eventual output quality.
- The Company leveraged superior research to produce subabul clone saplings with a lower gestation period pre-poning revenues and prosperity.
- The Company successfully reduced its raw material cost as a percentage of revenues.

Outlook, 2020-21

The Company will deepen its R&D capabilities, widen plantation footprint and accelerate the shift from seedlings to clonal saplings.

13,018
Plantation coverage, 2019-20 (in Ha)

8.1
Increase in plantation coverage, 2019-20 (in %)

Sustainability and farmers

The Company provides farmers with high yielding clonal saplings

These increase tonnage per hectare, reduce gestation and enhance farmer incomes

The Company assures farmers of clonal-derived wood buyback

The Company facilitates wood movement to the factory

The Company provides superior returns to farmers without intermediaries.

A **culture** of manufacturing excellence

Overview

The paper industry is capital-intensive. With increasing global competition, there is a growing need for manufacturing competitiveness to be reflected in lower costs, higher asset utilisation, consistent product quality and an optimal utilisation of finite resources.

Over the years, JKPL invested in a complement of the most advanced manufacturing technologies.

The Company did not just invest in state-of-the-art assets, but progressively debottlenecked with the objective to generate a higher throughput, amortise fixed costs and enhance competitiveness. the Company benchmarked options around world-class standards, shared best practices, enhanced overall efficiency and emerged as one of the most competitive within India's paper industry.

The result is that the Company delivered an aggregate asset utilisation of 111.1% during the year under review, a 240 bps increase over the previous financial year. Besides, the Company's manufacturing excellence has been reflected in a strengthening input-output ratio (superior yield), enhancing overall competitiveness.

Strengths

JKPM

The plant (5 machines) comprising 2,95,000 TPA of manufacturing capacity, among the largest paper manufacturing facilities in the country.

- The plant comprises world-class technology that produces quality coated / uncoated paper.
- JKPM comprises experienced manpower with a demonstrated competence in enhancing asset utilisation
- The plant increased asset utilisation
- The increase in asset utilisation was corresponded by a superior amortisation of fixed costs
- The plant optimised utilisation of a number of resources, the basis of its competitiveness

CPM

The plant (3 machines) specialised in the manufacture of paper and packaging boards.

The Company deepened a culture of process and product innovation.

SPM

The plant possesses a longstanding experience in manufacturing coloured paper, generating superior realisations.

The plant's four state-of-the-art machines manufacture paper ranging from 44 to 400 GSM.

Challenges and responses

JKPM

There was increased competition from international brands.	The plant leveraged superior technology to emerge as one of the most competitive in the country; it optimised its power, water and coal consumption.

CPM

The Company needed to graduate to zero liquid discharge status	JKPL strengthened its effluent management, providing farmers with treated water for irrigation.
The plant scale was sub-optimal, thus depriving the plant of economies of scale.	The Company intends to invest in a higher capacity pulp mill, high efficiency recovery boiler and high efficiency power boiler in 2020-21.

SPM

The machines needed to be revitalised after being inoperative for four years.	The Company invested in plant upgradation to enhance productivity.
The infrastructure was considered unsafe for employees.	The Company invested in extensive plant improvements

Highlights, 2019-20

JKPM

- The Company introduced new washing in the pulp mill, increasing pulp output from 610 tonnes per day (TPD) to 650 TPD.
- The Company introduced enzymes and chemicals, enhancing paper shade and quality.
- The Company reused 1,400-1,600 cubic metres of treated sewage a day, moderating fresh water consumption by ~17%.

CPM

- The Company invested in an efficient pump while motor; refiners were refurbished and a unique design developed, reducing power consumption.
- The Company installed a steam profiler in the paper machine 2 and board machine to ensure efficient steam utilisation and enhanced output.

SPM

- The plant re-commenced partial production and reached a capacity utilisation of ~65% in March 2020.
- Machine speed increased; steam and condensation system efficiency improved.
- The plant is likely to generate the rated output of 1,36,000 tonnes per annum with just four machines (instead of six).

Outlook, 2020-21

JKPM

- Increase paper installed capacity from 2,95,000 tonnes per annum (TPA) to 3,20,000 TPA.
- Focus deeper on cost reduction, new product developments and training practices.

CPM

- Increase pulping / production capacity and capacity utilisation following debottlenecking and capacity expansion.
- Focus on cost reduction and optimal manpower utilisation.

SPM

- Replicate the successful farm forestry model of JKPM and CPM.
- Prudent investments to moderate energy consumption and insource its entire power consumption (50% today).
- Enhance capacity utilisation to ~90%.

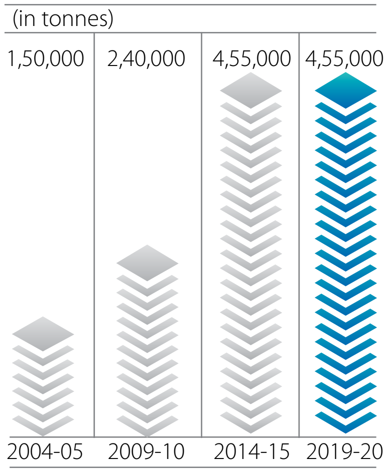
Unit CPM's edge

The plant specialises in the production of writing & printing paper and packaging board. The Company's rich experience and skilled manpower helps the Company focus on both product segments and their respective varieties, empowering the Company with a diversified portfolio. The plant also has an established quality management system, ensuring that customers are not just serviced with a diversified portfolio but also superior quality products. This has established the Company's competence in the organised paper sector and made JK Paper one of the biggest brands.

Manufacturing **excellence** at JKPL

Capacity expansion

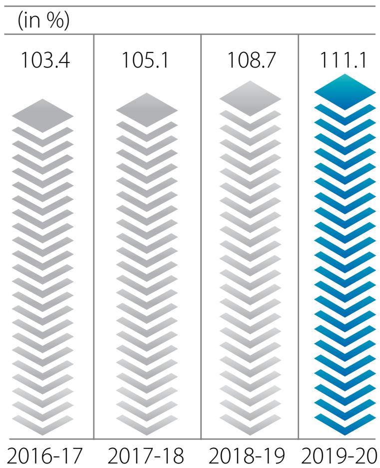
The Company is one of the leading players in the organised paper manufacturing sector in India, servicing growing customer needs with increased manufacturing capacity



Aggregate installed capacity of JKPL

Capacity utilisation

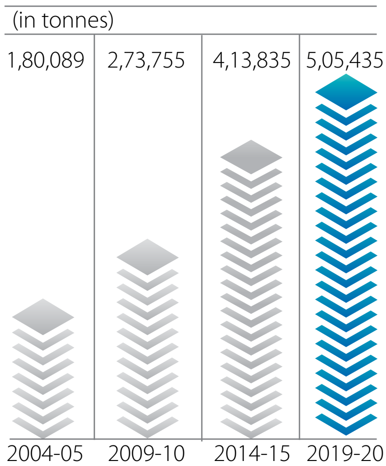
JKPL leveraged the power of its available capacities through enhanced asset utilisation, strengthening overall efficiency



Average capacity utilisation of JKPL

Production

JKPL has leveraged its state-of-art integrated plants to increase production over the past years.



Aggregate production at JKPL

How we **strengthened** our Customer Capital

Overview

In the business of paper manufacturing, it is not only imperative to sell the right paper product but also the right grade, grammage, lustre and other technical requirements. The ability of a paper manufacturer to customise inevitably translates into rising product offtake and business sustainability.

Across the years, JK Paper reinforced its competitiveness through the manufacturing of writing & printing paper on the one hand and packaging board on the other. The ability to provide paper with two completely different applications has helped broadbase customers, applications and risks while enhancing business sustainability.

In the writing & printing paper segment, the Company manufactures a large variety of brands addressing the needs of the education and printing segments along with the end consumer; in the packaging board segment the Company addresses downstream sectors like FMCG, food, pharma and textiles, among others.

In a business where the product is manufactured in large volumes but consumed in relatively smaller quantities across the national landmass, there is a need to distribute the product wide and deep. Besides, there is a growing premium on the need to buy products just when they are needed, minimising inventory. This focus on just-in-time quantities has made it imperative for paper manufacturers to strengthen their distribution networks and product flows. In a country as large as India with a per capita consumption of paper that is considerably lower than the global consumption average, there is a growing conviction that a widening and deepening distribution holds the key to growing the market and narrowing the gap.

Over the decades, JK Paper focused on building its distribution network through the prudent selection of distributors in the right locations of product demand, servicing their needs for different paper grades and building long-term relationships, resulting in a deeper understanding of ground realities. The Company's family of pan-India distributors does more than just distribute products across customers; they help seed new paper grades across customers and reach products into areas with relatively low market share, providing a growth platform for the Company.

The result is that JK Paper is one of India's widest distributed paper brands with a pan-Indian network of more than 4,000 dealers and over 300 trade partners (wholesalers, retailers and direct party) and 15 depots. A major portion of trade partners have been with the Company for ten years or more than 70% at the close of the year under review; most of these trade partners reported a sustained increase in their revenues and sales throughput, validating that the Company's growth was shared across its distribution family.

Strengths

Largest

The Company comprises one of the largest networks of over 300 trade partners compared to an industry average of ~100 partners, strengthening a demand pull for products.

People

The Company grew its technical manpower, making sales informed and customised around downstream requirements.

Position

The Company is a market leader in the copier paper segment and one of only two companies manufacturing coated paper in the country.

Responsible

Owing to a wood- and carbon-positive status and FSC certification, the Company possesses confidence-enhancing credentials of holistic responsibility.

Recall

The strong legacy of the JK Group of more than 100 years resonates across group companies and has helped JKPL create a strong brand recall

Network

The Company has a robust distribution network of over 300 trade partners and 4000 dealers with 15 pan-India depots, reducing the turnaround time in servicing customers.

How we strengthened our customer-centricity

JKPL arranged client and trade partners to visit its plants, enhancing confidence in the Company's quality systems. One of the most decisive initiatives by JK Paper in the last few years has been its selective extension from a complete dependence on trade partners to a market place presence as well. This makes the Company one of the first in India's paper industry to develop a consumer-facing presence – with the objective to service customers better and comprehend marketplace trends better.

The Company also organised training for more than 100 trade partners, enabling them to serve their customers better.

Challenges and responses

Owing to the import restrictions on waste paper in China, China's paper production declined. There was a challenge in capitalising on this reality.

JK Paper preferred to strengthen relationships with the trade and downstream customers than increase realisations to a point where the cost of paper would become unaffordable. This stable outlook helped retain customers, strengthening the Company's image around customer-focused stability.

The Company was faced with a challenge to market the additional volumes generated by the re-commissioned Sirpur Paper Mills.

The Company worked closer with trade partners to increase throughput per distributor in addition to reaching end customers directly in markets like Guwahati and Kolkata.

The price of coated paper is largely governed by the movement of global pulp prices and the landed cost of imported coated paper.

In the second half of 2019-20, pulp prices went down and there was an improvement only in the last quarter in realisations.

The year was marked by declining pulp prices resulting in lower landed prices that affected the profitability of companies like JK Paper.

The Company strengthened its distribution network and expanded its market footprint to increase its outreach, protecting its volumes.

In the maplitho paper segment, global realisations declined substantially and it became increasingly difficult to compete against international players.

The Company entered into pre-approved price contracts that protected customers from volatility, resulting in assured sales volumes.

Highlights, 2019-20

- The Company commenced full-fledged production in all four lines, including colour grade, cup-stock, copier and maplitho products at the Sirpur plant
- The Company widened its sales network.
- The Company added new products such as thermal paper (digi roll), pharma print (paper for pharma inserts), paper straw and OGR.
- The Company is progressively working to reaching out to end users as part of it's customer-centricity initiative
- The Company continues to incentivise distributors through the 'Super Sitare' programme.
- The Company focused on enhancing its visibility across the social media.
- The Company engaged in below-the-line activations ('Letter to Supermom', 'Daak Room', etc.), digital marketing, brand videos, outdoor advertising and print media
- The Company organised 'Auther' awards with Times of India being the media partner to promote women's empowerment, making it possible for the Company to establish a lasting relationships with prominent publishers, printers and authors.
- The Company reached out to students to enhance its recall as a responsible player engaged in social farm forestry.

Exports

JK Paper not only enjoys a pan-Indian presence, but also a strong international presence spread across 62 countries; USA, major countries in Europe, Middle East , Asia and Africa are prime markets.

Outsourcing

JK Paper provided customers a wider portfolio through selective product outsourcing (chromo one side-coated, maplitho uncoated wood-free, copier grade paper and packaging boards, among others). This outsourcing proved asset-light and reinforced the Company's position as a one -stop shop.

Outlook, 2020-21

- The Company is optimistic of its growth on account of superior product quality, robust brand recall and customer-centricity.
- The Company plans to increase production from the Sirpur plant.
- The Company intends to sustain and widen its brand recall through the 'Auther' awards campaign. Further, the Company also intends to create a better connect with the publisher community via this initiative.
- The Company also plans to deepen its sales network across tier 1 and 2 cities across in the country.
- The Company plans to bust various myths around paper and paper products on the back of its sustainability campaign covering customers ranging from schools and colleges to homes and corporates.

How JK Paper is creating a distinctive brand

- The Company expects to emerge among leading paperboard manufacturers in India across the foreseeable future after its paperboard expansion has been commissioned
- The Company is the leader in the copier paper segment in India.
- The Company is among only two paper manufacturers in the country producing coated paper.
- The Company scaled its capacities with the objective to provide adequate quantity and quality service.
- The Company deepened its focus on customer engagement

JKPL's social media footprint

47 million

Cumulative outreach of JK Paper across social media channels (Facebook, Twitter, LinkedIn, Instagram and Youtube) for 2019-20

5%

Average engagement rate for 2019-20

How JK Paper has strengthened its stakeholder value

"In 2000, I had huge outstandings towards JK Paper. Despite this, the Company reposed faith and extended my credit period from ~20-30 days to 45-60 days. I could retain my customers and was able to grow my sales from 800 tonnes a year to more than 800 tonnes a month."

Sanjay Kumar Dhanuka, Shiwdattrai Dindayal, North East India

"In 2018-19, there was a merchant export order of coated paper to Bangladesh with a tight delivery schedule. When I escalated this to JK Paper, the Company got the consignment shipped within three days: an instance of how JK walks that extra mile for loyal primary customers. These initiatives helped me grow my business with JK Paper from 150 tonnes per month in 2015 to 250 tonnes per month in 2019."

Hari Prasad Goenka, National Sales Syndicate, West Bengal

"Last year a customer needed watermark paper and no paper company was keen to service my requirement of this customised requirement. Except JK Paper; it delivered 500 tonnes by the 32nd day. My business stood at 100-150 tonnes per month in 2014 with my presence spread across Nagpur and Maharashtra which increased to >250 tonnes per month by 2015. In 2016, I expanded my reach to Raipur, and, in turn, my business went up to 500-550 tonnes per month – all thanks to JK Paper."

Neeraj Khemka, Khemka Sales Corporation, Maharashtra and Chhattisgarh

"In 2015, I received an order for medical entrance paper of 5 tonnes, the delivery of which was expected to get delayed. I reached out to JK Paper for help; it offered alternative paper (costlier) as a replacement after absorbing ~60% of the cost. I paid 40% extra cost and serviced my client. I have not forgotten how the Company protected my reputation. Not surprisingly, we have grown from 50-60 tonnes of annual business throughput with JK paper in 2009 to 500-600 tonnes in 2019."

Ashish Bhoot, SRTC – Odisha

Leveraging our Human Capital

Overview

In a business where a diverse number of factors are needed to be leveraged for business sustainability, there is a premium on a range of competences. Over the years, the Company strengthened its people capabilities through a structured process that comprised selective recruitment, training, policies that enhanced retention and the creation of a workplace that enhanced challenge, empowerment, growth and passion. The result is that JK Paper is not only one of the largest companies in India's paper industry in terms of the number of employees but also one of the most competent in terms of experience and knowledge translating into sustained outperformance.

Strengths

Leaders
The Company is recognised as one of the largest Indian paper companies, strengthening its visibility as a stable employer with long-term career-building prospects.

Credible
The Company is regarded as a credible player marked by forward-looking practices that makes it possible to attract talented professionals.

Structured
The Company is an employer of a range of competences addressing all positions required for long-term business sustainability.

Trusted
The Company is the only one amongst the Indian paper companies to have been placed within the top 25 in the Employee Trust Index.

Compliance
The Company is recognised as a completely compliant player, reinforcing its respect as a responsible corporate citizen.

Retention
The Company's people retention at around 92% was higher than the estimated industry average of around 90%.

Balance
The Company's employee base of 2560 people comprised an average age of 39 years, a balance between youthfulness and experience.

Respect
The Company is respected for its passion, empowerment, delegation, professionalism and processes, creating the basis for sustained outperformance.

Technology
The Company has an established cloud-based HRIS, deepening its engagement with employees, facilitating the 'HR On-The-Go' facility anytime anywhere.

Knowledge-driven
The Company's cross-functional learning forum 'Kitabon ki aur' (Book club) helped share learnings. The Company provided employees with an online library.

Challenges and mitigation

The recruitment of professionals in rural manufacturing locations was an ongoing challenge.	The Company mitigated this challenge by increasing engagement with employees and providing stable long-term careers.
The Company encountered operational issues with its contractual labour in Odisha.	The Company mitigated this challenge by involving local authorities, negotiating and offering better prospects to employees.

The Company acquired the SPM plant in 2018-19, which was shut for four years. When re-hired, workers required technology-based re-training.	The Company mitigated this challenge through extensive training and increasing worker familiarity with the other plants of the Company. The Company recruited additionally, strengthening its competence matrix continuous dialogue and intervention at all levels.
Attracting and retaining talent in the industry is a challenge.	Providing challenging assignments, career growth and higher compensation.

Highlights, 2019-20

JK Paper was ranked among the top 100 companies by Great Place to Work (all sectors) and in the top 30 (among manufacturers).

The Company created an e-learning portal, wherein >3500 online courses were provided to enhance competencies.

The Company undertook 'Wrong 2 Right' initiative, wherein employees submitted testimonials on the rectification of errors and learnings to remove a fear of failure.

The Company initiated a communication platform (Sampark) to create greater involvement and environment of transparency as well as listen to them.

The Company completed SAP implementation, designed to enhance human productivity.

The Company made inter- and intra-departmental job rotations to enhance productivity.

Outlook

The Company intends to increase the proportion of women employees across its manufacturing plants in 2020-21, increasing their proportion from 3.5% in 2019-20 to 5% in 2020-21. Further, the Company intends to deepen a culture of customer-centricity, translating into superior productivity across every operating function.

Environment management review

Overview

The paper industry is one of the most environmentally sensitive industries for various reasons. The industry manufactures a product that is perceived to be environment-depleting (even as research has proved this to be false), utilise a vast quantum of water, wood and other finite resources.

This reality has put a premium on paper manufacturers to moderate their carbon footprint, measuring their success not only by the conventional parameters of revenue and profit growth but also through a declining consumption of finite resources per unit of production.

Over the years, JK Paper reinforced its industry statesmanship through forward-looking investments in technologies and equipment with the objective to moderate the consumption of finite resources. This had a two-fold impact: the Company moderated consumption per unit of production while enhancing savings that strengthened margins and profits. In doing so, the Company demonstrated that 'green' business is good business – the basis of its long-term business sustainability for the benefit of its region, employees, communities and the environment.

Strengths

Respect

The Company is one of the most respected paper companies in India on account of its complete compliance with statutory environment requirements, resulting in no censure and uninterrupted operations.

Standards

The Company possesses an inspiring track record of compliance with local, state, national and global pollution management standards, strengthening its governance framework.

Consumption

The Company moderated its consumption of natural resources, translating into a lower environmental load and a lower operation cost on the other, without compromising product quality.

Benchmark

The Company is not just an industry player when it comes to environment management; it is considered a responsible benchmark. The Company has consistently reported among the lowest water consumption parameters per tonne of the end product within India's paper industry, half the industry average.

Unique positioning

The Company is wood-positive in a wood-intensive sector, highlighting its ability to invest more in building wood plantations than utilising them for paper production, underlining the responsible role that paper companies are playing in the world.

Holistic

The Company is not just a responsible consumer of resources but also responsible treater of effluents, ensuring that no harmful substance (liquid, solid or gaseous) is released in to the environment, making the operations completely safe for the earth and living beings.

Challenges and responses

While concentrating black liquor, the release of methane is pungent and pollutes the ambience.	JK Paper pioneered the implementation of a methane recovery system in India, converting this into heat and replacing furnace oil. This moderated emissions and reduced furnace oil consumption ~20%, and related costs.
In the effluent treatment plant, disposal of secondary sludge was a challenge and addressed with landfilling.	During the year under review, the Company introduced a first-in-country system of concentrating the secondary sludge in the centrifuge by 8-10% and mixing it with black liquor for onward use in the recovery boiler, reducing the quantum of secondary sludge disposal.

Highlights, 2019-20

The Company introduced Low Temperature Recovery Column (LTRC) to capture heat from the flow gas while demineralising the water, channelised to the boiler and expected to substitute coal use in the boiler.

The Company installed a micro turbine to replace the pressure reducing station (steam loss). This 3.4 MW micro turbine will help retain steam and generate electricity.

The Company received a pollution control excellence award from the Government of Odisha.

The Company received ISO 45001 certification, validating its occupational health and safety focus.

The Company consciously invested in better environmental management practices.

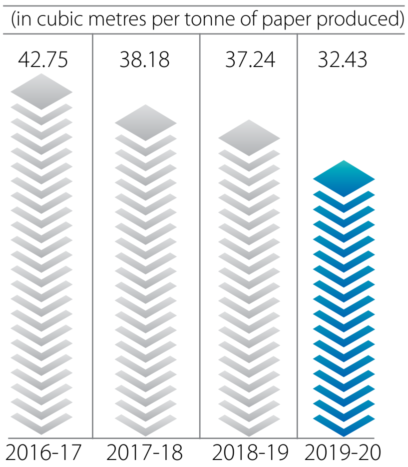
Outlook

The LTRC process is expected to reduce coal and water consumption and enhance the colour acceptability of treated effluents.

How JKPL strengthened its environment sustainability

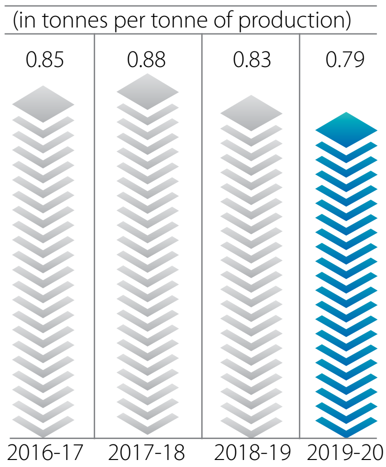
Optimising water consumption

On the back of various measures undertaken, JKPL has emerged as among the most economical water consuming paper companies in India.



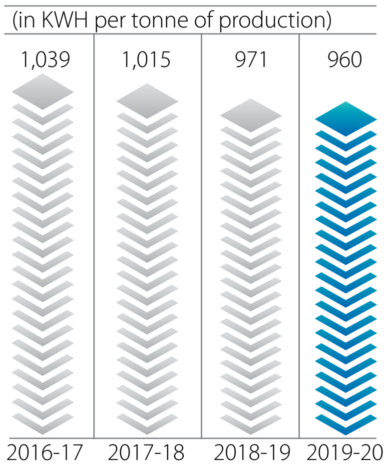
Optimising coal consumption

Following various measures, the Company reduced its coal consumption.



Optimising power consumption

The Company reduced power consumption per unit of production over the years.



How we strengthened our **community** engagement

Overview

JK Paper is a responsible corporate citizen, extending its prosperity to the well-being and welfare of communities in and around its manufacturing locations.

JK Paper empowers communities in Rayagada, Rayagada is one of the country's 250 most backward districts (out of a total of 640) as identified by the Ministry of Panchayati Raj in 2006. The district attracts funds from Backward Regions Grant Fund Programme (BRGF).

Over the years, JK Paper created an ecosystem around its plant (JKPM), which catalysed employment opportunities within and outside its plant. Over time, the plant has emerged as an economic engine of Rayagada.

The Company has undertaken a number of initiatives to benefit the residents of three blocks, namely Rayagada, Kolnara and Kalyansinghpur, well before corporate social responsibility became a mandate for corporates. In doing so, the Company touched 187 villages with a total population of 1.4 lac.

The Company championed women's empowerment through partnership with an NGO (Sparsh) that helped form self-help groups for income-generation (516 self-help groups with a membership count of more than 5,300 women).

The result of these initiatives is that the Company's community engagement touches the lives of 1.4 lac rural citizens across three blocks in Odisha.

All the CSR programmes of JK Paper fall within the preview of Schedule VII of the provisions of section 135 of Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

In 2019-20, we addressed the following key Sustainable Development Goals (SDGs) attended by our initiatives include:

Women Empowerment

Increasing women contribution to the national GDP is one of the focus areas of JK Paper Ltd. and we perceive that it can be only achieved through empowering our women. Women empowerment is best achieved through mainstreaming their livelihood interventions, bringing financial stability and allowing them to increase their decision-making in households.

Highlights, 2019-20

- 5300 tribal women from 178 peripheral villages mobilised to form 516 SHGs.
- 1313 women from 126 SHGs have been were actively engaged in group economic activities.
- SHGs were capacitated though regular training on saving-credit and book keeping, supporting group economic activities.
- Savings of SHGs reached ₹139.67 lac with 30% of total SHGs witnessing inter-lending amounting to 16% of total savings during this reporting period.
- 375 SHGs received revolving fund amounting ₹50.43 lac through government linkages.
- 503 SHGs had active bank accounts and out of this 246 SHGs had bank loans amounting to ₹244.30 lac.
- Approximately 43% women were covered under Pradhan Mantri Jeevan Jyoti Beema Yojana (PMJJBSY) and Pradhan Mantri Jeevan Suraksha Yojana (PMJSY).
- Collective enterprises such as broom collection, processing, binding and marketing; mushroom cultivation; Siali leaf plate manufacturing; bamboo art and craft products; organic food processing and packaging; animal husbandry and tailoring were few emerging sustainable livelihood opportunities.
- Rural Mart Rayagada was set up to support marketing & sales of SHG produce and since October 2019 reported a turnover of ₹9,72,917.00.

Youth

Approximately 66% of India's population is less than the age of 35 and the median age of the country is around 28. Against this backdrop, the Company focused on skill development (tailoring, driving, mobile shop repair and MSME initiatives), enhancing economic self-reliance and productivity.

Highlights, 2019-20

- The Company runs three digital literacy centres with an annual reach of 120 youth from Silitgua, Angur and Madanpur clusters of Odisha. These centres educate the youth in basic computer skills, life skills and learning opportunities.
- Helped create environmentally sustainable campuses and literacy centers, which are powered by100% solar energy. Under JK Paper Environmental Initiatives, LPS Public School has emerged as the first green campus school in Odisha.
- Counselled 558 youths from 14 villages for different placement-linked skill training programs and entrepreneurship opportunities across Odisha. Of this, 42 youths got placed in different trades.
- The Company, through its partnering NGO Bharat Yuva Shakti Trust (BYST), reached out to an additional 7500 youth in 2019-20. Under this intervention, 1500 youth received counselling support with 300 youth receiving entrepreneurship training. In 2019-20, 50 youth enterprises were supported through financing and mentoring provisions. ₹1.3 crores loan was also mobilised for youth enterprises in 2019-20 under this program.
- Helped form 17 Youth Clubs and 14 Balika Mandals, with a total outreach across 544 boys and 362 girls across Odisha.
- Supported skill development programs and entrepreneurship initiatives in ITI, Ukai, Tapi district of Gujarat. During the year under review, the Company trained 603 youth in 11 different trades under the vocational training program.

Farmers

To increase farmer incomes and awareness of scientific farming techniques, JKPL engaged with government agencies, research agencies and farm sector experts with the help of an NGO (Sparsh). The farm-based livelihood interventions with the objective of 'more than doubling farmer incomes' has helped farmers with better seed and agricultural practices supported with perennial irrigation to ensure higher yield and round-the-year production to increase revenues.

Highlights, 2019-20

- The Company helped 4 FPO's and 157 farmer groups, reaching 7832 farmers across 168 villages in Odisha and Gujarat.
- The Company has in place 5 Farmer Resource Centres (FRCs) and embarked on the initiation of two more FRCs to provide linkages with government schemes, organic seed support, technology support and market linkage support to enhance farmer incomes.
- Group-based solar irrigation was initiated across 12 locations, providing irrigation support to 1429 households and providing irrigation for summer crops, ensuring year-round income for over 1400 families.
- Capacity-building training was provided for mushroom cultivation, honey bee farming and organic vegetable farming in Songadh, Gujarat.

Healthcare

There is a premium on health and hygiene. JK Paper undertook initiatives to provide free medical check-ups, treatment and medicines. The Company improved healthcare access for women through dedicated platforms (Balika Mandals) to handhold adolescent girls in the subjects of personal hygiene, reproductive and sexual health. The healthcare initiatives included providing access to quality primary care services to the underprivileged community, conducting need-based health camps and providing consultation and medicines, among others. The Company undertook efforts to ensure better maternal and child healthcare services. JK Paper provided mobile health care services for patients with difficulty to travel.

Highlights, 2019-20

- The mobile health van was staffed with an MBBS doctor, a nurse and attendant and provided free treatment to all needy people of selected villages.
- Reported a total outreach of 15,983 patients (cumulative) through 169 medical camps and referred 99 patients to higher facilities for better treatment in the year under review.
- Undertook regular counselling and treatment for people suffering from sickle cell anemia. In the year under review, 1980 traits and diseased patients started treatment through JK's care program for sickle cell anemia.
- Supported the visually-impaired and underprivileged people by partnering with JK Tribal Eye care centre at Raygada. During the year under review, the Company screened more than 1710 individuals for vision-related issues, of which 222 cataract surgeries were done. At the same time, total 904 refractory glasses were distributed among needy people.
- 309 tribals in Rayagada were supported for OPD and Eye Surgery in partnership with JK Center on Tribal Eye Health.
- Improved nutritional outcomes in the rural population to combat malnutrition at unit CPM. Through regular growth monitoring camps and the counselling of parents, upgraded 179 children from yellow to green category and 20 children from the red to green category. The Company also ensured measles and rubella vaccination of the targeted group.
- Supported free diagnostic and treatment facilities for below poverty line patients in Delhi through Pushpawati Singhania Hospital & Research Institute (PSRI) and free screening of cancer patients through Global Cancer Concern India (GCCI), Gurgaon.

Education

As per the 2011 Census, 32.2% rural Indians were illiterate. JK Paper undertook initiatives to educate local communities and counter a centuries-old culture of social and economic exploitation.

Highlights, 2019-20

- Under the 'Green campus' programme, JK Paper promoted sustainable education campus, ensuring that schools and colleges to conserve natural resources, enhance biodiversity, optimise energy efficiency, improve waste management and are educated about climate change and sustainability.
- Initiated a unique activity in collaboration with CMFID to promote educational activities and career guidance for female tribal students. Under this project, 300 underprivileged students (mostly girls) were chosen from three schools and an 'Inborn Potential Assessment' was conducted using biometric technologies followed by an EKA Report. Counselling and hand-holding was provided to the parents of selected students.
- Focused on financial and infrastructural support to government schools and girls ashrams to promote education in tribal areas, renovating buildings and constructing toilets.

Rural infrastructure development

With the Government advocating the cause of rural infrastructure, the Company built crematoriums, village approach roads and overhead water tanks.

Highlights, 2019-20

- The Company supported the construction of two multi-purpose sheds in government primary schools and two common facility centers, to promote livelihood generation.
- Aided infrastructure development of office buildings, separate toilets and land-levelling activities through the gram panchayat with special provisions under MGNREGA and block support for market yard development provisions.

Awards and recognitions, 2019-20

During the year under review, South Gujarat Chamber of Commerce & Industries (SGCCI) awarded JK Paper with 'Outstanding achievement in social welfare'.

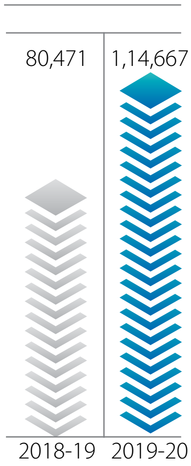
JK Paper Ltd. featured in the Economic Times CSR compendium 2020

JK Paper Ltd. was recognised for their commendable work as a socially responsible company in the18th FICCI Corporate Social Responsibility Awards

How we strengthened our social support

Outreach

JKPL empowered local communities through CSR initiatives.



Number of beneficiaries

How we addressed the COVID-19 pandemic

The last quarter of 2019-20 was marked by the spread of the COVID-19 virus across the world, which later WHO declared as a pandemic, forcing the governments across the world to announce nation-wide lockdowns.

The Company realised the importance of supporting the communities during these difficult times. Under 'COVID-19 awareness and relief program', the Company undertook the following measures:

• Launched an awareness campaign, covering 58 villages of Songadh and Ucchhal blocks of Tapi district. Through this awareness drive, the Company reached out to 72,000 villagers, educating them about the dos' and don'ts during the pandemic.

• Supported 1,624 marginalised households of primitive tribal groups (Kotwalia/Khatud/Bhil) and landless daily wage labourers by providing ration kits (pre-packed food rations including rice, flour, pulses, salt, sugar and cooking oil). The Company also manufactured ~5000 khadi/cotton masks at JKPL's tailoring centre to be distributed among tribal community.

• As a part of relief operations, we distributed kits to 2,797 households in 13 villages. The health and safety essential kit includes items such as soaps, washing powder, sanitary napkins, bleaching powder and face masks. Soap and other hand-washing items are provided to promote personal/public hygiene and reduce risk of transmission. Beneficiaries mostly include daily wage workers and BPL families in Rayagada.

• JK Paper Mills, in consultation district administration of Rayagada, Odisha - SPARSH, undertook COVID-19 Safety Awareness Campaign in over 150 villages through the distribution of 50,000 leaflets, displaying 100s of flexes and posters with safety messages within 100 km from Jaykaypur.

• Distributed food in Puri and Bhubaneswar through its NGO network to 750 farming families and 170 slum houses. JK Paper engaged with a network of 70 NGOs in six districts since the time of super cyclone Fani, in May 2019.

Our **Integrated** Value-Creation Report

Our strategy

Strategic focus	Procurement excellence	Manufacturing excellence	People excellence
Key enablers	The Company has been focusing on bettering its raw material sourcing. JKPL's focus enabled the Company to source a majority of its materials from a 200 km radius plants, reducing logistics costs and enhancing access to fresh raw material, which, in turn, enhanced the quality of paper produced.	Invested increasingly in its research, development and manufacturing facilities. This enabled the Company to decrease process costs, increase efficiencies and scale the business.	The Company undertook several initiatives to strengthen people practices, validated by an attrition rate of 7% compared to the industry average of 10%.
Material issues addressed	Improved raw material procurement and brought down costs.	Improved cutting-edge technology and enhanced R&D initiatives.	Improved employee engagement and raised transparency.
Capitals impacted	Financial, Manufactured and Social	Manufactured, Intellectual and Financial	Intellectual and Human

There is a growing importance of the Integrated Value-Creation Report. This approach overcomes the limitations of the conventional approach through a comprehensive framework that integrates 'hard' and 'soft' initiatives.

Integrated reporting draws different reporting strands (financial, management commentary, governance and remuneration, social responsibility and sustainability reporting) into a unified whole, that explains an organisation's ability to create, enhance and sustain value.

Integrated reporting explains to all the stakeholders (shareholders, financial institutions, employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers) how an organisation enhances sustainable value in an enduring way.

In an Integrated Report, the shift from the 'hard' to 'soft' (non-financial data) helps screen more comprehensively, addressing the needs of the investor fraternity/ government agencies.

In the following section we have selected to explain our business model and how it has been structured to enhance value.

Distribution excellence	Brand and customer excellence	Environmental integrity	Community engagement
JKPL does not only believe in creating a strong distribution network but also remunerating them and helping them grow. The Company undertook initiatives to engage better with all its distributors and helped them grow, emerging as the supplier-of-choice.	The JK brand name has been synonymous with superior quality and a diversified product portfolio, creating value among customers. With the Company foraying into retail distribution, the customer-centricity will be empowered further, creating enhanced value for customers.	The Company's proactive measures in sustainability helped the Company emerge wood- and carbon-positive. JKPL has the lowest water consumption in the Indian paper industry, of state-of-the-art effluent and sewage treatment plants and robust environmental practices.	The Company is engaged in community-strengthening initiatives to benefit farmers, youth and women in the villages near its plants in the realms of education, healthcare and rural infrastructural development. The Company channelised over ₹7.63 crores towards CSR activities during 2019-20.
Improved value in the hands of distributors and engaged better with them.	Boosted brand recall and enhanced value for customers by addressing customer needs effectively.	Improved environment sustainability at all fronts and established JK Paper as one of 'greenest' companies in the industry.	Uplifted communities and enhanced prosperity.
Intellectual, Manufactured and Social	Intellectual, Manufactured and Social	Social, Natural and Manufactured	Social and Natural

How we enhance value

Financial capital

The financial resources that the Company seeks are based on the funds it mobilises from investors, promoters, banks and financial institutions in the form of debt and equity.

Manufactured capital

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

Human capital

The Company's management, employees and contractual workers form a part of its workforce.

Intellectual capital

The Company's focus on cost optimisation and operational excellence, as well as our repository of proprietary knowledge, account for its intellectual resources.

Natural capital

The Company sources raw materials in a manner that does not adversely affect the environment.

Social capital

The Company's relationships with the communities and partners (vendors, suppliers and customers) influence its role as a responsible corporate citizen.

Value shared with

Investors

The Company enriched investors through dividends and capital appreciation.

Suppliers

The Company sourced majority of its non-wood materials from vendors.

Farmers

The Company sourced ₹554 crores of wood from farmers, which is 99% of our total wood procured.

Distributors

The Company generated a majority of revenues through distributors, strengthening win-win relationship.

Management discussion and analysis

Global economic review

The global economy grew slower by 70 bps at around 2.9% in 2019 compared to 2018. Global trade also grew a mere 0.9% in 2019 due to trade tensions and slower economic growth. The pandemic COVID-19 is projected to shrink global growth significantly in the foreseeable future. As a result of the novel corona virus pandemic, the global economy is expected to de-grow significantly in the current financial year.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

Global economic growth over five years (in %)

	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

Indian economic review

The Indian economy slowed to 4.2% in 2019-20, compared to 6.1% in 2018-19. In 2019-20, GDP growth slowed, which contributed to an increase in fiscal deficit on account of lower aggregate demand, lower fiscal revenue, lower economic activity and higher fiscal expenditure on account of measures to address the economic slowdown.

India emerged as the fifth-largest world economy in 2019. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking. The country climbed 79 positions in five years and was among the top 10 performers for the third year running.

The nominal exchange rate (the Indian rupee or INR vis-à-vis the US dollar) exhibited sizable two-way movements during October-December 2019. The INR came under intensified and sustained depreciation pressures beginning mid-January, reflecting a generalised weakening of emerging market currencies amidst flights to safety. Accordingly, the baseline assumes an average of ₹75 per US dollar.

The nominal per capita net national income was estimated to be ₹1,34,226 in 2019-20, up 6.1% from ₹1,26,521 in 2018-19. Retail inflation climbed to a six-year high of 7.59% in January, breaching the RBI's upper band of 6% while settling at 5.91% in March 2020. Growth in nominal rural wages for agricultural and non-agricultural labourers, remained subdued, averaging around 3.4% and 3.3%, respectively during 2019-20 so far (until January 2020), reflecting a continued slowdown in the construction sector.

The outbreak of COVID-19 and the subsequent lockdown enforced in the country are expected to moderate demand. Intensification of social distancing is expected to lead to supply side as well as demand side shocks. Supply chain disruptions could hurt domestic production in sectors dependent on imported inputs such as pharmaceuticals, autos, chemicals, power, etc.

Key government initiatives

National infrastructure pipeline: To achieve a GDP of US$ 5 trillion by 2025, the government announced National Infrastructure Policy with an investment plan worth ₹102 trillion in five years. It laid down the vision of the government in terms of job creation: about 50 million people are expected to leave farming from 2012 to 2030, the transition being underway.

Corporate tax relief: Indian companies were unable to compete globally, with the cost of capital and corporate income tax (CIT) being significantly higher than overseas competitors. In view of this, the government reduced corporate tax rate to 22% from 30%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average CIT of 23.03%.

Global paper & packaging industry overview

The global paper, paperboard and packaging market was expected to grow at a CAGR of 5% between 2019 and 2023 to US$ 84.54 billion by 2024 (pre-COVID estimate). Almost 40% of this growth was expected to come from the Asia-Pacific with a growing demand for paper and paper products used in education, sanitation, packaging and communication.

The biggest production shares of paper and paperboards are accounted for by North America, Western Europe and East Asia. E-commerce is likely to drive the global paperboard market; the global e-commerce market is expected to double by 2023, expanding at 12.9% y-o-y to US$ 6.7 trillion. Paper packaging plays a critical role in the food and beverage industries for containing, protecting and preserving food products. Paper packaging is not just economical but environment-friendly as well, influencing product sale, consumption, use and disposal.

Global paper prices declined through 2019 following a decline in demand. North American pulp prices declined in October 2019 due to the ongoing push from U.S. buyers to drop contract prices closer to the net levels seen in domestic spot markets. Pulp prices dropped from a high of US$ 800 per metric tonne in January 2019 to US$ 470-510 per metric tonne in November 2019.

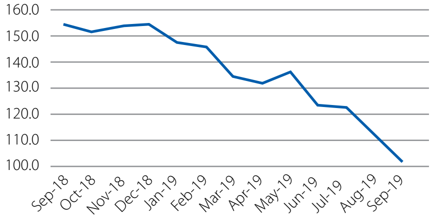
Growth of India's GDP in 2019-20

	Q1, 2019-20	Q2, 2019-20	Q3, 2019-20	Q4, 2019-20
Real GDP growth (%)	5.2	4.4	4.1	3.1

(Source: Economic Times, CSO, Economic Survey, IMF, RBI, Franklin Templeton, PIB)

Pulp price trends

Producer Price Index for Pulp, Paper and a Allied Products: Wood Pulp



Opportunities

- E-commerce sector growth strengthened the demand for packaging solutions
- The tissue paper segment is gaining traction on the back of enhanced hygiene awareness
- Following a plastic ban in some countries, paper bag and packaging are gaining traction
- Trade and commerce are driving the copier, writing and printing paper segments
- Literacy growth is driving demand for writing and printing paper
- With increased home food delivery, packaging paper use has increased

Threats

- Increasing digitalisation has had an adverse impact on paper demand
- The industry has been increasing its share of exports but tariff barriers and protectionist subsidies for competitive products have given birth to an uneven playing field. Export duties and taxes on wood exports are raising concerns. For instance, fibrous raw material represents the highest share of production costs
- There is a myth that increasing paper consumption could moderate global green cover

(Source: Bloomberg, Businesswire, Marketwatch, Gordon Brothers)

Indian paper and pulp industry overview

India accounts for 4% share of the global paper production even as it accounts for nearly 18% of the global population. The size of the Indian paper industry was estimated at ₹ 70,000 crores in 2019-20, contributing ₹5000 crores to the exchequer. The industry provides direct employment to 5 lac people and indirect employment to 15 lac individuals.

India is the fastest growing paper market, the increasing demand addressed by imports, leading to a relative under-utilisation of domestic manufacturing capacity. The Indian paper industry operated at only 80% of its overall manufacturing capacity, considered low for a capital-intensive and continuous process industry. Owing to this, paper imports increased19.69% to ₹4941 crores in H1 2019-20 compared to ₹4128 crores during same period in the previous year.

The Indian paper market can be classified on the basis of raw material and application. On the basis of raw materials used, the market can be categorised into waste and recycled paper, wood and agro residue, of which the waste and recycled paper segment is expected to grow faster owing to growing concerns about felling trees to produce pulp. On the basis of application, the market can be classified into writing and printing paper, paperboard and packaging, newsprint and specialty paper. Of this, the biggest share is accounted for by the paperboard and packaging segment, which is expected to grow on the back of rising growth in the e-commerce sector. The growing use of paper in food packaging is also expected to strengthen offtake. Writing and printing paper accounts for the second biggest share of the sector on the back of growing policy-induced literacy.

Key numbers driving the paper industry in India

Industry position

>13
Average per capita consumption of paper in India (in kg)

57
Global average of per capita consumption of paper (in kg)

Food packaging

~3- 4
Number of times a month that the average Indian eats out

>1
Number of food deliveries per day in India (in million)

Education

~15
Number of schools in India (in lac)

935
Number of universities in India

39,931
Number of colleges in India

E-commerce

665
India's total internet user base in 2019 (in millions)

829
India's projected total internet user base by 2021 (in millions)

US$ 49
Overall transaction value of Indian e-commerce market in 2019 (in billions)

US$ 91
Projected overall transaction value of Indian's e-commerce market by 2023 (in billions)

SWOT analysis of Indian paper industry

Strengths
- Fastest growing paper market
- Production of a wide paper variety range
- Enhancing farmer incomes
- High employability
- Recyclability of waste paper

Weakness
- Low capacity utilisation
- High water requirement
- Capital-intensive
- Decrease in forested areas
- Most plants funded through debt
- Growing requirement of scale to survive

Opportunities
- Huge growth headroom
- Room for socio-economic development
- Growing demand from some downstream sectors
- Innovative product create possibilities
- Use of clonal development centres
- Ban on plastic creating an alternative paper market

Threats
- Increasing raw material costs
- Rising competition
- Digitalisation replacing paper use
- Technological obsolescence
- COVID-19 outbreak pandemic affecting demand

Demand drivers

Demography and finance

Urbanisation
By 2030, approximately 40% of the global population could reside in urban India (34% today), catalysing paper demand.

Age
Approximately 66% of India's population is below 35 years; the median age of the country is estimated at ~28 years (global average 30). This youthful population is driving the use of writing and printing paper by students and through e-commerce.

Increasing incomes
The nominal per-capita net national income in 2019-20 was estimated at ₹1,35,050, a rise of 6.8% compared to ₹1,26,406 during 2018-19, strengthening paper demand.

Rising literacy levels
Government initiatives (Sarva Siksha Abhiyan and Mid-Day Meal Scheme) helped strengthen India's literacy rate from 65% in 2001 to 74% in 2011 to ~78% in 2018.

Downstream sector

Newspaper circulation
The readership of newspapers increased from 407 million readers in 2017 to 425 million readers at the end of the first quarter of 2019, strengthening the demand for newsprint

E-commerce boost
The e-commerce sector is expected to grow on the back of urbanisation and internet penetration, strengthening packaging paper demand

Health and hygiene awareness
With increasing hygiene awareness in urban and rural India, the demand for medical grade paper (tissue) is gaining traction

Education
The Union Budget 2019-20 allocated ₹94,853.64 crores for the education sector, a y-o-y increase of ~₹10,000 crores over 2018-19. Of this, ₹56,536.63 crores was estimated for school sector and ₹38,317.01 crores for higher education. With increasing spending on education by the Government, the writing and printing paper market is estimated to grow further.

COVID-19 impact on the Indian paper industry

• Being a capital-intensive sector, a liquidity crunch owing to the virus outbreak could extend lockdowns and affect sectoral offtake

• More than 40% of India's pulp requirement comes from imports. Owing to the virus outbreak in various countries, global trade has come to a stand still, which has had an adverse impact

• 11% of Indian produce is exported, standstill following the virus outbreak

• India's manufacturing sector is affected; real manufacturing GVA is expected to fall 5% in 2020-21 owing to a shutdown of factories.

(Source: CRISIL)

Products review

Office and copier paper

The Company boasts of a diversified portfolio of office and copier paper across the value chain, covering the economic to premium segments. These varieties find growing downstream application in printers, fax machines and photocopiers.

Strengths

Frontrunner: JK Paper has been a market leader of copier paper on the back of impeccable quality and awareness campaigns directed towards breaking the myth that links the consumption of paper and declining green cover.

Brand recall: Leveraging a rich legacy coupled with the qualitative excellence and customer-centricity of the Company, JKPL has created a superior brand recall with a pan-Indian presence in the country and an international footprint across 62 countries.

State-of-the-art facilities: The Company leverages its integrated state-of-the-art plants, empowered by cutting-edge technology to produce superior quality copier paper.

Highlights, 2019-20

- Manufactured 2,13,486 tonnes of copier and office paper
- Exported 34,259 tonnes copier and office paper
- Forayed into retail distribution to strengthen customer-centricity

Packaging boards

The packaging board market in India has been growing rapidly on the back of a growing demand from the FMCG, food & beverage, pharmaceutical and textile sectors. Further, with increasing internet penetration, the e-tail market built traction. The Company offers a range of high-end coated packaging boards to service downstream needs.

Strengths

Strategic location: The Company produces packaging board at its Unit CPM in Gujarat, proximate to the key markets in Western India, the biggest revenue-contributing zone for the segment.

Qualitative excellence: On the back of continuous R&D measures coupled with cutting-edge technologies, the Company has developed qualitatively consistent products

Highlights, 2019-20

- Sold over 95,399 tonnes (Including exports) of packaging boards in the year under review
- Exported 412 tonnes of packaging board in the year under review

Office and copier paper

Coated paper is a niche sector in India with 67% demand addressed by global players. JK Paper is one of only two Indian companies manufacturing coated paper. The Company leverages its ability to provide customised products. Depending on international prices, the Company imports coated paper that find application in magazines, books, brochures, posters and wedding cards, among others.

Strengths

- The Company has established respect for a superior quality of customised products
- The Company provides timely product delivery and proactive after-sales service

Highlights, 2019-20

- Sold 49,086 tonnes of coated paper

Maplitho and speciality papers

The Company produces uncoated writing and printing paper, which find downstream applications in MICR cheque paper, parchment, ledger and bond varieties, among others. The Company produces quality customised maplitho paper.

Strengths

- Diversified portfolio of maplitho paper 54 GSM to 160 GSM
- Superior customer focus arising out of customised products
- Longstanding relationship with publishers and print houses

Highlights, 2019-20

- Sold 93626 tonnes of maplitho and speciality paper
- Launched JK Ecosip, JK Sublime, JK Oleoff, JK Digi Roll, JK Pharma Print, JK Devine, JK Cup Stock, colour printing and photocopy paper and anti fungal boards (for soap wrapping) during the year under review.

Functional review

Raw material management

JKPL is a responsible paper manufacturer with its own plantation and clonal development centre, which makes the Company self-dependent. In the past, JK Paper sourced wood from as far as 1200 kms owing to the scattered nature of raw materials, increasing logistics costs. Over the years, the Company increasingly invested in raw material management and emerged as one of the cost leaders in the industry aided by the Company's increased sourcing of hardwood from within a 200-kilometre-radius of its manufacturing facilities. As of 31st March, 2020 the plantation area of the Company was estimated at 173,000 hectares across Gujarat, Maharashtra, Chhattisgarh, Odisha and Andhra Pradesh. The Company's farm forestry initiative proved to be a game-changer. This not only enhanced sustainable livelihoods across rural districts but also provided farmers with consistent incomes and prospects of equitable realisations. The proportion of resources derived by the Company from the farm forestry initiative increased fast.

Human resources

JK Paper believes that in an industry marked by the limited availability of skilled manpower, human resources management plays a vital role. The Company enjoys a strong brand as an employer enjoying high retention. During the year under review, the Company focused on employee training in behavioural skills, business excellence, managerial skills, advanced management, leadership skills, customer orientation, safety, values and code of conduct.

The Company was accredited by Great Places to Work, rating it among India's 30 leading manufacturing companies. The Company's customer-centricity (internal and external), helped strengthen retention to 92%; it emerged among 25 leading Indian companies across the Employee Trust Index.

Procurement

JK Paper extensively focused on procurement over the past few years. On the back of this extensive focus, the Company initiated plantations and clonal development centres, which have not only made the Company self-dependent, but also reduced its sourcing from as far as 1200 kms ten years ago to a 200 km radius. Further, the Company has maintained a longstanding relations with farmers, which has helped reinforce sustainability. This extensive focus on procurement has reduced the gestation period of clonal saplings from 5 years to as low as 2.5 years for some varieties, which, in turn has increased tonnage and cash generation. This has helped the Company become an established farm forestry player, with optimised costs procurement, giving cost advantage over peers.

Product development

JK Paper has the most diversified product portfolio in the industry, the Company emerging as the segment leader in premium office papers, packaging boards, speciality papers and security papers. To enrich the product basket and mitigate challenges posed by the smaller paper machines of being actively exposed to competition from large machines, which enjoy economies of scale, the Company undertook a customer-centric approach. JKPL actively engage with customers to understand their needs better and become a solution provider. Furthermore, the small paper machines also enjoy a specific advantage of being flexible enough for shorter customisable runs, validating our customer-centricity and strengthening our brand recall.

JK Paper is also a responsible producer and the Company's objectives have been in line with the latest trends of increasing focus towards recyclability and eco-friendliness. On the back of increasing awareness and striving to diligently follow stringent environment norms helped the Company emerge wood and carbon-positive.

Riding on the back of new mandates of FSSAI coupled with the increasing focus on food grade and food safety packaging, the food packaging industry is seeing a paradigm shift from plastics to paper with oil and water resistance aided by moisture and oxygen barrier and heat sealable capabilities. JKPL is positioned to take advantage of this shift and has been launching new products in this niche category to capture higher value. In the year under review the Company produced new products, namely JK Pharma Print, JK Devine, JK Carry, JK OleOff, JK Ecosip and JK HSMT, among others. The Company is also working on new products under various stages of development.

Risk management

Economic risk: Any slowdown in the economy on account of economic or general health reasons could have an adverse impact on the Company's operations.

Mitigation: Despite the slowdown, India's economic performance is expected to outperform G20 economies in 2020-21.

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

Mitigation: On the back of robust brand recall, superior product quality and customer-centricity, JKPL has established itself as one of the largest and most respected paper companies in the country (leadership in the copier segment). The growing focus sustainability has enhanced financial stability. A wide and deep distribution network coupled with timely service at the last mile have strengthened competitiveness and market share.

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

Mitigation: The Company is servicing customers with superior, customised and differentiated products. Besides, the Company's retail distribution focus should help create new markets.

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

Mitigation: The Company's operations are compliant with Indian and global norms. The Company's certifications (ISO 9001:2008, ISO 14001:2004 and ISO 45001) indicate stringent compliance with contemporary qualitative, environment and safety norms. The Company continues to be carbon- and wood-positive, validating its commitment to green and responsible processes.

Raw material risk: Raw material scarcity can affect profitability.

Mitigation: The Company has access to adequate plantations near its plants (Rayagada and Songadh), ensuring local wood sourcing. The Company supplies clonal saplings to farmers, making it possible to generate livelihoods, local prosperity, buyback flexibility, lower logistic costs and local sourcing.

Resource risk: Excessive use of water, power and coal can affect profitability.

Mitigation: The Company reduced water consumption, using low water-consuming technologies coupled with effective effluent and sewage treatment, emerging among the lowest water-consuming paper companies in India. The Company moderated coal and power consumption using cutting-edge technologies and alternative fuels.

Financial highlights (₹ crores)

	2019-20	2018-19
Gross Sales	3,254.20	3469.19
Net Sales	3,014.13	3233.64
Profit before interest and depreciation and Tax (EBIDTA)	984.96	926.05
Profit before depreciation and tax (PBDT)	862.15	803.65
Profit before tax (PBT)	718.59	678.35
Profit after Tax (PAT)	492.71	437.20

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

S. No.	Particulars	Definition	UOM	2019-20	2018-19	% Change	Remark for variation
(i)	Inventory Turnover	Inventory / Gross Turnover	Days	50	34	-48%	Due to COVID-19 pandemic

The Company recorded a 6% growth in its EBIDTA and clocked the highest-ever Profit after Tax (PAT) of ₹492.71 crores, a y-o-y growth of 12.7%.

During the year under review, the Company repaid debt and improved its performance, resulting in a long-term rating upgrade to AA-/STABLE. The Company's fixed rate borrowings stood at 33% as on March 31, 2020. Approximately 16% of the Company's gross borrowings of ₹1,370 crores were in foreign currency. Of this, 100% foreign currency loans covered interest rate variations and 74% covered foreign exchange fluctuations using a mix of approaches (Forward Contracts, Call Options and Spread Contracts).

The Company's net debt-equity ratio stood at 0.40x during the year under review compared to 2.03x in 2014-15, providing the Company the flexibility to address the cyclical impact on operations.

The Company strengthened investor engagements through quarterly investor conference calls and meetings.

Internal control systems and their adequacy

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

Cautionary statement

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

Statutory Section

Board's Report

To the Members,

The Directors have pleasure in presenting the 59th Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March, 2020.

FINANCIAL RESULTS

₹ in crores (10 million)

Particulars	2019-20	2018-19
Gross Sales	3,254.20	3,469.19
Profit Before Finance Costs and Depreciation & Tax (EBITDA)	984.96	926.05
Profit Before Depreciation and Tax (PBDT)	862.15	803.65
Profit After Tax (PAT)	492.71	437.20

DIVIDEND

In view of improved operating results, your Directors had declared an interim dividend of 40% (₹4/- per share) on the Equity Share Capital on 27th February 2020. The Total Dividend outgo including the Dividend Distribution Tax amounted to ₹85.95 crores. The Board has recommended that the interim dividend declared by it be considered as the final dividend for the financial year ended 31st March 2020.

BUYBACK OF EQUITY SHARES

Encouraged by the financial performance and healthy cash position, the Board has approved Buyback by the Company of its Equity Shares through the open market route from the Stock Exchanges. This is done with the objective of returning surplus funds to shareholders, improving return on equity, optimising capital structure and improving earnings per share, thereby leading to long term increase in shareholders' value. The maximum amount approved is ₹100 crores (Maximum Buyback size) at a maximum price of ₹130 per Equity Share (Maximum Buyback price). The Maximum Buyback Size will represent 5.67% and 5.71% of the aggregate of the total paid-up Equity Share capital and Free Reserves (including Securities Premium Account) of the Company based on the standalone and consolidated audited financial statements of the Company as on 31st March, 2019, respectively, the date reckoned for calculating eligible amounts.

At the Maximum Buyback Price and for the Maximum Buyback Size, the indicative maximum number of Equity Shares bought back would be 76,92,307 ("Maximum Buyback Shares") which is 4.32% of the total number of fully paid-up Equity Shares of the Company. If the Equity Shares are bought back at a price below the Maximum Buyback Price, the actual number of Equity Shares bought back could exceed the indicative Maximum Buyback Shares.

RESERVES AND APPROPRIATIONS

The amount available for appropriation, including surplus from the year stood at ₹1243.39 crores. The Directors propose this to be appropriated as under:

₹ in crores (10 million)

General Reserve	200.00
Dividend for 2018-19/2019-20	133.69
Corporate Dividend Tax	27.47
Surplus carried to Balance Sheet	882.23

PERFORMANCE REVIEW

Your Company recorded its best ever financial performance with its highest ever EBIDTA at ₹984.96 crores (an increase of 6% over previous financial year). Profit Before Tax at ₹718.59 crores was higher by 6% and Profit After Tax was ₹492.71 crores higher by 13% over previous financial year. Gross Sales were ₹3254.20 crores and capacity utilization during the financial year ended 31st March 2020 was 111% despite COVID-19 interruptions during the close of the said financial year.

The better performance was possible due to higher capacity utilization, lower raw material and other input cost and improved operating efficiencies. JK Paper continued its thrust on expanding geographical reach and availability of its products by strengthening the distribution network and responding to market needs by introducing new products. The Company's efforts at promoting plantation activity in the vicinity of its manufacturing units resulted in a greater proportion of raw material requirement being met out of material sourced from shorter distances. This has cut down the total delivered cost of wood at our units. Both the Units (Unit JKPM and Unit CPM of the Company) continued to improve their operating efficiencies to optimize utilization of most inputs. The Company's operating performance ranks among the best in the domestic paper industry.

Lower debt and more efficient working capital management enabled the Company to maintain finance costs despite making investments in the new project and funding the acquisition of The Sirpur Paper Mills Ltd. during the previous financial year. Despite an increase in Depreciation from ₹125.30 crores to ₹143.56 crores, Profit Before Tax stood at ₹718.59 crores compared to ₹678.35 crores last year, showing an increase of 6%.

The Industry scenario both domestic and overseas, the market and demand supply balance and other operating conditions are elaborated in the Management Discussion and Analysis section, forming part of this Annual Report.

COVID-19 AND OUTLOOK FOR FY 2020-21

Due to outbreak of COVID-19 pandemic, the Company had to temporarily suspend operations at both its manufacturing facilities - Unit CPM at Fort Songadh, Gujarat and Unit JKPM at Rayagada, Odisha in the last week of March 2020 in compliance with the directives of the Central and respective State Governments. Operations had been resumed in the third week of April 2020 at both its Units. However, the operations continue to be impacted by difficulty in procurement of raw materials, logistic issues both for procuring raw materials and despatch of finished products, non-opening of markets. Due to prevailing uncertainty, the financial and operational impact of COVID-19 is being evaluated by the Company. The Company has put in place "Standard Operating Procedure" (SOP), as per the guidelines and directives of the Ministry of Home Affairs and the Ministry of Health, to safeguard against spread of COVID-19. The Company has organized campaigns to bring awareness amongst all employees and workers on safeguards against COVID-19. Thermal temperature measurements at the entry and exit gates, mandatory use of face masks, hand washing and sanitizing facilities at entry and exit and at different locations of the plant have been put in place along with strict ban on non-essential visitors. Safeguards for social distancing at work place is also being implemented. Meetings, gatherings, travelling etc. are being avoided with focus on video conferencing and other digital modes.

The outlook for FY 2020-21 is heavily influenced by the impact of COVID-19 and the uncertain time it might take the economy and paper markets to come back to normalcy. Much will depend upon the time by which the COVID-19 disease is tamed and the economy gets back on its feet. Some sectors are faced with liquidity issues and some with solvency issues and several key sectors with both. While RBI has announced several high promise measures, the percolation of these measures seem rather tepid given the risk awareness of key lenders – Banks and NBFCs. The expected but delayed stimulus package for industrial and economic revival will have a great bearing on the quality and speed of revival.

Based on the order flow and dispatches after recommencement of operations, feedback from key market players and convertors operations are expected to get back to normalcy only by third quarter of FY 2020-21. The Company is actively looking at exports besides expanding its product basket even those with lesser margins to operate the machines at optimal levels. With these the plants are expected to reach full productive capacity by the second quarter of FY 2020-21. Within its product basket, packaging board segment is experiencing good demand due to higher demand from pharma, food processing and FMCGs.

The Company believes that it can manage the extreme event with its cash balances, liquid investments and undrawn bank limits.

PROJECT EXPANSION

The Company commenced Virgin Fibre Boards (VFB) production in the financial year 2007-08 with an initial capacity of 60,000 TPA at its Unit CPM which was enhanced to 90,000 TPA in the financial year 2013-14. The current production from this facility exceeds 100,000 TPA. This segment has grown at 12% CAGR during the last 5 years and is expected to maintain its growth at double digit rates in the coming years due to changes in organised retail and the quest for more eco-friendly, aesthetic and customer friendly packaging.

Looking at this growing demand particularly in the high end VFB and to build its market share, the Company had decided to set up a new Packaging Board facility along with an integrated chemical pulp mill at Unit CPM. Orders for critical equipments and some other areas have been placed and civil construction started in November 2019. The estimated capital cost is about ₹1935 crores (net of GST). Once completed the capacity for VFB will increase to 270,000 TPA along with a pulping capacity of 160,000 TPA. The new project is likely to take 24 months from zero date to commence production. Post completion of this project the JK Paper will be the second largest producer of VFB in the country with the capacity of 270,000 TPA along with a pulping capacity of 160,000 TPA.

The Company also made several de-bottlenecking and cost optimising investments in critical areas like head box, steam and power systems, finishing equipment, refiners, chemical processing, effluent discharge etc. in its existing facilities during the year totalling over ₹79 crores.

PROGRESS AT THE SIRPUR PAPER MILLS LTD.

During the previous financial year 2018-19, the Company alongwith its subsidiary had acquired The Sirpur Paper Mills Ltd. (SPML) under the Insolvency and Bankruptcy Code (IBC/Code). Your Company was one of the earliest successful applicant under the then newly enacted Code. The Resolution Plan of the Company was approved by the Hon'ble National Company Law Tribunal (NCLT), Hyderabad Bench on 19th July 2018. The Company after settling the debts of the financial and operating creditors as ordered by the NCLT, took over SPML and started revival activities w.e.f. 1st August 2018.

The acquisition was expected to provide synergies of a strategically located 3rd site near to sources of raw material with closer access to Coal and plenty of water. SPML commenced its commercial production on 24th May 2019 on Machine 7 alongwith Boilers and Turbines. After some challenges in stabilising operations all the machines (including Machines 3, 8, and 6 alongwith all allied equipment) commenced commercial production on 1st March 2020 after due refurbishment. There was an additional investment of ₹210 crores compared to earlier estimates which were met from funds lent by the Company.

Before the COVID-19 lockdown, SPML had ramped up its production and achieved highest production of 286 tons from the Pulp Mill (against a rated capacity of 323 tpd) and 320 tons (rated capacity of 400 tpd) from the Paper Machines. In the month of March, 2020 (up to 21st March, before COVID-19 lockdown) the Company achieved about 70% of the capacity based on actual number of working days. Progress is also being made on improving the quality parameters of the final products to meet customer requirements and expectations.

In second phase, the project activities for setting up energy efficient 130 Ton per hour high pressure Boiler and 20 MW high pressure Turbine along with its utilities are in progress. This project with an investment of over ₹175 crores which will replace the existing low pressure CF Boilers and Turbines will have significant savings on energy cost on production.

The total project cost, as per current estimates including Phase II is ₹897 crores. This includes the amount settled with the erstwhile creditors of ₹371 crores. This is being funded by Term Loans from Banks, Capital Subsidy from the Government of Telangana, and issue of Equity/Preference Capital/loan from the Company.

CAPITAL STRUCTURE

During the year under review, there has been no change in the capital structure of the Company. As on March 31, 2020 the Authorised Share Capital was ₹500 crores and Paid-up capital was ₹178.24 crores.

The Company has been able to achieve financial closure for its Packaging Board Project from a clutch of Indian and foreign banks. With a view to optimise costs, the Company has contracted 43% of these in foreign currency.

In order to optimise cost of working capital funds, the Company has accessed the Commercial Papers (CPs) market during the year. Over time with a mixture of CPs, Buyers and Suppliers Credit in foreign currency and Working Capital Demand Loan, the Company hopes to further reduce its cost of borrowing.

The Company's improved performance and reduced leveraging enabled it to get a rating upgrade to AA – (minus)/Stable for long term debt and A1+ for short term debt.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

AWARDS AND RECOGNITION

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

a. Recognised as 'India's Best Workplaces in Manufacturing 2020' - Top 30 Great Place to Work

b. Awarded Pollution Control Excellence Award-2019 for effective pollution control measures and sound environmental practices among all manufacturing units in Odisha

c. Safety, Health & Environment Excellence Award by CII, Eastern Region

d. National Safety Award for excellent performance in industrial safety and achieving accident free year-2017 by DGFASLI, Central Government of India

e. Energy Conservation Award 2019 - 2nd Runners up and achieved 5 Star rating in the Large-Scale Industries Category by CII, Eastern Region

f. National Awards for Manufacturing Competitiveness 2018-19 (Gold Award) by International Research Institute of Manufacturing

g. Kalinga CSR Award 2018 in Gold Category as the most innovative and transformational CSR in Odisha organised by the IQEMS & IPE HYD

h. Odisha's "Brand Leadership Award 2020" and "Best Employer Brand Award 2020" by CMO Global & World HRD Congress

i. Best paper award for paper on plantation research and development at Paperex 2019 - 14th International Conference

j. Received 10th CII National HR Excellence Award for Strong Commitment to HR Excellence in year 2019-20

INDUSTRIAL RELATIONS

Industrial Relations at both units of the Company continued to remain peaceful and cordial throughout the year barring some minor incidents which were amicably resolved by continuous dialogues and support by our existing unions, worker's representatives, local stakeholders and district administration. We value the long association of our employees including contractors and their workmen to sustain industrial harmony and create a positive work environment; we justly valued the long association with all categories of contract labours and have conferred additional benefits over & above statutory dues. By introducing various new work practices along with automation we have succeeded in enhancing manpower productivity & attendance to the optimum. We encourage continuous interaction, dialogues and participation of local villagers and other stakeholders in collaborating various social intervention.

EXTRACT OF ANNUAL RETURN

An extract of the Annual Return as on financial year ended 31st March 2020 in the prescribed form MGT-9 is annexed to this Report as Annexure-1 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 Act are given in the financial statements.

The Company has not made any provision during the financial year 2019-20 for the purchase of, or subscription for, shares in the Company by trustees of JK Paper Employees' Welfare Trust for the welfare of the employees of the Company, for the shares to be held by or for the benefit of the employees of the Company.

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2020, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Listing Regulations).

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

Shri Dhirendra Kumar, retires by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting (AGM).

During the year under review, Smt. Deepa Gopalan Wadhwa was appointed as Non-Executive Independent Director of the Company w.e.f. 27th June, 2019 for a period of three consecutive years and the requisite resolution in this regard was passed by the Shareholders at the Annual General Meeting held on 23rd August, 2019. The Board is of the opinion that Smt. Deepa Gopalan Wadhwa has high integrity and relevant experience.

All the Independent Directors of the Company have given requisite declarations that they meet all the criteria of independence as provided in Section 149(6) of the Act and also Regulation 16(1)(b) of the Listing Regulations and that they are not aware of any circumstances or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and have also complied with Rule 6(1) and 6(2) of the Companies (Appointment and Qualification of Directors) Rules 2014.

There was no other change in the Directors or Key Managerial Personnel of the Company, during the year under review.

INTERNAL CONTROL SYSTEM

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

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

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company considers the community as its key stakeholder and is one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development and livelihood interventions etc.. In line with its belief of considering Community as its key stakeholder and being sensitive to the needs of the community, during the recent outbreak of COVID-19 pandemic, the Company took several initiatives at Community level across its plant locations by undertaking distribution of food kits, face masks, hand sanitisers to needy families and sanitisation of areas around its plant locations. In addition, the Company also assisted the local administration in taking various preventive and safety measures.

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

Annual Report on the CSR activities undertaken by the Company during the financial year ended 31st March 2020, in the prescribed format is annexed to this Report as Annexure-2 and forms part of it.

AUDITORS

(a) Statutory Auditors and their Report

M/s Lodha & Co., Chartered Accountants, have been appointed as Auditors of the Company to hold office from the conclusion of the 56th Annual General Meeting (AGM) held in the year 2017 till the conclusion of 61st AGM of the Company to be held in the year 2022. The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self explanatory. The Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

(b) Secretarial Auditor and Secretarial Audit Report

The Board of Directors had appointed Shri Namo Narain Agarwal, Company Secretary in Practice as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2019-20. The Report given by him for the said financial year in the prescribed format, pursuant to the provisions of Section 204 of the Act and Regulation 24A of the Listing Regulations, is annexed to this Report as Annexure-3 and forms part of it. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

(c) Cost Auditors and Cost Audit Report

In accordance with the provisions of Section 148(1) of the Act, the Company has maintained cost accounts and records. The Cost Audit for the financial year ended 31st March 2019 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi and as required Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the Cost Records for the financial year ended 31st March 2020, is being conducted by the said firm and the Report will also be filed with the Ministry of Corporate Affairs, Government of India.

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

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

MATERIAL CHANGES AND COMMITMENTS

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

CONSERVATION OF ENERGY ETC.

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

PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure-5 and forms part of it. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, also form part of this Report. However, in terms of provisions of Section 136 of the Act, the Annual Report for the financial year 2019-20 is being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is also available for inspection at the Registered Office of the Company on working days during business hours.

CORPORATE GOVERNANCE

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

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

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

b) Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.

c) The manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.

d) The details with respect to composition of Audit Committee and establishment of Vigil Mechanism.

e) Details regarding Risk Management.

f) Dividend Distribution Policy.

g) Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

SUSTAINABILITY AND BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Sustainability and Business Responsibility Report of the Company for the financial year ended 31st March 2020 is given in a separate section and forms part of this report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated financial statements of your Company for the Financial Year 2019-20 have been prepared in accordance with the Act and applicable Indian Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

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

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

During the year under review, no company has become or ceased to be your Company's subsidiary or joint venture or associate.

DEPOSITS

Pursuant to the approval of members by means of a Special Resolution passed at the AGM held on 27th September 2014, the Company is accepting deposits from the public and its members, in accordance with the provisions of the Act and rules thereunder.

The particulars in respect of the deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2020 is annexed to this Report as Annexure-6 and forms part of it.

DIRECTORS' RESPONSIBILITY STATEMENT

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

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

(b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts have been prepared on a going concern basis;

(e) the proper internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and

(f) the proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors

Place: New Delhi
Date: 12th May, 2020

Bharat Hari Singhania
Chairman

ANNEXURES TO THE BOARD'S REPORT FOR THE YEAR ENDED 31st MARCH, 2020

Annexure -1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2020

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L21010GJ1960PLC018099
2.	Registration Date	04.07.1960
3.	Name of the Company	JK Paper Limited
4.	Category/Sub-category of the Company	Public Company Limited by Shares/Non-Government Company
5.	Address of the Registered office & contact details	Registered office: P. O. Central Pulp Mills – 394 660 Fort Songadh, District Tapi, Gujarat Ph.No.: 91-2624-220228/ 220278-80 Fax No.: 91-2624-220138 Email ID: sharesjkpaper@jkmail.com Website: www.jkpaper.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of Registrar and Transfer Agent, if any.	MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area Phase – I, New Delhi -110 020 Ph. No.: 91-11- 41406149-52 Fax No.: 91-11-41709881 Email ID: admin@mcsregistrars.com Website: www.mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SI. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Jaykaypur Infrastructure & Housing Ltd. JK Paper Mills, Jaykaypur – 765 017, Rayagada, Odisha	U45201OR2008PLC010523	Wholly Owned Subsidiary	100	2(87)
2	Songadh Infrastructure & Housing Ltd. P. O. Central Pulp Mills- 394660 Fort Songadh, Distt.Tapi, Gujarat	U45203GJ2009PLC055810	Wholly Owned Subsidiary	100	2(87)

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
3	JK Paper International (Singapore) Pte. Ltd. 10 Jalan Besar #10-03, Sim Lim Tower Singapore (208787)	Not Applicable	Wholly Owned Subsidiary	100	2(87)
4	JK Enviro-tech Ltd. P. O. Central Pulp Mills- 394660 Fort Songadh, Distt.Tapi, Gujarat	U73100GJ2007PLC075963	Subsidiary	96.08	2(87)
5	The Sirpur Paper Mills Limited 5-9-22/1/1, 1st Floor, Adarsh Nagar Hyderabad, Telangana- 500063	U21010TG1938PLC000591	Subsidiary	96.27*	2(87)

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

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 1st April 2019)				No. of Shares held at the end of the year (As on 31st March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters*									
(1) Indian									
a) Individual/ HUF	1416443	0	1416443	0.79	3553643	0	3553643	1.99	1.20
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	84883568	0	84883568	47.62	83583568	0	83583568	46.89	-0.73
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)	**86300011**	**0**	**86300011**	**48.41**	**87137211**	**0**	**87137211**	**48.88**	**0.47**
(2) Foreign									
a) NRI –Individuals	0	0	0	0	0	0	0	0	0
b) Other –Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A) (2):	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total shareholding of Promoter (A) = (A)(1) + (A)(2)*	86300011	0	86300011	48.41	87137211	0	87137211	48.88	0.47
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	1363766	0	1363766	0.77	1020197	0	1020197	0.57	-0.20
b) Banks / FI	129989	0	129989	0.07	500	0	500	0.00	-0.07
c) Central Govt	12021	0	12021	0.01	16835	0	16835	0.01	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0

* The total shareholding of Promoters at (A) above includes 4,98,81,712 Equity Shares (27.98%) as on 1.4.2019, 75,09,983 Equity Shares (4.21%) as on 31.3.2020 and a change of 23.77% during the year pertaining to constituents of the Promoter Group as per SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2018. 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 1st April 2019)				No. of Shares held at the end of the year (As on 31st March 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	1010448	0	1010448	0.57	400000	0	400000	0.22	-0.35
g) FPIs	10897457	0	10897457	6.11	12402279	0	12402279	6.96	0.85
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):	**13413681**	**0**	**13413681**	**7.53**	**13839811**	**0**	**13839811**	**7.77**	**0.24**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	12838492	150	12838642	7.20	10753831	150	10753981	6.03	-1.17
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	25035316	26621	25061937	14.06	30009848	26097	30035945	16.85	2.79
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	29550040	4013500	33563540	18.83	24862736	4013500	28876236	16.20	-2.63
c) Others									
(i) Trust and Foundation	1264978	0	1264978	0.71	1856598	0	1856598	1.04	0.33
(ii) Non Resident Individuals	2937776	297000	3234776	1.81	2930288	297000	3227288	1.81	0
(iii) OCB	2500000	0	2500000	1.40	2500000	0	2500000	1.40	0
(iv) Societies	5000	0	5000	0.00	0	0	0	0	0
(v) NBFCs registered with SEBI	61020	0	61020	0.03	16515	0	16515	0.01	-0.02
Sub-total (B)(2):	**74192622**	**4337271**	**78529893**	**44.06**	**72929816**	**4336747**	**77266563**	**43.35**	**-0.71**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**87606303**	**4337271**	**91943574**	**51.59**	**86769627**	**4336747**	**91106374**	**51.12**	**-0.47**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**173906314**	**4337271**	**178243585**	**100**	**173906838**	**4336747**	**178243585**	**100**	**0**

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (as on 1st April 2019)			Shareholding at the end of the year (as on 31st March 2020)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged / encumbered to total shares	
1	Bengal & Assam Company Ltd.	36418299	20.43	-	79627228	44.67	-	24.24
	Total	**36418299**	**20.43**	**-**	**79627228**	**44.67**	**-**	

(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 2019)		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Bengal & Assam Company Ltd.				
	At the beginning of the year	36418299	20.43	36418299	20.43
	Increase in Shareholding due to Acquisition pursuant to Scheme of Arrangement on 24.5.2019.	41923129	23.52	78341428	43.95
	Increase in Shareholding due to Inter-se Transfer on 14.6.2019	700000	0.39	79041428	44.34
	Increase in Shareholding due to Market Purchase on 18.2.2020	585800	0.33	79627228	44.67
	At the end of the year i.e., 31.03.2020			79627228	44.67

(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 (as on 1st April 2019)		Cumulative Shareholding at the end of the year (as on 31st March 2020)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	P.K. Khaitan jointly with S.K. Somany-Trustees, JK Paper Employees Welfare Trust	9828655	5.51	8423655	4.73
2	Edgefield Securities Limited	2500000	1.40	2500000	1.40
3	J.K. Credit & Finance Limited	3575000	2.01	2156000	1.21
4	Acadian Emerging Markets Small Cap Equity Fund LLC	1334129	0.75	1396757	0.78
5	LSV Emerging Markets Small Cap Equity Fund, LP**	-	-	1242800	0.70
6	Pulp and Paper Research Institute	1237978	0.69	1237978	0.69
7	Dolly Khanna	1910749	1.07	1042422	0.58
8	Nav Bharat Vanijya Limited	1191000	0.67	1036200	0.58
9**	Apeejay Securities Private Ltd	-	-	1000000	0.56
10**	Deepa Bagla Financial Consultants Private Limited	-	-	940688	0.53
11	BMF Investments Limited	30089797	16.88	Amalgamated with Bengal & Assam Company Limited	
12	Florence Investech Limited	11833332	6.64		

Note: Around 98% of the Shares of the Company are held in dematerialized form and are traded on daily basis. Therefore, the date wise increase/decrease in shareholding is not indicated.

** were not a part of top 10 shareholders in last financial year but forming part of top 10 shareholders as on 31.03.2020.

(v) Shareholding of Directors and Key Managerial Personnel

1. Shri Bharat Hari Singhania, Chairman

For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2019)		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	100000	0.06	100000	0.06
Increase in Shareholding due to market purchase on 28.6.2019.	105600	0.06	205600	0.12
Increase in Shareholding due to market purchase from 16.3.2020 to 17.3.2020.	40000	0.02	245600	0.14
At the end of the year i.e. 31.03.2020			245600	0.14

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

For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2019)		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	171250	0.10	171250	0.10
Increase in Shareholding due to market purchase on 28.6.2019.	158400	0.09	329650	0.19
Increase in Shareholding due to market purchase from 16.3.2020 to 19.3.2020	125000	0.07	454650	0.26
At the end of the year i.e. 31.03.2020			454650	0.26

3. Smt. Vinita Singhania, Director

For each of the Directors and KMP	Shareholding at the beginning of the year (as on 1st April 2019)		Cumulative Shareholding during the Year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	225550	0.13	225550	0.13
Increase in Shareholding due to market purchase on 28.6.2019.	316800	0.17	542350	0.30
Increase in Shareholding due to market purchase from 16.3.2020 to 18.3.2020	190000	0.11	732350	0.41
At the end of the year i.e. 31.03.2020			732350	0.41

Note: Sh. Arun Bharat Ram, Sh. Dhirendra Kumar, Sh. M.H. Dalmia, Sh. R V Kanoria, Sh. Sandip Somany, Sh. Shailendra Swarup, Sh. Udayan Bose, Sh. S.K. Roongta and Smt. Deepa Gopalan Wadhwa, Directors and Sh. A.S. Mehta, President & Director of the Company and Sh. V. Kumaraswamy, Chief Finance Officer and Sh. Suresh Chander Gupta, Vice President & Company Secretary of the Company were not holding any shares in the Company at the beginning of the year, i.e. as on 1st April 2019 and at the end of the year i.e. as on 31st March 2020 and hence there was no increase/decrease in their shareholding during the financial year 2019-20.

V. INDEBTEDNESS

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

(₹ in crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,317.30	-	32.41	1,349.71
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	7.67	-	2.59	10.26
Total (i+ii+iii)	**1,324.97**	**-**	**35.00**	**1,359.97**
Change in Indebtedness during the financial year				
• Addition	237.57	74.54	22.26	334.37
• Reduction	289.54	10.83	16.75	317.12
Net Change	-51.97	63.71	5.51	17.25
Indebtedness at the end of the financial year				
i) Principal Amount	1,268.46	63.71	38.07	1,370.24
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.54	-	2.44	6.98
Total (i+ii+iii)	**1,273.00**	**63.71**	**40.51**	**1,377.22**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in crores)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount
		Sh. Harsh Pati Singhania (Vice Chairman & Managing Director)	Sh. A.S. Mehta (President & Director)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7.73	3.73	11.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.83	0.13	0.96
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Commission - as % of profit	16.75	0.30	17.05
3	Others: Contribution to Provident Fund and Insurance	0.65	0.16	0.81
4.	Total (A)	25.96	4.32	30.28
	Ceiling as per the Act	₹73.64 crores (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)		

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

B. Remuneration to other Directors

(₹ 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	Sh. Udayan Bose	Sh. Shailendra Swarup	Smt. Deepa Gopalan Wadhwa #	
	• Fee for attending Board/ Committee Meetings	0.04	0.01	0.08	0.02	0.05	0.03	0.03	0.26
	• Commission	0.17	0.17	0.17	0.17	0.17	0.17	0.13	1.15
	Total (1)	**0.21**	**0.18**	**0.25**	**0.19**	**0.22**	**0.20**	**0.16**	**1.41**
2	Other Non-executive Directors	Sh. Bharat Hari Singhania (Chairman)			Sh. Dhirendra Kumar		Smt. Vinita Singhania	Shri S.K. Roongta	
	• Fee for attending Board /Committee Meetings	0.08			0.03		0.03	0.03	0.17
	• Commission	2.00			0.17		0.17	0.17	2.51
	Total (2)	**2.08**			**0.20**		**0.20**	**0.20**	**2.68**
	Total(B)= (1+2)								**4.09**
	Total Managerial Remuneration * (A+B)								**34.37**
	Overall Ceiling as per the Act	₹81.00 crores (being 11% of the net profits of the Company as per Section 198 of the Companies Act, 2013). In addition, the Company can pay Sitting fees @ ₹1 lakh to each of the Directors for each of the meetings of the Board and its Committees attended by him/her.							

* Total Managerial Remuneration to Vice Chairman & Managing Director, President & Director and other Directors (being the total of A and B) includes, sitting fees of ₹0.43 crores.

Appointed w.e.f. 27th June 2019

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD

(₹ in crores)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Sh. V. Kumaraswamy, Chief Finance Officer	Sh. Suresh Chander Gupta, Vice President & Company Secretary	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	3.04	0.92	3.96
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.02	0.003	0.023
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Others: Contribution to Provident Fund and Insurance	0.09	0.002	0.092
	Total	**3.15**	**0.93**	**4.08**

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

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended 31st March, 2020.

On behalf of the Board of Directors

Place: New Delhi
Date: 12th May, 2020

Bharat Hari Singhania
Chairman

Annexure -2

ANNUAL REPORT ON CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2020

1. A brief outline of the Company's Corporate Social Responsibility (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 Singhania (Chairman of the Committee), Non-Independent
   - Shri Shailendra Swarup, Independent
   - Shri A.S. Mehta, Non-Independent

3. Average Net Profit/(Loss) of the Company for last three financial years: ₹415.71 crores.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹8.31crore.

5. Details of CSR spent during the financial year

   a. Total amount to be spent for financial year: ₹8.31crore

   b. Amount unspent, if any: ₹0.68 crores

   c. Actual Amount spent during the financial year: ₹7.63 crores

<table>
<tr><th>Sl. No.</th><th>CSR project or activity identified</th><th>Sector in which the project is covered</th><th>Projects/programs (1) Local area/others- (2) Specify the State and district where projects or Programs were undertaken</th><th>Amount outlay (budget) project or programs-wise (₹ in crores)</th><th>Amount spent on the projects or programs Subheads: (1)Direct expenditure on projects or programs (2) Overhead: (₹ in crores)</th><th>Cumulative expenditure upto the reporting period (₹ in crores)</th><th colspan="2">Amount spent Direct or through implementing agency (₹ in crores)</th></tr>
<tr><td>(1)</td><td>(2)</td><td>(3)</td><td>(4)</td><td>(5)</td><td>(6)</td><td>(7)</td><td colspan="2">(8)</td></tr>
<tr><td>1.1</td><td>Mobile Medical Camps</td><td rowspan="11">Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.</td><td>Local (Tapi, Gujarat)</td><td rowspan="11">2.05</td><td rowspan="11">1.95</td><td rowspan="11">1.95</td><td rowspan="6">SPARSH</td><td rowspan="6">0.87</td></tr>
<tr><td>1.2</td><td>Managing Sickle Cell Anaemia</td><td>Local (Tapi, Gujarat)</td></tr>
<tr><td>1.3</td><td>Eye Care</td><td>Local (Tapi, Gujarat)</td></tr>
<tr><td>1.4</td><td>Health Camps</td><td>Local (Rayagada, Odisha)</td></tr>
<tr><td>1.5</td><td>Critical care Supports</td><td>Local (Rayagada, Odisha)</td></tr>
<tr><td>1.6</td><td>Combating Malnutrition</td><td>Local (Tapi, Gujarat)</td></tr>
<tr><td>1.7</td><td>Diagnostic and Treatment Support to BPL patients at PSRI</td><td>Others (Delhi)</td><td rowspan="5">DIRECT</td><td rowspan="5">1.08</td></tr>
<tr><td>1.8</td><td>Cancer Support</td><td>Others (Gurgaon, Haryana)</td></tr>
<tr><td>1.9</td><td>Providing safe drinking water</td><td>Local (Tapi, Gujarat)</td></tr>
<tr><td>1.10</td><td>Providing sanitation facilities</td><td>Local (Tapi, Gujarat)</td></tr>
<tr><td>1.11</td><td>Solid waste management</td><td>Local (Rayagada, Odisha)</td></tr>
</table>

Sl. No.	CSR project or activity identified	Sector in which the project is covered	Projects/programs (1) Local area/others- (2) Specify the State and district where projects or Programs were undertaken	Amount outlay (budget) project or programs-wise (₹ in crores)	Amount spent on the projects or programs Subheads: (1)Direct expenditure on projects or programs (2) Overhead: (₹ in crores)	Cumulative expenditure upto the reporting period (₹ in crores)	Amount spent Direct or through implementing agency (₹ in crores)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
2.1	Promotion of Sustainable Agriculture and Allied Activities	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects.	Local (Tapi, Gujarat)	1.06	0.86	0.86	SPARSH	0.86
2.2	Entrepreneurship Development (Livelihood Business Enterprise Project)		Local (Tapi, Gujarat)					
2.3	Adult functional Literacy		Local (Rayagada, Odisha)					
2.4	Remedial learning by students		Local (Rayagada, Odisha)					
2.5	Career counselling of Tribal Youths		Local (Rayagada, Odisha)					
2.6	Digital platform for youth employment		Local (Rayagada, Odisha)					
2.7	Youth for SDG/ Climate Actions		Local (Rayagada, Odisha)					
2.8	Micro Dairy		Others (Amroha, UP)					
3.1	SHG movement among the tribal women	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Local (Rayagada, Odisha)	0.66	0.60	0.60	SPARSH	0.60
3.2	Group Based enterprises promotions		Local (Rayagada, Odisha)					
3.3	Rural Mart establishment		Local (Rayagada, Odisha)					
3.4	Supporting SHGs to income enhancement		Local (Tapi, Gujarat)					
4.1	Agri-based livelihood among tribal in aspirational district of India through FPOs to achieve more than doubling farmers income	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Local (Rayagada, Odisha)	1.95	1.88	1.88	SPARSH	1.88
4.2	Zero emission irrigation through Solar micro pumps		Local (Rayagada, Odisha)					
4.3	Establishment of Rural Hatt at Village Level for agro-marketing of tribal products		Local (Rayagada, Odisha)					
4.4	Farmers resource centers for convergence of govt. programs		Local (Rayagada, Odisha)					

<table>
<tr><th>Sl. No.</th><th>CSR project or activity identified</th><th>Sector in which the project is covered</th><th>Projects/programs (1) Local area/others- (2) Specify the State and district where projects or Programs were undertaken</th><th>Amount outlay (budget) project or programs-wise (₹ in crores)</th><th>Amount spent on the projects or programs Subheads: (1)Direct expenditure on projects or programs (2) Overhead: (₹ in crores)</th><th>Cumulative expenditure upto the reporting period (₹ in crores)</th><th colspan="2">Amount spent Direct or through implementing agency (₹ in crores)</th></tr>
<tr><td>(1)</td><td>(2)</td><td>(3)</td><td>(4)</td><td>(5)</td><td>(6)</td><td>(7)</td><td colspan="2">(8)</td></tr>
<tr><td>5.1</td><td>School buildings</td><td rowspan="6">Rural development projects</td><td>Local (Rayagada, Odisha)</td><td rowspan="6">2.29</td><td rowspan="6">2.10</td><td rowspan="6">2.10</td><td rowspan="4">DIRECT</td><td rowspan="4">1.28</td></tr>
<tr><td>5.2</td><td>Community toilets</td><td>Local (Rayagada, Odisha)</td></tr>
<tr><td>5.3</td><td>Overhead water tanks for drinking water</td><td>Local (Rayagada, Odisha)</td></tr>
<tr><td>5.4</td><td>Construction of Multi Purpose Sheds in schools</td><td>Local (Tapi, Gujarat)</td></tr>
<tr><td>5.5</td><td>Promoting basic educational infrastructural services in tribal area</td><td>Local (Tapi, Gujarat)</td><td rowspan="2">BYST*</td><td rowspan="2">0.82</td></tr>
<tr><td>5.6</td><td>Infrastructure development for tribal skill development and education</td><td>Local (Rayagada, Odisha)</td></tr>
<tr><td>6.1</td><td>Distribution of Water ATM to Fani affected families</td><td rowspan="3">Disaster Management, including relief, rehabilitation and reconstruction activities</td><td>Others (Puri, Odisha)</td><td rowspan="3">0.30</td><td rowspan="3">0.24</td><td rowspan="3">0.24</td><td rowspan="3">SPARSH</td><td rowspan="3">0.24</td></tr>
<tr><td>6.2</td><td>COVID-19 response in Rayagada</td><td>Local (Rayagada, Odisha)</td></tr>
<tr><td>6.3</td><td>COVID-19 response in Tapi</td><td>Local (Tapi, Gujarat)</td></tr>
<tr><td></td><td>Total</td><td></td><td></td><td>8.31</td><td>7.63</td><td>7.63</td><td></td><td>7.63</td></tr>
</table>

* Bharat Yuva Shakti Trust

6. Reasons for shortfall:

   The major reason for the shortfall of the budget utilization was due to COVID-19 pandemic and the lockdown which interrupted the field level work in the last quarter of the financial year 2019-20. Three major activities which accounted to the underutilization by ₹0.68 crores were:

   (i) MSME workshop for the Rayagada cluster: ₹0.15 crores

   (ii) SHG Convention for SHG members of Rayagada: ₹0.05 crores

   (iii) Infrastructure development for Tribal School: ₹0.19 crores

   (iv) Solid Waste Management project postponed due to unavailability of permissions from local government administration: ₹0.29 crores

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

Place: New Delhi
Date: 12th May, 2020

(A.S. Mehta)
President & Director

(Harsh Pati Singhania)
Chairman, CSR Committee

Annexure - 3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 (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, 2020 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

 (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

 (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

 (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

 (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- (Not applicable to the Company during the Audit Period);

 (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

 (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- (Not applicable to the Company during the Audit Period);

 (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018- (Not applicable to the Company during the Audit Period); and

 (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

(vi) Management has identified and confirmed the following laws as being specifically applicable to the Company, which have been complied with:

 - Indian Forest Act, 1927

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

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

 (ii) The Listing Agreements entered into by the Company with the Stock Exchanges.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

Adequate Notice is given to all directors at least seven days in advance to schedule the Board Meetings and Agenda and detailed notes on agenda are also sent in advance, except when Board Meeting is held at shorter notice in accordance with the provisions of Section 173(3) of the Companies Act, 2013. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the Meeting.

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

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

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

1. Manufacturing and other operations remained closed / suspended at all plants of the Company for a few days at the year end due to lockdown imposed in the country on account of COVID-19.
2. Interim dividend at ₹4.00 per equity share was paid.
3. Company subscribed for:
   - 96,15,400 Equity Shares of ₹10/- each at a premium of ₹10.80 per shares of JK Enviro-Tech Ltd., a subsidiary, aggregating to ₹20 crores.
   - 1000 Cumulative Redeemable Preference Shares of ₹1,00,000/- each of The Sirpur paper Mills Limited, a step-down subsidiary, for ₹10 crores.

This report is to be read alongwith the following-

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

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

Place: New Delhi
Date: 12 May 2020
UDIN: F000234B000227494

Annexure - 4

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

A) CONSERVATION OF ENERGY

i. The steps taken or impact on conservation of energy:

1) Process optimization by using High capacity Pre-heater in Evaporator resulted in steam saving.

2) At Unit CPM Special refiner tackles developed for BCTMP pulp resulting in power saving and better board quality.

3) At Unit CPM Board machine new designed deflaker installed in broke line.

4) Energy saving by installation of VFD for evaporator liquor transfer pump as well as mill water pump.

5) Low cost automation initiative at Pump and Agitator level in Paper machines.

6) Replacement of old Halide lights and MV lamps by LED.

7) Energy saving by Installation of new energy efficient motors in the mill resulting in savings.

8) Unit JKPM by implementing different energy saving schemes as well as commissioning of 3.4 TG, overall coal consumption, Steam Consumption and Power consumption reduced and as a result, fly ash generation also reduced.

ii. The capital investment on energy conservation equipments:

The Company has invested ₹17.59 crores for energy conservation equipments during the year.

B) RENEWABLE ENERGY

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

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

C) TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

i. Efforts made towards technology absorption:

1) Burning of ETP Secondary sludge along with Black Liquor. This project has been taken to avoid Land filling of secondary sludge & Effective handling of waste.

2) Optimized use of special chemical in pulp mill to reduce the Hydrogen Peroxide, Caustic and Steam consumptions.

3) Wash aid Amidefoam defoamer for pulp mill tried to reduce cost.

4) Reduced Bamboo usage in raw material furnish, resulting in reduction in cooking & bleaching chemicals.

5) Plant trial of different fiber mix in raw material furnish was carried out to improve pulp quality and lime kiln production.

6) Reduced dusting problem by about 50% by using Fiber Bond and replacement of Cationic starch at wet end.

7) Increased machine speed by replacing size press roll at Unit CPM.

8) PM-2, Calendar & Pope reel section drive installation from previous line shaft drive, to improve the quality of paper.

9) Higher capacity feed pump & new fine bar tackles installed to reduce the refining load and improve the intensity of refining in both the paper machines at Unit CPM.

10) Higher capacity vacuum pump installed in PM-1 at Unit CPM.

11) Installation of Steam Profiler at Board Machine to reduce steam demand.

12) In Board plant, a new ream cum bundle packing machine installed in finishing & converting to enhance the packing capacity.

13) Installation of PSF (Pressure sand filter) & ACF (Activated carbon filter) for Safe Drinking Water to colony & plant.

ii. 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. Expenditure incurred on Research & Development:

During the year, the Company has spent ₹405 lacs on Research & Development. The Company performed various Research & Development activities. Various trials were conducted on the shop floor to upgrade the existing quality of product to meet the customer perception and maintain quality and product leadership.

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

   (a) JK Yellow Maplitho -75 gsm for diary (b) JK Carry for Carry Bag (c) Shooting paper (d) Antifungal board - Trial taken in FBB family.

2. R & D activities in Plantation

   (a) Developed & commercially released new Eucalyptus clone JKSC jumbo having higher wood productivity.

   (b) Released 3 new Subabul clones having higher wood productivity. Commercial trials are going on.

   (c) Developed & commercially released new Eucalyptus clone namely CPM U283 turbo having higher wood productivity.

   (d) Successfully developed hybrid between Leucaena luecocephala & L. collinsii which is resistant to psyllid insect & having higher wood productivity. Progeny trial is going on for development of future generation clones.

D) FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in crores (10 Million)

(a)	Foreign Exchange earned	194.04
(b)	Foreign Exchange outgo:	
	- CIF Value of Imports	474.55
	- Others	13.49

On behalf of the Board of Directors

Place: New Delhi
Date: 12th May, 2020

Bharat Hari Singhania
Chairman

Annexure-5

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for the financial year ended 31st March 2020

A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company- (a) Non-Executive Directors: Shri Bharat Hari Singhania, Chairman, 53.00; Shri Arun Bharat Ram, 5.31; Shri Dhirendra Kumar, 5.08; Shri M.H. Dalmia, 4.71; Shri R.V. Kanoria, 6.37; Shri Sandip Somany, 4.86; Shri Shailendra Swarup, 5.05; Shri Udayan Bose, 5.62; Smt. Vinita Singhania, 5.10; Shri S.K. Roongta, 5.17 and Smt. Deepa Gopalan Wadhwa (appointed w.e.f. 27.06.2019), 3.99 (b) Executive Directors: Shri Harsh Pati Singhania, VC & MD, 662.30 and Shri A.S. Mehta, President & Director, 110.17.

B. The percentage increase in remuneration of each Director, Chief Finance Officer, Company Secretary - Shri Bharat Hari Singhania, Chairman, 0.58%; Shri Harsh Pati Singhania, VC & MD, Nil; Shri A.S. Mehta, President & Director, Not applicable since was a Director for only part of the financial year 2018-19; Shri Arun Bharat Ram, Nil; Shri Dhirendra Kumar, 2.58%; Shri M.H. Dalmia, 3.65%, Shri R.V. Kanoria, 17.37%, Shri Sandip Somany, 5.54%, Shri Shailendra Swarup, 7.61%, Shri Udayan Bose, 0.68%, Smt. Vinita Singhania, 7.24%, Shri S.K. Roongta, Not applicable since was a Director for only part of the financial year 2018-19; Smt. Deepa Gopalan Wadhwa, Not applicable since became a Director during the Financial Year 2019-20, Shri V. Kumaraswamy, CFO, 0.89%, and Shri Suresh Chander Gupta, VP & CS, Nil.

C. The percentage increase in the median remuneration of employees - 8.22%. The number of permanent employees on the rolls of Company - 2506.

D. Average percentage increase in the salaries of employees other than the managerial personnel in the financial year 2019-20 was 12% and increase in the managerial remuneration for the same financial year was 0.07%.

E. We affirm that the remuneration paid during the financial year 2019-20 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

Annexure - 6

Particulars in respect of deposits covered under Chapter V of the Companies Act, 2013 for the financial year ended 31st March 2020

(a) Accepted during the year - ₹20.00 crores;

(b) Remained unclaimed as at the end of the year - ₹0.67 crores;

(c) Default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year - Nil; and

(d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act - Nil.

On behalf of the Board of Directors

Place: New Delhi
Bharat Hari Singhania

Date: 12th May, 2020
Chairman

Sustainability & Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate identification number	L21010GJ1960PLC018099
2	Name of the Company	JK Paper Limited
3	Registered address	Registered office: P. O. Central Pulp Mills – 394 660 Fort Songadh, District Tapi, Gujarat Ph.No.: +91-2624-220228/ 220278-80 Fax No.: +91-2624-220138
4	Website	www.jkpaper.com
5	Email address	sharesjkpaper@jkmail.com
6	Financial year reported	1st April, 2019 to 31st March, 2020
7	Sector(s) that the Company is engaged in	Manufacturing of Paper and Paper Board falling into NIC 2008 Code - 1701 of Ministry of Statistics and Programme Implementation.
8	Three key products/services manufactured/ provided by the Company	1. Office documentation paper 2. Uncoated paper and board 3. Packaging board
9	Total number of locations where business activity is undertaken by the Company	Rayagada, Odisha, India Songadh, Gujarat, India
10	Markets served by the Company	The Company has Pan India presence through regional marketing offices, trade partners, dealers and depots having a robust network of over 4,000 dealers and over 320 Trade Partners (Wholesalers, Retailers & Direct Party) and 15 depots. The International Markets are served by exporting our products to around 62 countries including the US, the UK, Sri Lanka and Bangladesh, Singapore, Malaysia, Africa and the Middle East.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up capital	₹178.24 crores	
2	Total turnover	₹3,254.20 crores	
3	Total profit after tax	₹492.71 crores	
4	Total spending on CSR as percentage of Net Profits	1.55%	
5	List of the activities in which expenditure in 4 above has been incurred:	**Corporate Social Responsibility (CSR) Activity**	**Expenditure (₹ Lacs)**
		Health care	195
		Sanitation and Drinking water	30
		Livelihood projects	188
		Education	86
		Women empowerment & gender equality	60
		Community infrastructure development viz., roads, public spaces repair & maintenance of public utilities	204
		Total	763

SECTION C: OTHER INFORMATION

1	Does the Company have any Subsidiary Company/ Companies?	1. Jaykaypur Infrastructure & Housing Ltd. 2. Songadh Infrastructure & Housing Ltd. 3. JK Enviro-tech Ltd. 4. JK Paper International (Singapore) Pte. Ltd. 5. The Sirpur Paper Mills Limited
2	Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).	The Company encourages participation of its subsidiary companies in its group-wide Business Responsibility ("BR") initiatives. The four Indian subsidiary companies are aligned with the Company's BR initiatives.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	No, the entities that the Company does business with, do not participate in the BR Initiatives of the Company

SECTION D: BR INFORMATION

1. Details of Director(s) responsible for BR

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

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

b) Details of BR head

1	DIN number	00030694
2	Name	A. S. Mehta
3	Designation	President & Director
4	Contact number	011-30179503
5	Email id	asmehta@jkmail.com

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

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

Principles	Description	Company's Policy
Principle 8	Businesses should support inclusive growth and equitable development	CSR Policy
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Quality Policy

Details of compliance (Reply in Y/N)

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

*Visit www.jkpaper.com/index.php?option=com_content&view=article&id=88&Itemid=38

** The Company has evaluated the Policies internally.

3. Governance related to BR

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

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

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

   The BR report is available at the website of the Company and may be accessed at https://www.jkpaper.com/images/pdf/annual_reports/JK%20AReport_2019-20_final.pdf. The report is published annually.

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

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

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

In order to reaffirm this commitment, the Company has several policies guided by the Code of Conduct that are applicable to the Board, Management as well as all the employees of the Company. We take pride in our 'Quality Policy' which aims at providing customer delight-both internal and external-through our products at lowest cost by continuous improvement in processes, productivity, quality and management systems. Finally, we ensure accountability with respect to the said commitment through a vigil mechanism providing a common platform for associates and employees of the Company to report any suspected frauds, unethical behaviour, grievances, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company.

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

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

   Eight investor complaints were received during the financial year ended 31st March 2020, all of which were promptly resolved to the satisfaction of the investor concerned. Customer complaints have been covered under Principle 9. No other stakeholder complaints from depositors, vendors, dealers etc. were received. All queries were promptly responded to the stakeholder concerned.

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

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

   All the products manufactured by the Company viz. paper and board, are manufactured taking into account social and environmental concerns. The Company continues to remain focussed on delivering stakeholder value while maintaining ecological balance. Rooted in the concept of sustainable development, the Company aims to deliver products that satisfy customer needs while being durable, resource-efficient as well as economically feasible. Sustainability is embedded into various stages of our product life-cycle, including procurement, manufacturing, transportation, distribution and, finally, the disposal of product by the customer. Responsible and sustainable procurement of fibre is both a key policy and principle at the Company. Manufacturing units of the Company are both FSC-COC (Forest Stewardship Council – Chain of Custody) and FSC-FM (Forest Stewardship Council – Forest Management) certified. The Company takes up plantations under the Forest Stewardship Council Forest management certification programme and this has benefited the farmers through adoption of better and more sustainable management of plantations. The Company has facilitated plantation of more than 2,022 lac trees in the last four years (2016-17 to 2019-20). The Company carries extensive research and development to develop short rotation, genetically superior, site specific and disease resistant clones with rotation of about 3 years for the improvement of plantation yields, which results in increased returns to farmers. We also provide free of cost technical support from planting to its harvesting and training & development to farmers to achieve higher wood yield.

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

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

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

   Raw material: The material intensity (wood consumed per ton of product) of the Company was 1.60 ADMT/MT in FY 2018-19 and 1.59 ADMT/MT in FY 2019-20.

   Energy: The energy intensity (total energy consumed per ton of product) was 971 Kwh/ MT in FY 2018-19 and 959 in FY 2019-20.

   Water: Water consumption per ton of product has reduced from 38.85/ MT in FY 2018-19 to 34.74 M3/MT in FY 2019-20.

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

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

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

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

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

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

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

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

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

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

1. Total number of employees: 2506 – permanent employees
2. Total number of employees hired on temporary/contractual/ casual basis: 3838
3. Number of permanent women employees: 34
4. Number of permanent employees with disabilities: Nil
5. Do you have an employee association that is recognised by management?

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

6. What percentage of your permanent employees is members of this recognised employee association? 32.31%
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
   (a) Permanent Employees – 100%
   (b) Permanent Women Employees – 100%
   (c) Casual/Temporary/Contractual Employees – Need based

   The skills and knowledge of the Company's workforce are among its greatest strengths. The Company continues to focus on learning and skill development of its employees, various tools of learning viz. e-gyan portal, an online portal for learning are being run by the Company to enhance the capabilities and knowledge of its employees. The Company believes in 70-20-10 philosophy of training and education. Maximum learning and development, i.e. 70%, takes places through hands-on involvement and practical experience, 20% is achieved through classroom training and the remaining 10% through textual learning. Continuous learning and development are essential. In FY 2019-20, the Company imparted an average of 25 hours of training per employee on topics such as safety, as well as technical training specific to the employees' different roles. Almost all the employees form part of the Company's safety and skill upgradation programmes.

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

1. Has the Company mapped its internal and external stakeholders? Yes/No

   Yes, the Company has identified key stakeholder groups and mapped its internal and external stakeholders. The key categories include (i) Government and regulatory authorities; (ii) Employees; (iii) Consumers; (iv) Suppliers; (v) Investors, Shareholders & Lenders; (vi) Local Community; (vii) NGOs.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

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

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

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

Principle 5: Businesses should respect and promote human rights.

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

   The Company is committed to protect the human rights of its stakeholders. Human resource is considered as a valuable resource in the organization. Human resource practices of the Company aim at ensuring not only protection but also respect for human rights. Various policies viz. Safety of Women & Prevention of Sexual Harassment at workplace (SHAW), Prohibition of Child Labour, Code of Conduct, Policy on Preventing Forced Labour, Policy on Discrimination etc. are in place to ensure protection of Human Rights of the employees and other stakeholders. The Company, within its sphere of influence, promotes the awareness and realization of human rights across its value chain. To this extent, the Company extends its initiatives to promote human rights to external stakeholders including suppliers and contractors. The Company's approach to managing human rights is aligned with internationally recognised principles and guidelines. It is a constant endeavour to ensure that none of the suppliers engage in employment of child, forced or compulsory labour. The Company strongly prohibits the employment of child, forced or compulsory labour in all its operations.

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

   In the reporting period, no violations or complaints surfaced and no areas were discovered where any of our operations or suppliers might be found to have significant risk of child labour or forced or compulsory labour or infringed human rights of other stakeholders.

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

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

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

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

   Yes, the Company has taken up several initiatives to address global environmental issues such as climate change, global warming, waste minimisation, effluent reduction, water conservation. The Company has also signed an 'Emission Reduction Purchase Agreement (ERPA)' with the Bio Carbon Fund of the World Bank covering 1,608 Ha of farmland mainly owned by small and marginal farmers associated with JK Paper's plantation program. This program provides additional income for participating farmers, besides reducing harmful greenhouse gases and global warming. Necessary efficient air pollution control / Water Pollution control equipment are installed to control air emissions from the boilers. For further details, refer http://www.jkpaper.com/index.php?option=com_content &view=article&id=32&Itemid=33

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

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

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

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

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

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

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

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

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

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

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

   During the FY 2019-20, there were no non-compliances with environmental laws and/or regulations and the Company did not pay any fines towards any case pending from previous years.

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

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

   The Company is member of the following associations:

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

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

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

   The Company continuously advocates the use of alternative fuels, energy conservation and afforestation. For social development projects, the Company partners with organisations such as Bharat Yuva Shakti Trust (BYST), SPARSH (NGO), National Skill Development Corporation (NSDC) etc. to seek their participation and involvement in implementing various initiatives. Some of the major programmes undertaken on a continual basis are training of youths in entrepreneurship which enabled them to earn livelihood for themselves and their families.

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

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

   The Company has been one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of environment, conservation of natural resources, health, education, rural development and livelihood interventions etc. Accordingly, over the years, its programs have diversified to women empowerment, entrepreneurship sustainable agriculture and climate resistant farm technologies along with modern health care and education. The Company has a CSR Policy in accordance with the provisions of the Companies Act 2013 and rules made there under. The contents of the CSR Policy are disclosed on the website of the Company.

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

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

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

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

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

   During the financial year 2019-20, the Company had contributed ₹7.63 crores to Community Development Projects. Out of this, ₹5.27 crores was incurred through SPARSH and Bharat Yuva Shakti Trust and the balance by the Company.

   The details of the community development projects undertaken during the financial year 2019-20 are given in Corporate Social Responsibility Report which forms part of this Annual Report.

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

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

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

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

   During the financial year, 633 Customer complaints were received, out of which, only 26 complaints (4.11%) were pending as on 31st March 2020.

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

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

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

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

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

   The Company is focused on delivering value to its customers and therefore, customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback for the Company for providing the best possible service to customers and to continuously improve in its engagement with customers.

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 practiced by its entire management cadre.

2.1 Board of Directors

The Board of Directors presently consists of thirteen Directors of which two are Executive Directors and Eleven are Non-Executive Directors. Out of eleven Non-Executive Directors, seven are Independent Directors. Details are as given hereunder:

Sl. No.^	Name of the Director	Category	No. of Board Meetings attended during 2019-20	Whether attended last A.G.M. (23.08.2019)	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Director-ships $	Other Committee Member-ships **	Other Committee Chairman-ships **
1.	Shri Bharat Hari Singhania, Chairman	Non- Executive Non-Independent	5	Yes	4	1	-
2.	Shri Harsh Pati Singhania, Vice Chairman & Managing Director	Executive	5	Yes	2	-	-
3.	Shri Arun Bharat Ram #	Independent	3	No	3	-	-
4.	Shri Dhirendra Kumar	Non- Executive Non-Independent	5	No	5	2	-
5.	Smt. Deepa Gopalan Wadhwa # (w.e.f. 27.06.2019)	Independent	4	No	4	1	-
6.	Shri M.H.Dalmia #	Independent	2	No	-	-	-
7.	Shri R.V. Kanoria #	Independent	5	No	7	4	2
8.	Shri Sandip Somany #	Independent	3	No	4	1	-
9.	Shri Shailendra Swarup #	Independent	3	No	8	5	-
10.	Shri S.K. Roongta	Non- Executive Non-Independent	5	No	8	6	2

Sl. No.^	Name of the Director	Category	No. of Board Meetings attended during 2019-20	Whether attended last A.G.M. (23.08.2019)	No. of other Directorships and Committee Memberships / Chairmanships		
					Other Director-ships $	Other Committee Member-ships **	Other Committee Chairman-ships **
11.	Shri Udayan Bose #	Independent	3	Yes	2	2	2
12.	Smt. Vinita Singhania	Non- Executive Non-Independent	5	No	4	-	-
13.	Shri A.S. Mehta, President & Director	Executive	5	Yes	5	5	2

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

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

^ DIN of the above named Directors in seriatim: 1. DIN: 00041156, 2. DIN: 00086742, 3. DIN: 00694766, 4. DIN: 00153773, 5. DIN: 07862942, 6. DIN: 00009529, 7. DIN: 00003792, 8. DIN: 00053597, 9. DIN: 00167799, 10. DIN: 00309302, 11. DIN: 00004533, 12. DIN: 00042983 and 13. DIN: 00030694.

** Only covers Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee.
Shri Bharat Hari Singhania, Chairman and Shri Harsh Pati Singhania, Vice Chairman & Managing Director are related to each other.

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

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

Sl. No.	Name of the Company	Category
(vii) Shri Shailendra Swarup		
1.	Gujarat Flurochemicals Limited	Independent Director
2.	Bengal & Assam Company Limited	Independent Director
3.	Subros Limited	Independent Director
4.	Jagran Prakashan Limited	Independent Director
5.	GFL Limited	Independent Director
6.	Sterling Tools Limited	Independent Director
(viii) Shri S.K. Roongta		
1.	Jubilant Life Sciences Limited	Independent Director
2.	ACC Limited	Independent Director
3.	Jubilant Industries Limited	Independent Director
4.	Talwandi Sabo Power Limited	Non Executive Non - Independent Director
(ix) Shri Udayan Bose		
1.	Pritish Nandy Communications Limited	Independent Director
(x) Smt. Vinita Singhania		
1.	JK Lakshmi Cement Limited	Executive Director
2.	Bengal & Assam Company Limited	Non-Executive Non - Independent Director
3.	HEG Limited	Non-Executive Non - Independent Director
4.	Udaipur Cement Works Limited	Non-Executive Non - Independent Director
(xi) Shri A.S. Mehta, President & Director		
1.	Umang Dairies Limited	Independent Director
2.	JK Agri Genetics Limited	Independent Director

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

Date and number of Board Meetings held

Five Board Meetings were held during the year 2019-20 i.e., on 8th May, 2019, 23rd July, 2019, 23rd October, 2019, 27th January, 2020 and 27th February, 2020.

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

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

3. Separate Meeting of the Independent Directors

In accordance with the provisions of Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 27th January 2020. Shri Arun Bharat Ram was unanimously elected as Chairman of the meeting and all the Independent Directors of the Company were present at the said Meeting except Shri Shailendra Swarup and Shri Udayan Bose to whom leave of absence was granted.

4. Familiarisation Programme for Independent Directors

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various 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. Board Skills, Expertise or Competence

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

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

6. Performance Evaluation

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

Accordingly, the Board of Directors has made formal annual evaluation of its own performance, and that of its Committees and Individual Directors (including Independent Directors) in accordance with the manner specified by the Nomination and Remuneration Committee of Directors.

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

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

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

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

7. Audit Committee

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

Five meetings of the Committee were held during the year 2019-20.

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

Name	Position	Category	No. of Meetings attended
Shri Udayan Bose	Chairman	Independent Director	4
Shri Arun Bharat Ram	Member	Independent Director	2
Shri R.V. Kanoria	Member	Independent Director	5
Shri A.S. Mehta	Member	Executive Director	5

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

Dates of meetings	No. of Members attended
8th May 2019	4
23rd July 2019	3
9th August 2019	3
23rd October 2019	3
27th January 2020	3

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

8.1 Nomination and Remuneration Committee

The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations.

Three meetings of the Committee were held during the year 2019-20.

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

Name	Position	Category	No. of Meetings attended
Shri Arun Bharat Ram	Chairman	Independent Director	2
Shri Bharat Hari Singhania	Member	Non-Executive Non-Independent Director	3
Shri R.V. Kanoria	Member	Independent Director	3
Shri Udayan Bose	Member	Independent Director	3
Shri Dhirendra Kumar	Member	Non-Executive Non-Independent Director	2

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

Dates of meetings	No. of Members attended
8th May 2019	5
27th June 2019	4
23rd October 2019	4

8.2 Nomination and Remuneration Policy

In accordance with the provisions of the Act and the Listing Regulations, the Company has put in place the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management of the Company including criteria for determining qualifications, positive attributes, independence of a Director as well as a policy on Board Diversity. The said policy is available at the website of the Company and the weblink for the same is https://www.jkpaper.com/images/pdf/Nomination%20and%20Remuneration%20Policy.pdf. The said policy provides as follows:

(i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment of a Director of the Company: (a) Qualifications & Experience (b) Positive attributes like respect for Company's core values, professional integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as an Independent Director as per the Act, Listing Regulations and other 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 Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable Companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.

(iii) The Board will review on an annual basis, the performance of the Board of Directors, its Committees and individual Directors as per the manner of performance evaluation specified by the Committee from time to time.

(iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.

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

8.3 Remuneration paid to Directors

A. Executive Directors

The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the financial year ended 31st March, 2020 to the Executive Directors of the Company is as follows: Shri Harsh Pati Singhania, Vice Chairman & Managing Director: ₹7.41 crores plus ₹18.55 crores payable as commission and performance linked incentive as applicable and Shri A.S. Mehta, President & Director: ₹3.17 crores plus ₹1.15 crores payable as commission and performance linked incentive as applicable.

The Company does not have any Stock Option Scheme. In the case of Executive Directors, notice period is 6 months. Severance fee for the Vice Chairman & Managing Director is remuneration for the unexpired residue of term or for 3 years, whichever is shorter and for the President & Director, 6 months' salary in lieu of notice period.

B. Non-Executive Directors

The Company has paid sitting fees aggregating to ₹42.70 lacs to all Non-Executive Directors for attending the meetings of the Board and/or Committees of Directors (including sitting fee for a separate meeting of Independent Directors), during the financial year 2019-20. In addition to sitting fees, commission of ₹200 lacs is payable to Shri Bharat Hari Singhania, Chairman and ₹17 lacs each to Shri Arun Bharat Ram, Shri Dhirendra Kumar, Shri R.V. Kanoria, Shri Udayan Bose, Shri Sandip Somany, Shri Shailendra Swarup, Shri M.H. Dalmia, Smt. Vinita Singhania and Shri S.K. Roongta and ₹13 lacs to Smt. Deepa Gopalan Wadhwa, in accordance with the Special Resolution passed by the Members of the Company at the Annual General Meeting held on 14th September 2016. Number of Equity shares of ₹10/- each of the Company held by the Non-Executive Directors: Shri Bharat Hari Singhania (2,45,600 Equity Shares) and Smt. Vinita Singhania (7,32,350 Equity Shares).

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

9. Stakeholders' Relationship Committee

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

Four meetings of the Committee were held during the year 2019-20.

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

Name	Position	Category	No. of Meetings attended
Shri Udayan Bose	Chairman	Independent Director	3
Shri Arun Bharat Ram	Member	Independent Director	2
Shri R.V. Kanoria	Member	Independent Director	4
Shri A.S. Mehta	Member	Executive Director	4

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

Dates of meetings	No. of Members attended
8th May 2019	4
23rd July 2019	3
23rd October 2019	3
27th January 2020	3

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

Eight investor complaints were received during the financial year ended 31st March 2020, all of which were promptly resolved to the satisfaction of the investor concerned.

The Board has delegated the power of physical share transfer/transmission/ transposition to the Committee of Directors which are regularly attended and all valid requests are processed in time. However, pursuant to SEBI Notification dt. 30th November 2018 read with Regulation 40 of the Listing Regulations, requests for effecting physical transfer of shares are now not being processed.

10. General Body Meetings:

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

Year	Location	Date	Time
2016-17	P.O. Central Pulp, Mills – 394 660 Fort Songadh, Distt. Tapi, Gujarat	14-09-2017	12.30 P.M.
2017-18	Same as above	17-08-2018	12.30 P.M.
2018-19	Same as above	23-08-2019	12.30 P.M.

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

(a) At the last Annual General Meeting of the Company held on 23rd August 2019, following Special Resolutions were passed:

(i) Reappointment of (a) Shri Arun Bharat Ram (DIN: 00694766) and (b) Shri M.H. Dalmia (DIN: 00009529) as Independent Directors of the Company for a second term for three consecutive years.

(ii) Reappointment of Shri Shailendra Swarup (DIN: 00167799) as an Independent Director of the Company for a second term for four consecutive years.

(iii) Reappointment of (a) Shri R.V. Kanoria (DIN: 00003792), (b) Shri Sandip Somany (DIN: 00053597) and (c) Shri Udayan Bose (DIN: 00004533) as Independent Directors of the Company for a second term for five consecutive years.

(iv) Approval of payment of annual remuneration for FY ended March 2019 to Shri Bharat Hari Singhania, Chairman (Non-Executive Director) of the Company.

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

(i) Issue of Non-Convertible Debentures of upto ₹500 crores on private placement basis.

(ii) Continuation of (a) Shri Bharat Hari Singhania (DIN: 00041156), (b) Shri Dhirendra Kumar (DIN: 00153773), as Non-Executive Directors of the Company, and (c) Shri Arun Bharat Ram (DIN: 00694766), (d) Shri M.H. Dalmia (DIN: 00009529), as Non-Executive Independent Directors of the Company.

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

(C) No Special Resolution was required to be passed through postal ballot during the financial year 2019-20.

(D) No immediate proposal is there for passing any resolution through postal ballot.

11. DISCLOSURES

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

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

The Company has also formulated a policy on dealing with Related Party Transactions and also on the materiality of Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is https://www.jkpaper.com/images/pdf/Related%20Party%20Transaction%20Policy.pdf.

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

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: None

(iii) Vigil Mechanism/Whistle Blower Policy: The Board of Directors of the Company at its meeting held on 11th August 2014 has formulated a Vigil Mechanism/the Whistle Blower Policy for the Directors and Employees of the Company to report their genuine concerns or grievances relating to actual or suspected fraud, unethical behaviour, violation of the Company's Code of Conduct or Ethics Policy, and any other event which would adversely affect the interests of the business of the Company. Whistle Blowers may send their concerns/complaints to the Chairman of Audit Committee in a sealed envelope marked confidential, for appropriate action.

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

(iv) Prevention of Sexual Harassment of Women at Workplace: The Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the

Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment, has set up a Internal Complaints Committee at its work place(s) to redress the complaints of women employees and requisite disclosures in relation thereto are as under:

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

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

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

(v) 1. **Risk Management**

The Company has an elaborate Risk Management System to inform Board Members about risk assessment and minimization procedures.

2. **Risk Management Committee**

Pursuant to the provisions of Regulation 21 of the Listing Regulations, Board at its Meeting held on 8th May 2019 had constituted the Risk Management Committee.

The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of the Regulation 21 of the Listing Regulations. One Meeting of the Committee was held during the year 2019- 2020 i.e., on 27th January, 2020.

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

Name	Position	Category	No. of Meetings attended
Shri R.V. Kanoria	Chairman	Independent Director	1
Shri S.K. Roongta	Member	Non-Executive Non-Independent Director	1
Shri A.S. Mehta	Member	President & Director	1
Shri V. Kumaraswamy	Member	Chief Finance Officer	1
Shri Partha Biswas	Member	Chief (Marketing & Sales)	0

(vi) Disclosure of commodity price risks and commodity hedging activities: The Company manages fluctuations in raw material prices through stocking by advance procurement when the prices are perceived to be low and also enters into annual buying contracts as strategic sourcing initiative in order to keep raw material availability and prices under check.

(vii) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations: During the financial year ended 31st March 2020, the Company has not raised any funds through preferential allotment or through Qualified Institutions Placement.

(viii) A certificate has been issued by Shri Shiv Kumar Gupta, Company Secretary in Practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

(ix) There were no instances where the Board had not accepted any recommendation of any Committees of the Board which is mandatorily required during the financial year ended 31st March 2020.

(x) During the financial year ended 31st March 2020, the Company and its subsidiary, namely, The Sirpur Paper Mills Limited has paid total fees for various services including statutory audit, amounting to ₹45.83 lacs, including taxes, to the Statutory Auditors, namely, M/s Lodha & Co., Chartered Accountants. Further, no fees was paid by any of the subsidiaries or by the Company to any entity in the network firm/ network entity of which the Statutory Auditors is a part.

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

The minutes of the Board meetings of unlisted subsidiary companies are placed at the Board meeting of the Company. A statement of all significant transactions and arrangements entered into by unlisted subsidiary companies, if any, are also placed at the Board meeting of the Company.

The Company has formulated a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations and the same is disclosed on the Company's Website. The web link for the same is http://www.jkpaper.com/images/pdf/Policy%20for%20Determining%20Material%20Subsidiary.pdf.

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

(xii) **Corporate Social Responsibility Committee:**

The Composition and Role of the Committee are in conformity with the provisions of Section 135 of the Act.

Two Meetings of the Committee were held during the year 2019- 2020 i.e., on 8th May 2019 and 27th January 2020.

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

Name	Position	Category	No. of Meetings attended
Shri Harsh Pati Singhania	Chairman	Executive Director	2
Shri Shailendra Swarup	Member	Independent Director	1
Shri A.S. Mehta	Member	Executive Director	2

(xiii) Dividend Distribution Policy:

1. Preamble

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

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

2. Objective

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

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

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

3. Factors to be considered while declaring dividend

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

(1) Profitability of the Company during the relevant year

(2) Past Dividend trends

(3) Leverage profile

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

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

(6) Economic conditions and regulatory environment.

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

4. Utilisation of Retained Earnings

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

5. Declaration of Dividend

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

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

6. Review & Modification of Dividend Distribution Policy

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

7. Disclaimer

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

12. Means of Communication

Quarterly, half yearly and annual financial results are normally published in the Economic Times newspaper (in all editions including Gujarati edition) and are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the website of the Company, www.jkpaper.com. Management Discussion & Analysis and Sustainability and Business Responsibility Report form part of the Annual Report.

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

13. General Shareholders' Information

(i)	**Annual General Meeting (AGM):**		
	(a) Date and Time	:	Friday, 11th September 2020 at 12.30 P.M.
	Venue	:	P.O. Central Pulp Mills- 394 660, Fort Songadh, Distt. Tapi, Gujarat.
	(b) A brief resume and other particulars of Director(s) seeking re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.		
(ii)	**Book Closure/ Record date:**	:	7th September 2020 to 11th September 2020 (both days inclusive)
(iii)	**Dividend Payment Date:**	:	Not Applicable as the Company has not proposed any final dividend on Equity Shares for the financial year ended 31st March 2020
(iv)	**Financial Calendar:**	:	Year Ending March 31
	Annual General Meeting for the year ending March 31, 2021	:	Between June and September 2021

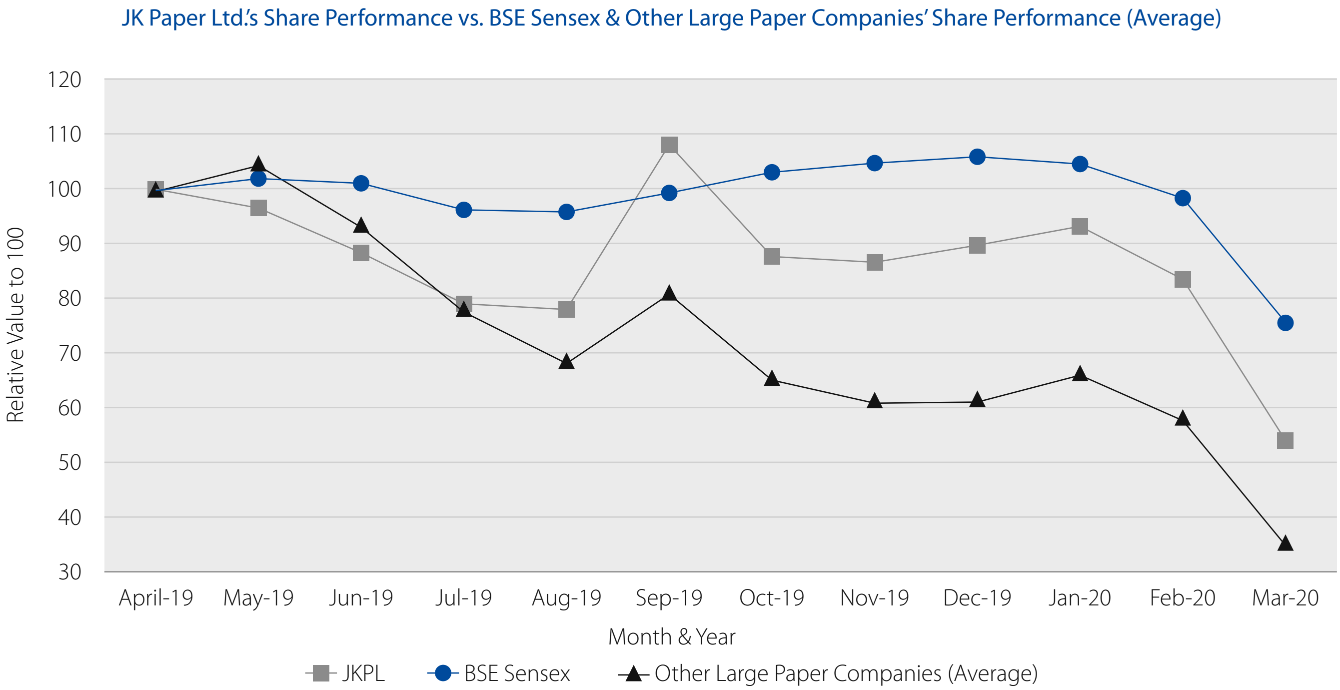
(v) **Names and address of Stock Exchanges (including Stock Code) where equity shares of the Company are listed: The Equity Shares of the Company are listed on the following Stock Exchanges:**

BSE Limited (Stock Code-532162) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	National Stock Exchange of India Ltd. (Stock Code – JKPAPER) "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai - 400 051
The annual listing fee for the financial year 2020-21 has been paid to both the aforesaid Stock Exchanges.	

(vi) **Stock Market Price Data:**

Month	Stock Market Price on BSE Limited (BSE)		Stock Market Price on National Stock Exchange of India Limited (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
2019				
April	155.50	137.65	155.90	137.10
May	145.80	122.15	145.55	122.05
June	134.40	120.00	134.45	120.10
July	132.75	107.50	132.70	107.45
August	113.00	93.10	112.95	94.10
September	151.95	100.10	151.85	100.00
October	151.80	111.15	151.65	111.15
November	128.60	113.05	128.70	113.15
December	134.90	114.60	134.95	114.45
2020				
January	140.70	123.25	140.80	123.15
February	133.60	114.50	133.50	114.45
March	118.80	62.20	119.00	62.00
	(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 2019 to March 2020]



(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 for Equity Shares of the Company for both the depositories is INE789E01012. As on 31st March 2020, 97.57% of the Company's Equity Share Capital was in dematerialised form.

In respect of Shares held in dematerialised form, all the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account. The Company will not be in a position to process such requests.

(ix) **Share transfer system:** The transmission of shares in physical form is normally processed and completed within 21 days after receipt of the specified documents. In case of shares held in dematerialized form, the transfers/transmissions are processed by National Securities Depository Limited / Central Depository Services (India) Limited through respective Depository Participants. Pursuant to SEBI Notification dt. 30th November 2018 read with Regulation 40 of the Listing Regulations, except in case of transmission or transposition of securities, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository.

(x) **(a) Distribution of Equity Shareholding (both in physical and electronic form) as on 31st March 2020:**

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	77,763	85.30	91,95,587	5.16
501 to 1,000	6,167	6.76	50,28,890	2.82
1,001 to 5,000	5,659	6.21	1,31,64,783	7.38
5,001 to 10,000	827	0.91	60,74,192	3.41
Over 10,000	750	0.82	14,47,80,133	81.23
Total	**91,166**	**100.00**	**17,82,43,585**	**100.00**

(b) Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March 2020:

Category	No. of Equity Shares held	Percentage of Shareholding
Domestic Companies	9,43,70,899	52.94
Resident Individuals & Trusts	6,43,22,422	36.09
FIs, Mutual Funds & Banks	14,20,697	0.80
Foreign Investors/FPIs/ NRIs	1,81,29,567	10.17
Total	**17,82,43,585**	**100.00**

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

(xii) **Commodity price risk or foreign Exchange risk and hedging activities:** During the financial year ended 31st March 2020, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts, swaps & options for hedging foreign exchange exposures against imports and exports.

The Company is having a Risk Management framework for identifying various risks and for formulating plans for mitigating the same. The risks as well as mitigating plans are reviewed from time to time and are updated as may be required. The Company has also identified various risks involved in respect of key raw material and has drawn risk mitigation plans for the same. Hardwood & Bamboo are considered a material commodity, as its consumption in comparison to the overall cost of raw materials consumed, is around 47%. During the financial year ended 31st March 2020, the Company consumed 8.24 lac MT of Hardwood & Bamboo, valuing ₹567.58 crores. The Company does not have any exposure hedged through commodity derivatives.

(xiii) **Plant locations:**

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

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

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

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

(xv) **List of all credit ratings obtained by the Company along with any revisions thereto during the financial year ended 31st March 2020:**

A. Rating From CRISIL

At the beginning of Financial Year	
Long Term Rating	CRISIL A+/Stable
Short Term Rating	CRISIL A1
Fixed Deposit	FAA-/Stable
Upgraded during the year	
Long Term Rating	CRISIL AA-/Stable
Short Term Rating	CRISIL A1+
Fixed Deposit	FAA/Stable

B. Rating From India Ratings	
At the beginning of Financial Year	
Long Term Rating	IND A+/Stable
Short Term Rating	IND A1+
Fixed Deposit	IND tAA-/Stable
Upgraded during the year	
Long Term Rating	IND A+/Stable
Short Term Rating	IND A1+
Fixed Deposit	IND tAA-/Stable

(xvi) This Corporate Governance Report of the Company for the financial year ended 31st March 2020 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xvii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations- (a) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.jkpaper.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (b) Modified opinion(s) in audit report: The financial statements (both standalone and consolidated) of the Company for the financial year ended 31st March 2020 are with unmodified audit opinion; (c) Separate posts of Chairperson and CEO: Shri Bharat Hari Singhania is the Chairman of the Company and Shri Harsh Pati Singhania is the Vice Chairman & Managing Director of the Company; and (d) Reporting of Internal Auditor: The Head of Internal Audit of the Company administratively reports to the President & Director. However, his Internal Audit Reports are placed before the Audit Committee.

(xviii) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub–regulation (2) of Regulation 46 of the Listing Regulations.

(xix) Disclosure with respect to demat suspense account/ unclaimed suspense account

There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2019-20.

However, during the financial year 2019-20, the Company had transferred 4,814 Equity Shares to Investor Education and Protection Fund Authority pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

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 2020.

Harsh Pati Singhania
Vice Chairman & Managing Director

15. Code for Prevention of Insider Trading

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended, the Board of Directors of the Company has adopted (i) the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and (ii) the Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons in terms of the said Regulations.

INDEPENDENT AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
JK Paper Limited

1. We have examined the compliance of the conditions of Corporate Governance by JK Paper Limited ("the Company") for the year ended on 31st March, 2020, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

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

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI Listing Regulations during the year ended 31st March, 2020.

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

Restriction on Use

9. This certificate is issued solely for the purpose of complying with the aforesaid Regulations. Our Certificate should not to be used for any other purpose or by any person other than the addressees of this Certificate. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For **Lodha & Co.**
Chartered Accountants
Firm Registration No. 301051E

N.K. Lodha
Partner
Membership No.: 85155

Place: New Delhi
Date: 12th May 2020
UDIN: 20085155AAAABN9382

Financial Statements

Independent **Auditor's Report**

To
The Members of
JK Paper Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of JK Paper Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its Profit including Other Comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st March, 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. For each matter below, our description of how our audit addressed the matter is provided in that context:

Description of Key Audit Matter	Audit procedures to addressed the key audit matter
1. Valuation of financial instruments (held at fair value including securities and financial Guarantees) The company has given letter of comfort to banker against borrowing facilities extended to a step down subsidiary of ₹361.14 crs (PY ₹166.14 crs) . The Company has also invested ₹121 crs up to year end in the preference share capital of subsidiaries (including a step down subsidiary) where dividend rate is not at par with market instruments. We have considered the valuation of financial instruments as key audit matter considering complexities and financial impact involved over financial statements.	Our audit procedures includes: Control testing: • We tested the design and operating effectiveness of key Controls. • Controls over the validation, completeness, implementation and usage of valuation models. Independent reperformance: • Our own valuation specialists independently challenged management on the valuations where they were found outside our expected range. Methodology choice: • In the context of observed industry practice, our own valuation specialists assisted us in challenging the appropriateness of significant models and methodologies used by an independent valuer in calculating fair values, risk exposures, completeness of risk factors, and in calculating FVAs.

Information Other than the Financial Statements and Auditor's Report Thereon

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Companies Act, 2013 we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013 we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Companies Act, 2013 we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) The managerial remuneration for the year ended 31st March, 2020 has been paid/ provided for by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act.

   h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.;

      ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.;

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

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

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

Place: New Delhi
Date: 12th May, 2020
UDIN: 20085155AAAABI1980

Annexure – A to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the JK Paper Limited on the standalone financial statements for the year ended 31st March, 2020, we report that:

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

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at Balance Sheet date except as stated in note no. 2(a) of the standalone financial statements.

(ii) The inventories of the Company (except stock in transit, which has been verified on receipt of material and to be read with note no. 37 w.r.t. year end verification of inventory) have been physically verified by the management at reasonable intervals and the procedures of physical verification of inventory followed by the Management are reasonable in relation to the size of the Company and nature of its business. The discrepancies noticed on such physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.

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

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

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 of the Act or any other relevant provisions of the Act and the rules framed there under with regard to deposits accepted from the public. We have been informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or other Tribunal in this regard.

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

(vii) (a) According to the records of the company, the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, custom duty, goods and service tax, cess and other material statutory dues, with the appropriate authorities to the extent applicable and there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March, 2020.

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

Name of the statute	Nature of dues	Period to which amount relates	Amount involved (₹ in crores)	Forum where dispute is pending
Central Excise Act, 1944	Central Excise	1981-1983	0.70	Deputy Commissioner Central Excise, Raygada
		1982-1983	0.41	Supreme Court
		1986-1995	1.31	High Court, Cuttack
		2004-2010	0.20	CESTAT Ahmedabad
		2007-2010	2.88	CESTAT Ahmedabad
		2008-2012	0.69	CESTAT Ahmedabad

Name of the statute	Nature of dues	Period to which amount relates	Amount involved (₹ in crores)	Forum where dispute is pending
		2009-2010	0.05	CESTAT Ahmedabad
		2010-2011	0.09	CESTAT Ahmedabad
		2011-2012	0.09	CESTAT Ahmedabad
		2011-2012	0.36	Addl. Commissioner Excise, Bhubaneshwar
		2011-2015	2.56	CESTAT Ahmedabad
		2012-2013	0.09	CESTAT Ahmedabad
		2012-2014	0.16	CESTAT Ahmedabad
		2013-2014	0.05	CESTAT Ahmedabad
		2014-2015	0.04	CESTAT Ahmedabad
		2014-2015	0.03	CESTAT Ahmedabad
		2014-2017	0.10	Asst. Commissioner, Rayagada
		2015-2016	7.42	CESTAT Mumbai
		2015-2016	0.04	CESTAT Ahmedabad
		2015-2017	0.08	CESTAT Ahmedabad
		2015-2017	0.23	Commissioner (Appeals), Surat
Custom Act, 1962	Custom Duty	2011-2012 & 2012-2013	0.69	CESTAT Ahmedabad
Finance Act, 1944	Service Tax	FY 2009-2010	0.25	Commissioner (Appeals), Surat
		2014-16	0.16	CESTAT Ahmedabad
Sales Tax	Sales Tax	1983-84/ 1987-88	0.05	Sales Tax Department - Delhi
		1997-1998	0.10	Sales Tax Tribunal - Cuttack
		2002-2003	0.01	Dy Commissioner Delhi
		2005-2009	0.15	Sales Tax Tribunal - Cuttack
		2006-2007	0.55	Gujarat VAT (Tribunal) Ahmedabad
		2012-2013	5.85	Sales Tax Tribunal - Cuttack
		2013-14 & 2014-15	0.59	Addl. Commissioner of Sales Tax, Cuttack
		2013-2015	0.07	JCCT, Rayagada
		2015-2016	0.08	Addl. Commissioner of Sales Tax, Berhampur
		2015-2016	0.14	Addl. Commissioner of Sales Tax, Berhampur
		2015-2016	0.01	Sales Tax, Tribunal, Cuttack, Orissa
		2016-2018	0.15	Sales Tax, Tribunal, Cuttack, Orissa
Income Tax Act, 1961	Income Tax	FY 2010-11	0.01	CIT(Appeals)
		FY 2015-16	0.03	CIT(Appeals)

(viii) In our opinion, on the basis of audit procedures and according to the information and explanation given to us, the company has not defaulted in repayment of loans and borrowings to financial institutions, banks or dues to Debenture holders. The company has not taken any loan from the government.

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

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

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

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

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

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

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

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

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

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

Place: New Delhi
Date: 12th May, 2020
UDIN: 20085155AAAABI1980

Annexure – B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of JK Paper Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Director of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

Place: New Delhi
Date: 12th May, 2020
UDIN: 20085155AAAABI1980

Balance Sheet as at March 31, 2020

₹ in crores (10 Million)

	Note	March 31, 2020	March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	2,500.57	2,567.43
Capital Work-in-Progress		348.55	37.10
Other Intangible Assets	3	21.03	0.27
Intangible Assets Under Development		0.48	15.10
Financial Assets			
Investments	4	318.31	275.93
Loans	5	163.50	41.13
Other Financial Assets	6	29.10	16.56
Other Non-Current Assets	7	172.85	15.34
		3,554.39	**2,968.86**
Current Assets			
Inventories	8	447.29	322.47
Financial Assets			
Investments	9	382.64	636.72
Trade Receivables	10	74.70	77.17
Cash and Cash Equivalents	11	23.34	9.24
Bank Balances other than above	12	6.88	5.80
Loans	13	93.00	73.04
Other Financial Assets	14	18.33	36.06
Other Current Assets	15	142.80	106.28
		1,188.98	**1,266.78**
Total Assets		**4,743.37**	**4,235.64**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	16	178.24	178.24
Other Equity		2,189.81	1,862.97
		2,368.05	**2,041.21**
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	1,016.08	1,074.77
Other Financial Liabilities	18	74.23	59.60
Provisions	19	9.10	7.49
Deferred Tax Liabilities (Net)	20	335.87	234.93
		1,435.28	**1,376.79**
Current Liabilities			
Financial Liabilities			
Borrowings	21	116.67	18.04
Trade Payables	22		
Micro & Small Enterprises		4.77	0.84
Others		332.47	265.64
Other Financial Liabilities	23	338.65	345.06
Other Current Liabilities	24	137.13	174.74
Provisions	25	6.39	5.55
Current Tax Liabilities	26	3.96	7.77
		940.04	**817.64**
Total Equity and Liabilities		**4,743.37**	**4,235.64**
Significant Accounting Policies	1		

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

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Statement of **Profit & Loss** for the year ended March 31, 2020

₹ in crores (10 Million)

	Note	2019-20	2018-19
REVENUES :			
Sales		3,254.20	3,469.19
Less : Discounts		240.07	235.55
Net Sales		**3,014.13**	**3,233.64**
Other Operating Revenues	27	40.17	22.66
Revenue from Operations		**3,054.30**	**3,256.30**
Other Income	28	81.16	55.77
Total Revenues		**3,135.46**	**3,312.07**
EXPENSES			
Cost of Materials Consumed	29	1,216.87	1,278.11
Purchases of Stock-in-Trade		279.90	301.53
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	30	(123.60)	47.19
Employee Benefits Expense	31	277.20	262.26
Finance Costs	32	122.81	122.40
Depreciation and Amortisation Expenses	33	143.56	125.30
Other Expenses	34	500.13	496.93
Total Expenses		**2,416.87**	**2,633.72**
Profit Before Interest, Depreciation & Tax (EBITDA)		**984.96**	**926.05**
Profit/(Loss) Before Tax		**718.59**	**678.35**
Tax Expense			
Current Tax (MAT)		215.38	144.99
Less : MAT Credit Entitlement		1.93	(99.24)
Provision / (Credit) for Deferred Tax		8.57	195.40
Profit for the period		**492.71**	**437.20**
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		(2.78)	(1.72)
(ii) Tax on (i) above		0.97	0.60
(iii) Equity Instruments through Other Comprehensive Income		(2.90)	(2.20)
(iv) Tax on (iii) above		-	-
Total Comprehensive Income for the period		**488.00**	**433.88**
Earnings per Equity Shares			
1) Basic (in ₹)		27.64	24.57
2) Diluted (in ₹)		27.64	24.51
Significant Accounting Policies	1		

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

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Statement of **Changes in Equity** for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

₹ in crores (10 Million)

March 31, 2018	Changes in Equity Share Capital during 2018-19	March 31, 2019	Changes in Equity Share Capital during 2019-20	March 31, 2020
175.50	2.74	178.24	-	178.24

B. OTHER EQUITY

Particulars	Reserve and Surplus						Other Comprehensive Income (OCI)		Total
							Items that will not be Reclassified to profit or loss		
	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Re-measurement of the net defined benefit plans	Equity Instruments through OCI	
March 31, 2018	571.94	29.92	3.00	513.21	-	350.59	(6.97)	8.40	1,470.09
Profit for the year	437.20	-	-	-	-	-	-	-	437.20
FCCB Conversion	-	-	-	12.72	-	-	-	-	12.72
Transfer from Retained Earnings	(200.00)	-	-	-	-	200.00	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	(1.12)	(2.20)	(3.32)
Transfer to debenture redemption reserve	(4.74)	-	-	-	4.74	-	-	-	-
Dividend including Corporate Dividend Tax	(53.72)	-	-	-	-	-	-	-	(53.72)
March 31, 2019	750.68	29.92	3.00	525.93	4.74	550.59	(8.09)	6.20	1,862.97
Profit for the year	492.71	-	-	-	-	-	-	-	492.71
Transfer from Retained Earnings	(200.00)	-	-	-	-	200.00	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	(1.81)	(2.90)	(4.71)
Dividend including Corporate Dividend Tax	(161.16)	-	-	-	-	-	-	-	(161.16)
March 31, 2020	882.23	29.92	3.00	525.93	4.74	750.59	(9.90)	3.30	2,189.81

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

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Notes to the Standalone Financial Statement for the year ended March 31, 2020

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES

I. The Company Overview

JK Paper Ltd, a Public Limited Company listed on the National Stock Exchange of India Ltd and the Bombay Stock Exchange Limited. The registered office of the Company is situated at Fort Songadh , Dist- Tapi- 394660,Gujarat. The Company is India's largest producer of branded papers and a leading player in Coated Papers and High-end Packaging Boards. The Company has two integrated Pulp and Paper Plants at Strategic Locations Unit JKPM in East (Rayagada, Odisha) and Unit CPM in West (Songadh, Gujarat). The Company has expanded its capacity multifold over the years and has been able to bring in state of the art technology as well. It is the 1st Indian paper company to introduce Colorlok Technology in its complete range of Copier papers in India,1st Indian paper company to get TPM certification from JIPM, Japan; 3rd Paper Company in the World and also 1st Paper Mill in India to get ISO 9001,ISO 14001 and OHSAS 18000.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting held on May 12, 2020.

II. Basis of Preparation of Financial Statements

(i) Statement of Compliance

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

(ii) Basis of Preparation

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (India Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

The financial statements have been prepared on an accrual basis and under the historical cost basis.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in INR and all values are rounded to the nearest ₹ crores (10 Million), except when otherwise indicated.

(iii) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(iv) Classification of Assets and Liabilities as Current and Non Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

III. Significant Accounting Policies for the year ended 31st March, 2020

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be met before revenue is recognised.

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Sale of Goods

Revenue from the sale of goods is recognised upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, the Company no longer has effective control over the goods sold, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of Goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss.

Interest Income

Interest income is recognized on time proportion basis using the effective interest method.

Dividend Income

Dividend income is recognized when the right to receive payment is established, which is generally when shareholders approve the same.

Renewal Energy Certificate

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on sale of REC's.

(ii) Inventory Valuation

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade, Stores & Spares and Renewable Energy Certificates are valued at the lower of cost and net realisable value (except scrap/waste which are value at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand cash at bank and demand deposits with banks with an original maturity of three months or less which are subject to an insignificant risk of change in value.

(iv) Property, Plant and Equipment

On transition to IND AS, the company has adopted optional exception under Ind AS 101 to measure Property, Plant and Equipment (PPE) at fair value. Consequently the fair value has been assumed to be deemed cost of PPE on the date of transition. Subsequently PPE are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

PPE acquired are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Capital work-in-progress includes cost of PPE under installation / under development as at the balance sheet date. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation on Buildings, Plant & Machinery, Railway Siding and Other Assets of all Units is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 10 to 40 years for plant and machinery and 8 to 60 years for buildings.

Depreciation on additions due to exchange rate fluctuation is provided on the basis of residual life of the assets. Depreciation on assets costing up to ₹5000/- and on Temporary Sheds is provided in full during the year of additions.

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Depreciation will be charged from the date the assets is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leased Assets

Leasehold lands are amortized over the period of lease, Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

(v) Research and Development Costs

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

(vi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company has adopted Ind AS 116 "Leases" effective April 1, 2019 (Transition date)

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company has adopted Ind AS 116 "Leases" effective April 1,2019(Transition date) using the simplified approach (Retrospective cumulative effect from April 1, 2019)

Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to

terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

In calculating the present value of lease payments, the Company uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in Note 2 of Property, Plant and Equipment (PPE) and Note 17 of Non Current Financial Liabilities -Borrowings. Lease payments have been classified as cash used in financing activities.

Short-Term Leases and Leases of Low-value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(vii) Impairment

The carrying amount of PPEs, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(viii) Financial Assets & Liabilities

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

(a) Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(b) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(c) Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Trade Receivables

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

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

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

Investment in Equity Shares

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

Investment in Associates, Joint Ventures and Subsidiaries

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

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

Derecognition

Financial Asset is primarily derecognised when:

(i) The right to receive cash flows from asset has expired, or

(ii) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a " pass-through" arrangement and either:

  a) The Company has transferred substantially all the risks and rewards of the asset, or

  b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below :

a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date with all the changes recognized in the Statement of Profit and Loss.

b) Financial Liabilities measured at Amortised Cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

c) Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

d) Trade and Other Payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of Financial Liability

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

Compound Financial Instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(ix) Foreign Exchange Transactions / Translations / Hedge Accounting

Financial statements are presented in Indian Rupee, which is Company's functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Financial instruments designated as Hedge Instruments are mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement except exchange differences arising on those Long term foreign currency monetary items, related to acquisition of depreciable capital assets being carried forward from previous GAAP, which are adjusted to cost of such assets and depreciated over their balance life pursuant to the option in Notification No. G.S.R 914(E) dated 29th December, 2011 issued by Ministry of Corporate Affairs. Non Monetary Foreign Currency items are stated at cost.

(x) Employee Benefits

a) Defined Contribution Plan

The Company makes defined contribution to Superannuation Funds, which are accounted on accrual basis as expenses in the statement of Profit and Loss

b) Defined Benefit Plan

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS-19), 'Employee Benefits'. These liabilities are funded on year-to-year basis by contribution to respective funds. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

The Defined Benefit Plan can be short term or Long terms which are defined below:

i) Short-Term Employee Benefit

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) Long-Term Employee Benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

c) Termination Benefits

Termination benefits are recognized as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

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

(b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(xi) Earnings per Share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(xii) Income Tax

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

(xiii) Provisions and Contingent Liabilities /Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(xiv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xvi) Fair Value Measurements

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market , in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xvii) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

a. Income Taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

Note 1. COMPANY OVERVIEW, BASIS OF PREPARATION & SIGNIFICANT ACCOUNTING POLICIES *(contd.)*

b. **Contingencies**

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

c. **Allowance for uncollected accounts receivable and advances**

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

d. **Defined Benefit Plans**

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. **Fair Value Measurement of Financial Instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Note 2. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in crores (10 Million)

Description	Gross Carrying Value				Depreciation				Net Carrying Value	
	April 1, 2019	Additions/ Adjustments	Sales/ Adjustments	March 31, 2020	April 1, 2019	For the year	On Sales/ Adjustments	March 31, 2020	March 31, 2020	March 31, 2019
Land - Freehold (a)	275.33	-	-	275.33	-	-	-	-	275.33	275.33
- Leasehold^	82.76	-	82.76	-	5.88		5.88	-	-	76.88
-Right-of-use Asset^	-	76.88	-	76.88	-	1.45	-	1.45	75.43	-
Building	294.43	0.47	0.06	294.84	41.59	11.54	0.05	53.08	241.76	252.84
Plant & Equipment (b)	2,285.99	30.80	11.07	2,305.72	350.24	110.05	6.06	454.23	1,851.49	1,935.75
Right-of-use Asset(Plant & Equipment)	-	38.94	-	38.94	-	12.03	-	12.03	26.91	-
Furniture and Fixture	3.90	0.04	-	3.94	1.03	0.36	-	1.39	2.55	2.87
Office Equipment	8.32	1.17	0.06	9.43	3.40	1.74	0.05	5.09	4.34	4.92
Vehicles & Locomotive	20.45	7.81	1.48	26.78	3.40	2.85	0.59	5.66	21.12	17.05
Railway Siding	2.57	-	-	2.57	0.78	0.15	-	0.93	1.64	1.79
Total	**2,973.75**	**156.11**	**95.43**	**3,034.43**	**406.32**	**140.17**	**12.63**	**533.86**	**2,500.57**	**2,567.43**
Previous year	2,893.78	94.37	14.40	2,973.75	291.08	125.07	9.83	406.32	2,567.43	

^ Reclassified on account of adoption of Ind AS-116.

Note 2. PROPERTY, PLANT AND EQUIPMENT (PPE) *(contd.)*

Notes:

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

b) During the year ₹9.03 crores has been added in Plant & Equipment due to Foreign Exchange Fluctuation (Net) (Previous year ₹5.83 crores was deducted) .

Note 3. OTHER INTANGIBLE ASSETS

₹ in crores (10 Million)

Description	Gross Carrying Value				Amortisation				Net Carrying Value	
	April 1, 2019	Additions/ Adjustments	Sales/ Adjustments	March 31, 2020	April 1, 2019	For the year	On Sales/ Adjustments	March 31, 2020	March 31, 2020	March 31, 2019
Computer Software	4.19	24.16	2.58	25.77	3.92	3.39	2.57	4.74	21.03	0.27
TOTAL	**4.19**	**24.16**	**2.58**	**25.77**	**3.92**	**3.39**	**2.57**	**4.74**	**21.03**	**0.27**
Previous year	3.90	0.29	-	4.19	3.69	0.23	-	3.92	0.27	

Note 4. NON- CURRENT INVESTMENTS

Particulars	Face Value ₹/Share	March 31, 2020		March 31, 2019	
		No. of Share	Value	No. of Share	Value
Quoted, Equity shares fully paid up					
Investment Carried at Fair Value through OCI					
JK Lakshmi Cement Limited	5/-	1,91,000	3.74	1,91,000	6.64
Unquoted, Equity shares fully paid up					
Investments Carried at Cost					
Investment in Equity instruments of Subsidiaries					
JK Enviro-Tech Limited	10/-	2,04,32,052	32.68	1,08,16,652	12.68
Songadh Infrastructure & Housing Limited	10/-	49,50,600	4.95	49,50,600	4.95
Jaykaypur Infrastructure & Housing Limited	10/-	49,50,600	4.95	49,50,600	4.95
JK Paper International (Singapore) Pte. Limited.	USD 1	30,45,000	22.06	30,45,000	22.06
The Sirpur Paper Mills Limited- (w.e.f 1st August, 2018)-Step-down Subsidiary	10/-	90,00,000	9.00	90,00,000	9.00
Unquoted, Preference shares fully paid up					
JK Enviro-Tech Limited	100/-	2,11,00,000	197.00	2,11,00,000	184.87
The Sirpur Paper Mills Limited (Step-down Subsidiary)- (w.e.f 1st August, 2018)	100000/-	1,000	4.80		
Equity Component of Preference Share- JK Enviro-Tech Limited		-	29.94	-	29.94
Equity Component of Preference Share-The Sirpur Paper Limited (Step-down Subsidiary)		-	5.30	-	-
Deemed Equity Contribution #		-	3.89	-	0.84
Investment in Others					
JK Paper Mills Employees' Co-operative Stores Limited (CY ₹2,500/- , PY ₹2,500/-)	10/-	250	0.00	250	0.00
			318.31		**275.93**
Aggregate book value of unquoted investments			314.57		269.29
Aggregate market value of quoted investments			3.74		6.64

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

Note 5. NON CURRENT FINANCIAL ASSETS - LOANS

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Unsecured considered good :-		
Loans and advances to related parties (Subsidiaries)		
Jaykaypur Infrastructure & Housing Limited	27.50	18.33
Songadh Infrastructure & Housing Limited	8.00	5.33
The Sirpur Paper Mills Limited-(Step-down Subsidiary)	128.00	-
Other Loans & Advances (at amortised cost)		
JK Paper Employees` Welfare Trust	-	17.47
TOTAL	163.50	41.13

Note 6. NON CURRENT FINANCIAL ASSETS - OTHERS

Particulars	March 31, 2020	March 31, 2019
Deposits with Government Authorities	1.27	1.58
Derivative Financial Instruments (at fair value through P&L)	4.41	4.94
Others Deposit	19.63	10.04
Interest Accrued but not due	3.79	
TOTAL	29.10	16.56

Note 7. OTHER NON CURRENT ASSETS

Particulars	March 31, 2020	March 31, 2019
Capital Advances	157.60	7.24
Deposits with Government Authorities and Others	15.25	8.10
TOTAL	172.85	15.34

Note 8. INVENTORIES (AS TAKEN AND CERTIFIED BY THE MANAGEMENT)

Particulars	March 31, 2020	March 31, 2019
Raw Materials #	170.52	171.52
Work-in-Progress @	52.24	20.11
Finished Goods	147.96	39.13
Stock in Trade #	7.62	24.98
Stores & Spares #	68.94	66.72
Renewable Energy Certificates	0.01	0.01
TOTAL	447.29	322.47

Includes Raw Materials in transit ₹10.08 crores (As at 31-March-19 ₹2.07 crores), Stores & Spares in transit ₹1.88 crores (As at 31-March-19 ₹1.48 crores) and Stock in Trade in transit ₹1.27 crores, (As at 31-March-2019 Nil).

@ Includes Pulp in process ₹3.82 crores (As at 31-March-19 ₹10.77 crores) and Semi Finished Goods ₹48.42 crores (As at 31-March-19 ₹9.35 crores).

Notes to the **Standalone Financial Statement** for the year ended March 31, 2020

Note 9. CURRENT INVESTMENTS

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Investments in Liquid Funds- at fair value through Profit & Loss		
Investment in Non Convertible Debenture	74.91	499.48
Investment in Mutual Fund	307.73	112.24
FD with Non Schedule Bank	-	25.00
TOTAL	**382.64**	**636.72**
Aggregate book value of quoted investments	307.73	112.24
Aggregate book value of unquoted investments	74.91	524.48

Note 10. TRADE RECEIVABLES

Particulars	March 31, 2020	March 31, 2019
Unsecured		
Considered Good #	74.70	77.17
Credit Impaired	0.48	0.35
	75.18	**77.52**
Less: Allowance for credit impairment	0.48	0.35
TOTAL	**74.70**	**77.17**

Includes ₹ NIL (Previous year ₹3.70 crores) of The Sirpur Paper Mills Limited (Step-down Subsidiary).

Note 11. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2020	March 31, 2019
Cash & Cash Equivalents		
Current Accounts	23.13	9.02
Cheques/Drafts on hand	-	0.09
Cash on Hand	0.21	0.13
TOTAL	**23.34**	**9.24**

Note 12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Particulars	March 31, 2020	March 31, 2019
Other Bank Balances		
Unclaimed Dividend Accounts	0.72	0.20
Fixed Deposit with Scheduled Banks #	6.16	5.60
TOTAL	**6.88**	**5.80**

Includes ₹0.20 crores (Previous year ₹0.51 crores) pledged with Government Authorities.

Note 13. CURRENT FINANCIAL ASSETS - LOANS

Particulars	March 31, 2020	March 31, 2019
Unsecured considered good :-		
Loans to related parties		
JK Enviro-Tech Limited-(Subsidiary)	3.00	1.20
Jaykaypur Infrastructure & Housing Limited-(Subsidiary)	-	9.17
Songadh Infrastructure & Housing Limited-(Subsidiary)	-	2.67
Bengal & Assam Co. Limited-(Associate of)	90.00	60.00
TOTAL	**93.00**	**73.04**

All the above loans and advances have been given in the ordinary course of business for general business purpose.

Note 14. CURRENT FINANCIAL ASSETS - OTHER

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Unsecured considered good :-		
Advances to Related Parties- (Subsidiaries)		
Jaykaypur Infrastructure & Housing Limited	-	0.02
The Sirpur Paper Mills Limited (Step-down Subsidiary)	2.03	3.60
Advances Recoverable	4.73	0.46
Interest Accrued but not due	6.62	29.21
Advances to Employees	0.60	0.70
Derivative Financial Instruments (at fair value through Profit & Loss)	4.35	2.07
TOTAL	18.33	36.06

Note 15. OTHER CURRENT ASSETS

Particulars	March 31, 2020	March 31, 2019
Advances Recoverable	6.24	5.57
Advances to Suppliers	53.55	40.81
Indirect Tax Recoverable	73.11	50.45
Other Deposits	7.37	9.22
Prepaid Finance Charges	2.53	0.23
Doubtful Advances		
Other	0.35	0.60
	143.15	106.88
Less : Allowance for Doubtful Advances	0.35	0.60
TOTAL	142.80	106.28

Note 16. SHARE CAPITAL

Particulars	March 31, 2020	March 31, 2019
Authorised:		
Equity Shares - 30,00,00,000 of ₹10/- each	300.00	300.00
(30,00,00,000 Equity Share of ₹10 each as at 31-March-2019)		
Redeemable Preference Shares - 2,00,00,000 of ₹10/- each	200.00	200.00
(2,00,00,000 Share of ₹100 each as at 31-March-2019)		
TOTAL	500.00	500.00
Issued, Subscribed and Paid-up: of ₹10/- each		
Equity Shares - 17,82,43,585 (17,82,43,585 Equity Share of	178.24	178.24
₹10 each fully paid up at 31-March-2019)		
TOTAL	178.24	178.24

Notes :

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

Particulars	March 31, 2020	March 31, 2019
Shares outstanding at the beginning of the year	17,82,43,585	17,55,00,850
Add : Shares issued during the year	-	27,42,735
Shares outstanding at the end of the year	17,82,43,585	17,82,43,585

Note 16. SHARE CAPITAL *(contd.)*

(b) Equity Shares:

The Equity Shareholders have:-

- The right to receive dividend out of balance of net profits remaining after payment of dividend to the preference shareholders. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.
- The Company has only one class of Equity Shares having face value of ₹10/- each and each shareholder is entitled to one vote per share.
- In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their individual shareholding in the paid up equity capital of the Company.

(c) List of Shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers):

Particulars	March 31, 2020	March 31, 2019
Bengal & Assam Company Limited	7,96,27,228	3,64,18,299
BMF Investments Limited		3,00,89,797
Florence Investech Limited		1,18,33,332
Trustees, JK Paper Employees Welfare Trust	84,23,655	98,28,655

Note 17. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
SECURED		
Term Loan		
From Banks	741.30	836.04
From Financial Institutions	119.76	135.70
Non Convertible Debentures (NCDs)	332.01	331.57
UNSECURED		
Public Deposits	32.41	28.66
Lease Liabilities	28.10	-
	1,253.58	**1,331.97**
Less : Current Maturities of Long Term Borrowings	237.50	257.20
TOTAL	**1,016.08**	**1,074.77**

A. Term Loans of ₹323.91 crores (FIs – ₹ Nil, Banks ₹323.91 crores) and NCD of ₹335 crores are secured by means of first pari passu mortgage/ charge on the fixed assets of the company . Out of the above Term Loan, ₹165.39 crores (FIs - ₹ Nil, Banks ₹165.39 crores) 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 ₹323.91 crores are repayable in total 60 quarterly instalments from June 2020 to March 2024.

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

B. Term Loans of ₹416.28 crores (FIs – ₹120.00 crores, Banks ₹296.28 crores) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit JKPM of the company. These Term Loans are/shall be repayable as under :-

1 Term Loans aggregating to ₹158.00 crores are repayable in total 37 equal quarterly-instalments from June 2020 to September 2027.

2 Term Loans aggregating to ₹170.62 crores are repayable in total 14 equal half-yearly instalments from May 2020 to August 2023.

3 Term Loans aggregating to ₹87.66 crores are repayable in total 29 quarterly instalments from May 2020 to March 2024.

C. Term Loans of ₹125.63 crores (FIs – ₹ Nil, Banks ₹125.63 crores) 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/shall be repayable as under :-

Note 17. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS *(contd.)*

1 Term Loans aggregating to ₹95.00 crores are repayable in total 36 equal quarterly-instalments from December 2022 to September 2031.

2 Term Loans aggregating to ₹30.63 crores are repayable in total 36 quarterly instalments from December 2022 to September 2031.

D. Term Loans aggregating to ₹1.19 crores (FIs – ₹ Nil, Banks ₹1.19 crores) are secured by specific charge on the Vehicle hypothecated against these loans. These Term Loans are repayable in total 33 monthly instalments from April 2020 to December 2022.

E. Secured Term loans from Financial Institutions and Banks have been reduced by ₹5.95 crores (FIs – ₹0.24 crores, Banks ₹5.71 crores) and NCDs have been reduced by ₹2.99 crores due to effective rate of interest.

F. Certain charges are in the process of satisfaction. Secured Term loans from Financial Institutions and Banks include ₹219.92 crores foreign currency loans.

G. Lease Liabilities aggregating to ₹28.10 crores is repayable in total 160 equal monthly installments from April 2020 to June 2026.

H. Public deposits are due for repayment in 2020-21, 2021-22 & 2022-23.

Note 18. NON CURRENT FINANCIAL LIABILITIES - OTHER

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Trade Deposits	67.69	56.11
Interest Accrued but not due on Loans	1.55	0.73
Derivative Financial Instruments (at fair value through Profit & Loss)	1.10	1.92
Financial Obligation Towards Letter of Comfort	3.89	0.84
TOTAL	74.23	59.60

Note 19. NON CURRENT PROVISIONS

Particulars	March 31, 2020	March 31, 2019
Provision for Employee Benefits (refer note 49)	9.10	7.49
TOTAL	9.10	7.49

Note 20. DEFERRED TAX LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	491.74	477.42
Tax on Others	16.31	23.02
a. Total Deferred Tax Liability	**508.05**	**500.44**
Opening MAT Credit Entitlements	(265.51)	(166.27)
Current MAT Credit Entitlement	1.93	(99.24)
Reversal of MAT Credit of Earlier Years	91.40	-
b. Total MAT Credit Entitlement	**(172.18)**	**(265.51)**
c. Net Deferred Tax Liability (a+b)	**335.87**	**234.93**

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.

Notes to the **Standalone Financial Statement** for the year ended March 31, 2020

Note 21. CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
SECURED		
Working Capital Borrowings from Bank	75.40	14.29
UNSECURED		
Commercial Paper	26.71	-
Working Capital Borrowings from Bank	8.90	-
Public Deposits	5.66	3.75
TOTAL	**116.67**	**18.04**

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts. The same are further secured by a second charge on the movable and immovable assets of the Company.

Note 22. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Trade Payable		
Total outstanding dues of Micro and Small Enterprises (refer note 48)	4.77	0.84
Total Outstanding dues of Creditors other than Micro and Small Enterprises	332.47	265.64
TOTAL	**337.24**	**266.48**

Note 23. CURRENT FINANCIAL LIABILITIES - OTHER

Particulars	March 31, 2020	March 31, 2019
Current Maturities of Non Current Borrowings	237.50	257.20
Interest Accrued but not due	5.43	9.53
Unclaimed Dividends #	0.72	0.20
Unclaimed Matured Deposits #	0.67	0.88
Unclaimed Interest on Unclaimed Matured Deposits #	0.13	0.16
Advances from related parties (Subsidiary)		
Songadh Infrastructure & Housing Limited	-	0.41
Derivative Financial Instruments (at fair value through Profit & Loss)	2.95	1.56
Capital Creditors	40.46	4.40
Other Payables	50.79	70.72
TOTAL	**338.65**	**345.06**

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

Note 24. OTHER CURRENT LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Advance from Customers	14.89	8.17
Statutory Dues	19.83	44.33
Other Payables	102.41	122.24
TOTAL	**137.13**	**174.74**

Note 25. Short Term Provisions

Particulars	March 31, 2020	March 31, 2019
Provision for Employee Benefits	6.39	5.55
TOTAL	**6.39**	**5.55**

Note 26. CURRENT TAX LIABILITIES

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Provision for Income Tax (Net of Advance tax)	3.96	7.77
TOTAL	3.96	7.77

Note 27. OTHER OPERATING REVENUES

Particulars	2019-20	2018-19
Insurance Charges Recovered	0.12	-
Excess Provision no longer required written back	15.10	0.61
Miscellaneous Income	24.95	22.05
TOTAL	40.17	22.66

Note 28. OTHER INCOME

Particulars	2019-20	2018-19
Interest Income	60.55	40.48
Dividend Income	0.06	0.01
Profit on sale of Fixed Assets	0.06	-
Profit on Sale/Fair value of Current investment	20.49	15.28
TOTAL	81.16	55.77

Note 29. COST OF MATERIALS CONSUMED

Particulars	2019-20	2018-19
Hardwood & Bamboo	567.58	545.45
Pulp	245.34	325.38
Chemicals	309.40	316.11
Packing Material	94.55	91.17
TOTAL	1,216.87	1,278.11

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

Particulars	2019-20	2018-19
Inventories at the beginning of the year		
Finished Goods	39.13	67.03
Stock In Trade	24.98	53.11
Work-in-Progress	20.11	11.28
Renewable Energy Certificates	0.01	-
	84.23	131.42
Inventories at the end of the year		
Finished Goods	147.96	39.13
Stock In Trade	7.62	24.98
Work-in-Progress	52.24	20.11
Renewable Energy Certificates	0.01	0.01
	207.83	84.23
(Increase)/ Decrease in Stock TOTAL	(123.60)	47.19

Note 31. EMPLOYEE BENEFIT EXPENSES

₹ in crores (10 Million)

Particulars	2019-20	2018-19
Salaries, Wages, Allowances, etc.	258.89	242.89
Contribution to Provident and Other Funds	13.53	12.22
Staff Welfare Expenses	4.78	7.15
TOTAL	277.20	262.26

Note 32. FINANCE COST

Particulars	2019-20	2018-19
Interest on:		
Term Loan and Fixed Deposits	98.75	100.05
Others	12.09	10.75
Other Borrowing Costs:		
Financial Charges	5.07	7.09
Premium on Forward Exchange Contracts	1.23	0.60
Lease rent on Machinery	3.04	-
Net (Gain) or Loss on Foreign Currency Transaction	2.63	3.91
TOTAL	122.81	122.40

Note 33. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	2019-20	2018-19
Depreciation on Property, Plant & Equipment	140.17	125.07
Amortisation of Other Intangible Assets	3.39	0.23
TOTAL	143.56	125.30

Note 34. OTHER EXPENSES

Particulars	2019-20		2018-19	
Consumption of Stores and Spares		56.81		59.40
Power, Fuel and Water		261.32		258.67
Repairs to Building		4.63		12.41
Repairs to Machinery		29.97		31.70
Rent (Net)		27.95		16.43
Insurance		3.16		3.95
Rates and Taxes		0.98		1.03
Commission on Sales		0.33		2.93
Directors' Fees		0.43		0.38
Directors' Commission		3.66		3.40
Loss on Foreign Exchange Fluctuation		3.48		1.77
Loss on Sale of Assets		-		0.37
Asset Written off		4.08		0.74
Bad Debts	0.56		(0.09)	
Less: Withdrawal from Provision for Doubtful Advance	0.25	0.31	(0.11)	0.02
Provision for Doubtful Debts		0.13		0.15
Other Miscellaneous Expenses		102.89		103.58
TOTAL		500.13		496.93

Notes to the **Standalone Financial Statement** for the year ended March 31, 2020

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

₹ in crores (10 Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent Liabilities:		
a) Claim against the company not acknowledged as debts #.		
Excise duty/ Custom duty/Service tax liability in respect of matter in appeals	18.86	19.32
Sales tax/ VAT/Octroi liability in respect of matter in appeals	2.21	0.97
Income tax liability that may arise in respect of matters in appeal referred by the department	0.10	0.63
Other matters	7.44	7.26
b) Commitments:		
Contracts remaining to be executed on capital account (Net of Advances)	908.13	42.16
Export commitments against import of capital goods under EPCG scheme	-	49.95

In respect of certain disallowances and additions made by the income tax authorities, appeals are pending before the appellate authorities and adjustments , if any, will be made after the same are finally determined.

Note 36.

1. In respect of levy of Octroi pertaining to Unit - CPM by Songadh Group Gram Panchayat, the Company has paid ₹1.25 crores till 31st March 1997 under protest and also created a liability of the similar amount. As the matter is still pending in the court of law, the necessary adjustment, if any, would be made after its disposal.
2. The Audited GST return for the year ended 31-March -2019 is pending for the filing as competent authority has extended the date of filing till 30-Sept-2020. The company is in process of reconciling the data of GSTR 2A with GSTR 3B. In view of the management on final reconciliation the impact will not be material.

Note 37. UNCERTAINTIES RELATING TO COVID-19 (COVID 19):

The pandemic caused to COVID-19 disease impacted adversely the economy . It impacted every component of the business including sales , liquidity , supply chain management and production. The Company has considered impact of present and future economic conditions which may result from COVID-19 Pandemic while assessing carrying amount of Receivables, Inventory, Property Plant & Equipment and Provisions, based on information available till the date of approval of these financial results.

In consequence to the above , the Company has carried out its year end exercise of physical verification of Inventories at some locations subsequently on resumption of business operations.

Note 38. EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act , 2013 read with Schedule III are as below

₹ in crores (10 Million)

Particulars	2019-20	2018-19
1. Gross amount required to be spent by the Company during the year	8.31	4.69
2. Amount spent during the year		
Promotion of Education	0.28	0.60
Health Care	0.52	0.49
Others	6.83	2.26
TOTAL	**7.63**	**3.35**

Note 39.

i Disclosure of loan and advances as per regulation 34(3) and 53(f) read with Schedule V of SEBI (LODR) regulation of listing regulation with Stock Exchanges:

₹ in crores (10 Million)

Name of the Company	Balance as at		Maximum outstanding during	
	Year ended March 31, 2020	Year ended March 31, 2019	2019-20	2018-19
a) Loans and advances in the nature of loans given to subsidiaries and Associates of				
JK Enviro-Tech Limited	3.00	1.20	3.00	1.35
Jaykaypur Infrastructure & Housing Limited	27.50	27.50	27.50	27.50
Songadh Infrastructure & Housing Limited	8.00	8.00	8.00	8.00
The Sirpur Paper Mills Ltd(Step-down Subsidiary)	128.00	-	128.00	-
Bengal & Assam Company Limited (Associates of)	90.00	60.00	90.00	60.00
b) Loans and advances in the nature of loans where repayment schedule is not specified	Nil	Nil	Nil	Nil
c) Loans and advances in the nature of loans where interest is not charged	Nil	Nil	Nil	Nil
d) Loans given to JK Paper Employees` Welfare Trust	-	17.47	17.47	17.93

ii **Details of loans given, investments made and guarantee given covered U/s 186(4) of the Companies Act, 2013**

The company has given loan to Subsidiaries and other parties mentioned above in the ordinary course of business for general business purpose. The Company has also given a Letter of Comfort to the Bank for a loan taken by its step-down subsidiary "The Sirpur Paper Mills Limited" for ₹361.14 crores (Previous Year ₹166.14 crores).

Note 40.

a) Sales include export incentives of ₹8.46 crores (Previous year ₹10.13 crores).

b) Interest Income includes ₹1.82 crores (Previous year ₹2.45 crores) on Deposits with Banks and ₹58.73 crores (Previous year ₹38.03 crores) on others.

c) Scrap sale of ₹7.60 crores (Previous year ₹9.23 crores) has been netted off from Consumption of Stores and Spares.

Note 41.

A. LEASES

The Company has adopted Ind AS 116 "Leases" effective 1st April ,2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to its leases using the simplified approach. This has resulted in recognising right –of –use assets and corresponding lease liabilities.

1. Refer Note 2 for changes in the carrying value of right of use assets for the year ended March 31, 2020:
2. The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	Year ended March 31, 2020
Current lease liabilities	11.88
Non-current lease liabilities	16.22
TOTAL	**28.10**

Note 41. *(contd.)*

3. The following is the movement in lease liabilities during the year ended March 31, 2020:

₹ in crores (10 Million)

Particulars	Year ended March 31, 2020
Balance at the beginning	**38.94**
Finance cost accrued during the period	3.04
Payment of lease liabilities	(13.88)
Balance at the end	**28.10**

4. The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Year ended March 31, 2020
Not later than one year	13.88
Later than one year and not later than five years	16.58
Later than five years	2.48

B. Ind AS 115 Disclosure

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
i) Contract Balances		
Trade Receivables	74.70	77.17
Contract Liabilities	14.89	8.17
ii) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the Contracted Prices		
Revenue as per contracted prices	3254.20	3,469.19
Adjustments:		
Less : Discounts	240.07	235.55
Revenue from contract with customers	3,014.13	3,233.64
iii) Revenue recognised that was included in the contract liability balance at the beginning of the period		
Sale of goods	8.17	7.17

Note 42. EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Revenue Expenditure *		
Employee Cost	2.74	2.32
Cost of Materials	0.40	0.98
Other Expenses	0.91	0.62
Sub Total	**4.05**	**3.92**
b) Capital Expenditure	0.24	0.29
TOTAL (a+b)	**4.29**	**4.21**

* Included in respective revenue accounts.

Notes to the Standalone Financial Statement for the year ended March 31, 2020

Note 43. OTHER DISCLOSURE REQUIRED BY STATUTE

₹ in crores (10 Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Auditors Remuneration (including taxes)		
1. Statutory Auditors		
i. Audit Fee	0.21	0.21
ii. Tax Audit Fee	0.03	0.03
iii. Certification/other Services	0.05	0.03
iv. Out of Pocket Expenses	0.01	-
TOTAL	**0.30**	**0.27**
2. Cost Auditors		
i. Audit Fee	0.01	0.01
ii. Out of Pocket Expenses (CY ₹13,446/- PY ₹20,532/-)	0.00	0.00
TOTAL	**0.01**	**0.01**

Note 44. EXPENSES INCLUDED UNDER OTHER HEADS OF ACCOUNT

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Wages and Allowances etc.	8.52	5.98
Contribution to Provident and Other Funds	0.34	0.23
Employees' Welfare and Other benefits	0.24	0.35
Consumption of Stores and Spares	0.43	0.21
Rent	0.10	0.10
Insurance	0.06	0.01
Rates and Taxes (PY ₹1920/-)	0.01	0.00
Miscellaneous Expenses	0.73	1.00
TOTAL	10.43	7.88

Note 45. CAPITAL WORK IN PROGRESS INCLUDES FOLLOWING EXPENSES PENDING ALLOCATION / CAPITALIZATION

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consultancy	9.26	1.96
Salary & Wages	9.21	3.92
Travelling and Other Misc. Expenses	4.41	2.02
Insurance	0.86	-
Interest on Loan	2.48	-
TOTAL	26.22	7.90

Note 46.

During the previous year, the Company has allotted 27,42,735 Equity Shares of ₹10/- each upon conversion of FCCBs Series-5 of Euro 2.4 million.

Note 47. EARNING PER SHARE

₹ in crores (10 Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Profit (Operating) after tax for Basic Earnings Per share	492.71	437.20
Add: Interest on Foreign Currency Convertible Bonds (FCCBs) (net of tax)	-	(0.33)
Profit for Diluted Earnings Per Share	492.71	436.87
b) Weighted Average Number of Ordinary Shares		
Basic	17,82,43,585	17,79,65,554
Effect of Conversion Option	-	2,78,031
Diluted	17,82,43,585	17,82,43,585
c) Nominal Value of Ordinary Shares	₹10/-	₹10/-
d) Earning Per Ordinary Share (₹)		
Basic	27.64	24.57
Diluted	27.64	24.51

Note 48. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under Section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Principal amount and Interest due thereon remaining unpaid to any supplier as on	NIL	NIL
b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	NIL	NIL
c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	NIL	NIL
d) the amount of interest accrued and remaining unpaid	NIL	NIL
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	NIL	NIL

Note 49. EMPLOYEE BENEFITS

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) Defined Contribution Plans:-

Amount recognized as an expense and included in Note 31 Item "Contribution to Provident and Other Funds ₹0.65 crores (Previous year ₹0.64 crores) for Superannuation Fund.

b) Other Long-Term Benefits

Amount recognized as an expense and included in Note 31 Item "Salaries, Wages, Allowances etc. ₹3.78 crores (Previous year ₹3.80 crores) for long term compensated Absences.

c) Defined Benefits Plans

(i) Amount recognized as an expense and included in Note 31 & Note 44 "Contribution to Provident and Other Funds" ₹10.32 crores (Previous year ₹9.39 crores) for Provident and other fund.

(ii) Gratuity Expense ₹2.56 crores (Previous year ₹ 2.42 crores) has been recognized in "Contribution to Provident and Other Funds" under Note 31. as per Actuarial Valuation.

Notes to the **Standalone Financial Statement** for the year ended March 31, 2020

Note 49. EMPLOYEE BENEFITS *(contd.)*

₹ in crores (10 Million)

Particulars		Year ended March 31, 2020 Gratuity Funded	Year ended March 31, 2019 Gratuity Funded
I	**Change in present value of obligation during the year**		
	Present value of obligation at the beginning of the year	39.79	37.72
	Included in statement of profit and loss:		
	- Current Service Cost	2.24	2.07
	- Interest Cost	3.10	2.93
	- Past Service Cost	-	-
	- Actuarial Gain/(Loss)	-	-
	Included in OCI:		
	Actuarial losses/(gains) arising from:		
	- Experience adjustments	(2.16)	2.05
	- Financial assumption	2.67	(0.02)
	Others		
	Benefits Paid	(0.32)	(4.96)
	Present Value of obligation as at year-end	**45.32**	**39.79**
II	**Change in Fair Value of Plan Assets during the year**		
	Plan assets at the beginning of the year	35.64	33.14
	Included in statement of profit and loss:		
	Expected return on plan assets	2.78	2.58
	Included in OCI:		
	Actuarial Gain/(Loss) on plan assets	(2.27)	0.30
	Others:		
	Employer's contribution	4.59	4.58
	Benefits paid	(0.32)	(4.96)
	Plan assets at the end of the year	**40.42**	**35.64**
	The plan assets are managed by the Gratuity Trust formed by the Company.		
III	**Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets**		
1	Present Value of obligation as at year-end	(45.32)	(39.79)
2	Fair value of plan assets at year -end	40.42	35.64
3	Funded status {Surplus/(Deficit)}	(4.89)	(4.14)
	Net Asset/(Liability)	**(4.89)**	**(4.14)**
IV	**Expenses recognised in the Statement of Profit and Loss**		
1	Current Service Cost	2.24	2.07
2	Interest Cost	3.10	2.93
3	Past service Cost	-	-
4	Expected return on plan assets	(2.78)	(2.58)
	Total Expense	**2.56**	**2.42**
V	**Expenses recognised in the Statement of Other Comprehensive Income**		
1	Net Actuarial (Gain)/Loss	0.51	2.03
2	Expected return on plan assets excluding interest income	2.27	(0.30)
	TOTAL EXPENSE	**2.78**	**1.73**

Note 49. EMPLOYEE BENEFITS *(contd.)*

₹ in crores (10 Million)

Particulars		Year ended March 31, 2020	Year ended March 31, 2019
		Gratuity	Gratuity
		Funded	Funded
VI	**Constitution of Plan Assets**		
1	Equity Instruments	-	-
2	Debt Instruments	-	-
3	Property	-	-
4	Insurance	40.42	35.64
VII	**Bifurcation of PBO at the end of the year**		
1	Current Liability	4.89	4.14
2	Non-Current Liability	-	-
VIII	**Actuarial Assumptions**		
1	Discount Rate	6.86%	7.79%
2	Expected rate of return on plan assets	6.86%	7.79%
3	Mortality Table	IALM (2006-08)	IALM (2006-08)
4	Salary Escalation	5.00%	5.00%
5	Turnover Rate	Age up to 30-3%, up to 44-2%, above 44-1%	Age up to 30-3%, up to 44-2%, above 44-1%

IX The expected contribution for Defined Benefit Plan for the next financial year will be ₹6.46 crores.

X Experience Adjustment:

Gratuity	2019-20	2018-19	2017-18	2016-17	2015-16
Present Value of obligation	45.32	39.79	37.72	36.62	31.04
Fair value of Plan assets	40.42	35.64	33.14	30.02	27.77
Net Asset/(Liability)	(4.89)	(4.14)	(4.58)	(6.60)	(3.27)
Actuarial (Gain)/Loss on plan obligation	(2.16)	2.05	2.48	4.30	3.62
Actuarial Gain/(Loss) on plan assets	(2.27)	0.30	(0.55)	1.34	(0.21)

XI Sensitivity Analysis

Gratuity	Year ended March 31, 2020		Year ended March 31, 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.87)	3.30	(2.32)	2.64
Future salary growth (1% movement)	3.31	(2.90)	2.65	(2.36)
Employee turnover (1% movement)	0.44	(0.49)	0.54	(0.60)

XII Maturity Profile of projected benefit obligation: from the fund

	Year ended March 31, 2020	Year ended March 31, 2019
	Gratuity	Gratuity
	Funded	Funded
1st Following Year	4.61	5.18
2nd Following Year	2.62	2.61
3rd Following Year	11.55	3.50
4th Following Year	3.14	10.33
5th Following Year	3.34	2.87
Sum of Years 6 To 10	14.27	12.61

Note 50. RELATED PARTY DISCLOSURES

Particulars	% of Shareholding/ Voting Power	
	2019-20	2018-19
a) List of Related Parties		
i. **Subsidiaries (Wholly Owned)**		
Songadh Infrastructure & Housing Limited (SIHL)	100%	100%
Jaykaypur Infrastructure & Housing Limited (JIHL)	100%	100%
JK Paper International (Singapore) Pte Limited JKPI (S) PL	100%	100%
ii. **Subsidiary**		
JK Enviro-Tech Limited (JKETL)	96.08%	92.85%
iii. **Step-dpwn Subsidiary**		
The Sirpur Paper Mills Limited (w.e.f 1st August 2018)	96.27%	71.26%
iv. **Joint Venture**		
Habras MZZ Plantation Myanmar Company Limited	50%	50%
v. **Enterprise which holds more than 20% of Equity Share**		
Bengal & Assam Company Limited (BACL)		
vi. **Trust under common control**		
JK Paper Limited (JK Paper Mills) Compulsory Employees Provident Fund		
JK Paper Limited Employees Gratuity Fund		
JK Paper Limited Officers Superannuation Scheme		

vii. Key Management Personnel (KMP)

Executive Directors	Non-Executive Directors
Shri Harsh Pati Singhania, Vice Chairman & Managing Director	Shri Bharat Hari Singhania, Chairman
Shri Amar Singh Mehta, President and Director (w.e.f 1st Oct 2018)	Shri Arun Bharat Ram
Shri Om Prakash Goyal, Whole-time Director (till 30th Sep 2018)	Shri Dhirendra Kumar
Executives	Shri M.H.Dalmia
Shri V. Kumaraswamy, Chief Finance Officer	Shri R.V.Kanoria
Shri S.C. Gupta, Vice President & Company Secretary	Shri Sandip Somany
Relative of KMP	Shri Shailendra Swarup
Shri Shrivats Singhania, Vice President (Marketing Development)	Shri Udayan Bose
	Smt. Vinita Singhania
	Shri Wim Wienk (till 12th November 2018)
	Shri Sushil Kumar Roongta (w.e.f 12 Feb 2019)
	Smt. Deepa Gopalan Wadhwa (w.e.f 27 Jun 2019)

b) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis :

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Subsidiaries (Wholly Owned)						Subsidiary	
		JIHL		SIHL		JKPI (S) PL		JKETL	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i)	Reimbursement of Expenses – Received	-	-	0.00*	0.01	-	-	-	-
(ii)	Rent Paid	10.55	4.09	3.49	2.02	-	-	-	-
(iii)	Interest Received	2.48	2.48	0.72	0.72	-	-	0.11	0.04
(iv)	Loans Given	-	-	-	-	-	-	3.00	2.25
(v)	Loan Instalment Received	-	-	-	-	-	-	1.20	1.05

Notes to the Standalone Financial Statement for the year ended March 31, 2020

Note 50. RELATED PARTY DISCLOSURES *(contd.)*

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Subsidiaries (Wholly Owned)						Subsidiary	
		JIHL		SIHL		JKPI (S) PL		JKETL	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(vi)	Investment in Preference share	-	-	-	-	-	-	-	211.00
(vii)	Investment in Equity share	-	-	-	-	-	-	20.00	11.00
(viii)	Purchase of share of JK Paper International (Singapore) Pte. Limited	-	-	-	-	-	5.63	-	-
(ix)	Purchase of Goods (with GST)	-	-	-	-	-	-	5.39	-
(x)	Sale of Goods	-	-	-	-	-	-	1.35	-
(xi)	Advances given	-	-	-	-	-	-	2.98	-
(xii)	Security Deposit Given	3.19	-	1.45	-	-	-	-	-
(xiii)	Outstanding at end of the period - Receivable	30.69	33.10	9.45	7.59	-	-	218.32	212.20

* ₹45,890/-

Sl. No	Nature of Transactions	Step-down Subsidiary	
		The Sirpur Paper Mills Limited	
		2019-20	2018-19
(i)	Reimbursement of Expenses – Received	0.57	2.00
(ii)	Interest Received	4.21	0.69
(iii)	Sale of Material including Pulp	2.45	3.88
(iv)	Sale of Capital Equipment's	-	2.44
(v)	Loans Given	128.00	55.00
(vi)	Loan installment received	-	55.00
(vii)	Investment in Equity share	-	9.00
(viii)	Investment in Preference share	10.00	-
(ix)	Purchase of Goods	118.63	-
(x)	Lease of Godown and Maintenance Charges	0.23	-
(xi)	Reimbursement of Expenses – Paid	0.22	-
(xii)	Outstanding at end of the period - Receivable	144.00	7.30

Note 50. RELATED PARTY DISCLOSURES *(contd.)*

Sl. No	Nature of Transactions	Enterprise which holds more than 20% of Equity Share BACL	
		2019-20	2018-19
(i)	Interest Paid	-	0.01
(ii)	Rent Paid	0.07	0.06
(iii)	Loans Given	30.00	85.00
(iv)	Loan installment received	-	25.00
(v)	Interest Received	7.60	2.92
(vi)	Loan Repaid	-	7.50
(vii)	Outstanding at end of the period - Receivable	90.62	60.81
(viii)	Outstanding at end of the period - Payable	-	-

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Trust Under Common Control					
		Employees Provident Fund		Employees Gratuity Fund		Officers Superannuation Scheme	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i)	Contribution	4.49	3.91	6.03	4.14	0.65	0.64
(ii)	Outstanding at end of the period- Payable	0.38	0.35	0.60	0.69	0.66	0.64

Key Management Personnel (KMP) :

Sl. No	Particulars	2019-20	2018-19
(i)	Short-term Employee Benefits #	35.28	35.18
(ii)	Commission and other benefits to Non-Executive Directors *	4.09	3.78

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

* Including sitting fees and commission.

Note 51. FINANCIAL INSTRUMENTS

Financial Assets

Sl. No		Particulars	Note	Fair value hierarchy	As at March 31, 2020		As at March 31, 2019	
					Carrying Amount	Fair Value	Carrying Amount	Fair Value
1		**Financial assets designated at fair value through Profit and Loss**						
	a)	Derivatives - not designated as hedging instruments	A	Level-2	8.76	8.76	7.01	7.01
	b)	Investments :						
	(i)	Deemed Equity Contribution Towards Letter of Comfort	F	Level-3	3.89	3.89	0.84	0.84
	(ii)	In mutual funds and others	B	Level-1	382.64	382.64	636.72	636.72
2		**Financial assets designated at fair value through other comprehensive income**						
		Investment In Equity shares	C	Level-1	3.74	3.74	6.64	6.64
3		**Financial assets designated at amortised cost**						
	a)	Other Bank Balances *			6.88	6.88	5.80	5.80
	b)	Cash & Cash Equivalents *			23.34	23.34	9.24	9.24
	c)	Trade Receivables *			74.70	74.70	77.17	77.17
	d)	Other Receivables *			256.50	256.50	114.17	114.17
	e)	Other Financial Assets			38.67	38.67	45.61	45.61
4		Investment in Subsidiary companies and Joint Venture	D		310.68	310.68	268.45	268.45
					1,109.80	**1,109.80**	**1,171.65**	**1,171.65**

Note 51. FINANCIAL INSTRUMENTS *(contd.)*

Financial Liabilities

₹ in crores (10 Million)

Sl. No		Particulars	Note	Fair value hierarchy	As at March 31, 2020		As at March 31, 2019	
					Carrying Amount	Fair Value	Carrying Amount	Fair Value
1		**Financial liability designated at fair value through profit and loss**						
	a)	Derivatives - not designated as hedging instruments	A	Level-2	4.05	4.05	3.48	3.48
2		**Financial liability designated at amortised cost**						
	a)	Borrowings	E		1132.75	1,132.75	1092.81	1,092.81
	b)	Trade payables *			337.24	337.24	266.48	266.48
	c)	Other financial liability			404.94	404.94	400.34	400.34
	d)	Financial Obligation Towards Letter of Comfort	F	Level-3	3.89	3.89	0.84	0.84
					1,882.87	1,882.87	1,763.95	1,763.95

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values

A The fair values of derivatives are on MTM as per Bank.

B Company has opted to fair value its mutual fund investment through statement of profit & loss.

C Company has opted to fair value its quoted investments in equity share through OCI.

D As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.

E Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

F The Management has obtained independent valuer's report for Financial Liability against Letter Of Comfort (LOC) issued by the Company for borrowing facility extended to a step-down subsidiary by the Bank. The fair valuation of LOC is based on the best evidence of fair value determined by the valuer which valued the Letter of Comfort by applying Black Scholes Put Option Model using the inputs (including business projections , cash flows, terminal value etc) provided by the management of the Company and used applicable discount rate (as adjusted for risk) in arriving at the expected value of LOC.

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Note 52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

52.1 Financial Risk Factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. Whenever, the currency cover costs are such as to neutralize the advantage in foreign currency, loans are hedged so as to not to lose advantage. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

i. Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company. The company has stop supply mechanism in place in case outstanding goes beyond agreed limits.

ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to fluctuation in market prices. These comprise three types of risk i.e. currency rate , interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a. Foreign Currency Risk and sensitivity

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

The following table analyses foreign currency risk from financial instruments as of March 31, 2020:

₹ in crores (10 Million)

Particulars	USD	Euro	GBP	SEK	Total
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	-	-	0.01	-	0.01
Other financials assets (including loans)	-	-	-	-	-
Financial liabilities					
Trade payables	(35.88)	(0.55)	-	(0.06)	(36.49)
Other financials liabilities	-	-	-	-	-
Borrowings	(89.97)	(151.88)	-	-	(241.85)
Interest Accrued but not due	(0.08)	(0.17)	-	-	(0.25)
Net assets / (liabilities)	**(125.93)**	**(152.60)**	**0.01**	**(0.06)**	**(278.58)**

The following table analyses foreign currency risk from financial instruments as of March 31, 2019:

₹ in crores (10 Million)

Particulars	USD	Euro	GBP	SEK	Total
Financial Assets					
Cash and cash equivalents	-	-	-	-	-
Trade receivables	7.98	-	0.15	-	8.13
Other financials assets (including loans)	-	-	-	-	-
Financial liabilities					
Trade payables	(46.61)	(0.86)	(0.00)*	(0.06)	(47.53)
Other financials liabilities			-	-	-
Borrowings	(107.92)	(185.18)	-	-	(293.10)
Interest Accrued but not due	(0.10)	(0.21)	-	-	(0.31)
Net assets / (liabilities)	**(146.65)**	**(186.25)**	**0.15**	**(0.06)**	**(332.81)**

*₹41,402/-

Note 52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

The following significant exchange rates have been applied during the year.

Amount in ₹

INR	Year-end spot rate	
	March 31, 2020	March 31, 2019
USD	75.39	69.17
EUR	83.05	77.70
GBP	93.08	90.48

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax:

₹ in crores (10 Million)

Particulars	2019-20		2018-19	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
USD Sensitivity (CY ₹127/-)	(0.00)	0.00	0.01	(0.01)
Euro Sensitivity (CY ₹17,136/-, PY ₹25,925/-)	(0.00)	0.00	(0.00)	0.00
GBP Sensitivity (CY ₹298/-, PY ₹3,694/-)	0.00	(0.00)	0.00	(0.00)
SEK Sensitivity (CY ₹1,588/-, PY ₹1,588/-)	(0.00)	0.00	(0.00)	0.00
Increases/ (decrease) in profit or loss	**(0.00)**	**0.00**	**0.01**	**(0.01)**

Summary of Exchange difference accounted in Statement of Profit and loss:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	3.48	1.77
Net foreign exchange (gain)/ losses shown as Finance Cost	0.17	0.26
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Derivatives		
Currency forwards (gain) / losses shown as operating expenses	-	-
Interest rate swaps (gain) / losses shown as finance cost	2.46	3.65
Net foreign exchange (gain)/ losses shown as Other Income	-	-
TOTAL	**6.11**	**5.68**

b. Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates exposes to cash flow risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Interest Rate Risk Exposure

Particulars	As at March 31, 2020		As at March, 2019	
	(₹ in crores)	% of Total	(₹ in crores)	% of Total
Fixed Rate Borrowings	452.18	33.00%	526.94	39.03%
Variable Rate Borrowings	918.07	67.00%	823.07	60.97%
Total Borrowings	**1,370.25**	**100.00%**	**1,350.01**	**100.00%**

Note 52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

Sensitivity on variable rate borrowings

₹ in crores (10 Million)

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Interest Rate Increase by 0.25%	(1.92)	(1.69)	(1.92)	(1.69)
Interest Rate decrease by 0.25%	1.92	1.69	1.92	1.69

c. Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

CREDIT RISK

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹74.70 crores and ₹77.17 crores as of March 31, 2020 and March 31, 2019, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

(In %)

Particulars	Year ended March 31st	
	2020	2019
Revenue from top customer	4.49%	4.10%
Revenue from top five customers	15.11%	14.96%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2020 was ₹0.48 crores.

₹ in crores (10 Million)

Particulars	Year ended March 31st	
	2020	2019
Balance at the beginning	0.35	0.20
Additional provision created during the year	0.13	0.15
Balance at the end	**0.48**	**0.35**

The deposits with banks comprises mostly the liquid investment of the company and are generally not exposed to credit risk.

Notes to the **Standalone Financial Statement** for the year ended March 31, 2020

Note 52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

Ageing Analysis of Trade Receivables

₹ in crores (10 Million)

Particulars	As at March 31, 2020				As 31st March, 2019			
	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months
Unsecured	22.62	52.08	-	0.48	53.29	23.88	-	0.35
Provision for Doubtful Receivables	-	-	-	0.48	-	-	-	0.35
Net Balance	22.62	52.08	-	-	53.29	23.88	-	-

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirement. The company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The company also has adequate credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	116.67	116.67	-	-	**116.67**
Borrowings - Non-Current	1,253.58	237.50	702.60	313.48	**1,253.58**
Trade payables	337.24	337.24	-	-	**337.24**
Other financial liabilities - Current	101.15	101.15	-	-	**101.15**
Other financial liabilities - Non-Current					
Trade Deposits	67.69	-	-	67.69	**67.69**
Interest accrued but not due on loans	1.55	-	1.55	-	**1.55**
Derivative Financial Instruments	1.10	-	1.10	-	**1.10**
Financial Obligation Towards Letter of Comfort	3.89	-	-	3.89	**3.89**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	18.04	18.04	-	-	**18.04**
Borrowings - Non-Current	1,331.97	257.20	774.63	300.14	**1,331.97**
Trade payables	266.48	266.48	-	-	**266.48**
Other financial liabilities - Current	87.86	87.86	-	-	**87.86**
Other financial liabilities - Non-Current					
Trade Deposits	56.11	-	-	56.11	**56.11**
Interest accrued but not due on loans	0.73	-	0.73	-	**0.73**
Derivative Financial Instruments	1.92	-	1.92	-	**1.92**
Financial Obligation Towards Letter of Comfort	0.84	-	-	0.84	**0.84**

Note 52. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

52.2 Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

52.3 Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be

₹ in crores (10 Million)

Particulars	As at March 31, 2020	As at March 31, 2019
Borrowings	1,370.25	1,350.01
Less: cash and cash equivalents including bank balance	30.22	15.04
Less: current investments	382.64	636.72
Net debt	957.39	698.25
Equity	2,368.05	2,041.21
Capital and Net debt	3,325.44	2,739.46
Gearing Ratio	29%	25%

Note 53. DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Forward Contract outstanding for the purpose of hedging at the Balance Sheet Date

Sr. No.	Foreign Currency	As at March 31, 2020		As at March 31, 2019	
		FC in Mn	₹ In crores	FC in Mn	₹ In crores
1	US Dollar	21.70	163.62	20.76	143.61
2	Euro	10.76	89.33	13.55	105.29

Nominal amounts of Complete Currency Swaps (CCS) for hedging entered into by the Company and outstanding at end of the year is ₹27.38 crores (Previous year ₹32.94 crores).

Foreign Currency Exposure not hedged as at the Balance Sheet Date

Sr. No.	Foreign Currency	As at March 31, 2020		As at March 31, 2019	
		FC in Mn	₹ In crores	FC in Mn	₹ In crores
1	US Dollar *	0.001	0.01	0.44	3.04
2	Euro	4.32	35.88	6.18	48.02
3	GBP *	(0.001)	(0.01)	(0.02)	(0.15)
4	SEK	0.09	0.06	0.09	0.06

*Net of Receivables USD Nil – ₹ Nil (Previous year USD 1.15 Million – ₹7.98 crores) and GBP 0.001 Million – ₹0.01 crores (Previous year GBP 0.02 Million – ₹0.15 crores).

Note 53. DERIVATIVE FINANCIAL INSTRUMENTS *(contd.)*

Interest Rate Swaps

The Company has variable interest foreign currency borrowings. To offset the risk of variation in interest rates, the Company has entered into, fix pay and variable receipt, interest rate swaps. These swap contracts are in US Dollar & Euro. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Sr. No.	Foreign Currency	As at March 31, 2020		As at March 31, 2019	
		Loan FC in Mn	MTM ₹ In crores (Gain)/Loss	Loan FC in Mn	MTM ₹ In crores (Gain)/Loss
1	US Dollar	7.17	(0.40)	9.56	(0.01)
2	Euro	14.99	0.93	19.60	0.68

The company is fully covered on interest rate fluctuation on foreign currency borrowing through interest rate swaps (IRS) and complete currency swaps (CCS).

Note 54. IMPAIRMENT REVIEW

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

Note 55. INFORMATION RELATED TO CONSOLIDATED FINANCIALS

The Company is listed on stock exchange in India, the Company has prepared consolidated financial as required under IND AS 110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's web site for public use.

Note 56. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

After the end of financial year, the Board of Directors of the company has approved the buyback of its Equity Shares at the maximum buy back price of ₹130/- per equity share for an aggregate amount not exceeding ₹100 crores, from the open market through the stock exchanges mechanism.

Note 57. INCOME TAX

a) Amount recognised in Statement of Profit and Loss

₹ in crores (10 Million)

Particulars	2019-20	2018-19
Current Income Tax		
Current year *	215.38	144.99
MAT Credit Entitlement		
Current year	-	(102.53)
Reversal of MAT credit entitlement of earlier years	1.93	3.29
TOTAL	**217.31**	**45.75**
Deferred Tax	8.57	195.40
Income tax expense reported in the statement of profit and loss	**225.88**	**241.15**

* including ₹0.10 cr related to earlier years.

Note 57. INCOME TAX *(contd.)*

b) Reconciliation of Effective Tax Rate

₹ in crores (10 Million)

Particulars	2019-20	2018-19
Profit before tax	**718.59**	**678.35**
At applicable Statutory Income Tax Rate @ 34.944%	251.10	237.04
Tax Impact on:-		
Benefit of 80IA	(29.08)	(38.63)
Donation	0.09	0.44
In House R&D Expenditure	(0.84)	(0.84)
CSR Expenditure	2.67	1.17
Others	1.94	41.97
Reported Income Tax Expense	**225.88**	**241.15**
Effective Tax Rate	**31.43%**	**35.55%**

Note 58. SEGMENT INFORMATION

Information about primary segment

The Company has only one business segment i.e. Paper and Board and one geographical reportable segment i.e. Operations mainly within India. The performance is reviewed by the Board of Directors (Chief operating decision makers).

Note 59.

Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Note 60.

Notes 1 to 59 are annexed to and form an integral part of financial statements.

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Cash Flow **Statement** for the year ended March 31, 2020

₹ in crores (10 Million)

	2019-20		2018-19	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax	718.59		678.35	
Adjustments for :				
Depreciation and amortization	143.56		125.30	
Defined Benefit Plans charged to OCI	(2.78)		(1.72)	
Income from Investments	(20.49)		(15.28)	
(Profit)/ Loss on Sale of Assets (Net)	(0.06)		0.37	
Dividend Income	(0.06)		(0.01)	
Finance Cost	122.81		122.40	
Interest Income	(60.55)		(40.48)	
Foreign Exchange Fluctuation	3.48		1.77	
Assets Written off	4.08		0.74	
Bad Debts	0.31		0.02	
Provision for Doubtful Debts	0.13		0.15	
Provision for earlier years no longer required	(15.10)		0.61	
Operating Profit before Working Capital Changes	893.92		872.22	
Adjustments for Working Capital Changes:				
Trade and Other Receivables	(50.19)		16.91	
Inventories	(124.82)		71.76	
Trade and Other Payables	45.36		92.39	
Cash generated from Operations	764.27		1,053.28	
Taxes paid	(127.79)		(139.84)	
Net Cash from Operating Activities		636.48		913.44
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property Plant & Equipment	(466.54)		(120.56)	
Sale of Property Plant & Equipment	1.91		3.46	
Sale/(Purchase) of Investments (Net)	229.29		(735.50)	
Dividend Income	0.06		0.01	
Interest Received	79.35		15.80	
Net Loans & Advances	(142.33)		(60.75)	
Net Cash from Investing Activities		(298.26)		(897.54)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long-term Borrowings	139.79		401.03	
Repayment of Long-term Borrowings	(264.76)		(284.09)	

Cash Flow Statement for the year ended March 31, 2020

₹ in crores (10 Million)

	2019-20		2018-19	
Proceeds/(Repayment) from Short-term Borrowings (Net)	98.63		(57.99)	
Repayment of lease obligation	(10.84)		-	
Interest and Financial Charges	(125.22)		(128.18)	
Dividend (including Dividend Tax)	(160.64)		(53.65)	
Net cash from Financing Activities		(323.04)		(122.88)
D. Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance		15.18		(106.98)
E. Cash and Cash Equivalents as at the beginning of the year - Cash & Bank Balances (Note No. 11 & 12)		15.04		122.02
F. Cash and Cash Equivalents as at the close of the year - Cash & Bank Balances (Note No. 11 & 12)		30.22		15.04

Notes :

₹ in crores (10 Million)

	2019-20		2018-19	
	Long Term	Short Term	Long Term	Short Term
(a) Total Liabilities from Financing Activities				
Opening	1,331.97	18.04	1,233.50	76.03
Cash Flow Changes				
Inflow/(Repayments)	(124.97)	98.63	116.94	(57.99)
Non-Cash Flow Changes				
Foreign Exchange	14.10	-	(4.33)	-
FCCB Conversion	-	-	(15.46)	-
Lease Liabilities	28.10	-	-	-
Other	4.38	-	1.32	-
Closing	**1,253.58**	**116.67**	**1,331.97**	**18.04**

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

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Form AOC - I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement Containing salient features of the financial statement of Subsidiaries/ associate companies/ joint ventures

Part - "A" : Subsidiaries

₹ In crores (10 Million)

Sl. No	Particulars	The Sirpur Paper Mills Limited	Jaykaypur Infrastructure & Housing Limited	Songadh Infrastructure & Housing Limited	JK Enviro-Tech Limited	JK Paper International (Singapore) Pte. Limited
1	Financial Year ended on	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020	March 31, 2020
2	Reporting Currency	₹	₹	₹	₹	US$
3	Closing Exchange Rate	-	-	-	-	75.39
4	Share Capital	182.00	4.95	4.95	21.27	22.06
5	Reserve & Surplus/ (Accumulated Losses)	(23.37)	(1.80)	1.66	57.49	2.43
6	Total Assets	840.38	41.05	17.46	289.56	24.52
7	Total Liabilities	840.38	41.05	17.46	289.56	24.52
8	Investments	-	-	-	173.34	24.50
9	Total Turnover	84.44	9.65	3.14	15.77	-
10	Profit/ (Loss) before tax	(21.67)	2.78	0.22	(3.48)	(0.05)
11	Provision for Income Tax	-	0.99	0.05	0.01	-
12	Profit/ (Loss) after tax	(21.67)	1.79	0.17	(3.49)	(0.05)
13	Proposed Dividend	-	-	-	-	-
14	% of Shareholding	96.27%	100%	100%	96.08%	100%

Part - "B" : Associates and Joint Ventures

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

S. No.	Name of Joint Venture Company	Habras MZZ Plantation Myanmar Company Limited
1	Financial Year/Period ended on	March 31, 2020
2	% of Shareholding	50%
3	Investment in Joint Venture	24.50
	Extent of Holding %	50%
4	Description of how there is significant influence	Based on Shareholding
5	Reason why the Joint Venture is not consolidated	Not Applicable
6	Net worth attributable to Share Holding as per latest Un-audited Balance sheet	24.50
7	Loss for the year	NIL
	i) Considered in consolidation	NIL
	i) Not Considered in consolidation	NIL

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

New Delhi, the 12th May, 2020

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Independent **Auditor's Report**

To
The Members of
Jk Paper Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JK Paper Limited ("the Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

OTHER MATTERS

A) We did not audit the financial statements of four subsidiaries, whose financial statements/financial information reflect total assets of ₹37,258 lacs as at 31 March 2020, total revenue of ₹2,856 lacs, total net profit / (loss) after tax of ₹(158 lacs) and total comprehensive income of ₹(158 lacs) for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries based solely on the reports of the other auditors.

   Our opinion is not modified in respect of this matter.

B) The Consolidated financial statements include the Company's share of net profit / loss of ₹ Nil for the year ended 31st March 2020 as considered in the consolidated financial statements, in respect of one jointly controlled entity, whose financial statements have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the financial statements , to the extent they have been derived from such financial statements is based solely on the reports of the other auditor.

   Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India . The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

    d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

    e) On the basis of the written representations received from the directors of the Company as on March 31, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

    g) With respect to the other matter to be included in the Auditors' report under Section 197(16) :

    In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India, are in accordance with the provisions of Section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        I. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group.

        II. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

        III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

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

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

Place: New Delhi
Date: 12th May 2020
UDIN: 20085155AAAABJ7971

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2020, we have audited the internal financial controls over financial reporting of JK Paper Limited (‘the Holding Company’) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (‘the Act’).

Auditors’ Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary companies, which are companies incorporated in India, based on our audit.

We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that 1)pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its Subsidiary companies , which are incorporated in India, have, maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

i) Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies.

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

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

Place: New Delhi
Date: 12th May 2020
UDIN: 20085155AAAABJ7971

Consolidated Balance Sheet as at March 31, 2020

₹ in crores (10 Million)

Particulars	Note	March 31, 2020	March 31, 2019
ASSETS			
Non-Current Assets			
Property,Plant and Equipment	2	3,054.72	2,643.29
Capital Work-in-Progress		399.15	313.76
Investment Property	2A	53.79	52.93
Goodwill		9.81	9.81
Other Intangible Assets	3	23.35	0.27
Intangible Assets Under Development		0.48	15.10
Financial Assets			
Investments	4	108.58	29.12
Loans	5	-	17.47
Other Financial Assets	6	31.79	18.25
Other Non-Current Assets	7	182.15	21.72
		3,863.82	**3,121.72**
Current Assets			
Inventories	8	498.19	346.27
Financial Assets			
Investments	9	382.64	646.24
Trade Receivables	10	73.79	73.48
Cash and Cash Equivalents	11	29.52	15.24
Bank Balances other than above	12	12.51	11.50
Loans	13	118.25	150.80
Other Financial Assets	14	112.04	30.49
Other Current Assets	15	199.69	126.36
		1,426.63	1,400.38
Total Assets		**5,290.45**	**4,522.10**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	16	178.24	178.24
Other Equity		2,187.25	1,859.86
Non-controlling interest		8.01	50.88
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	17	1,425.06	1,287.34
Other Financial Liabilities	18	70.34	59.03
Provisions	19	9.10	7.49
Deferred Tax Liabilities (Net)	20	341.01	238.83
Other Non-Current Liabilities	21	47.83	-
		1,893.34	**1,592.69**
Current Liabilities			
Financial Liabilities			
Borrowings	22	119.69	18.04
Trade Payables	23		
Micro & Small Enterprises		5.02	3.05
Others		377.20	271.19
Other Financial Liabilities	24	372.49	360.91
Other Current Liabilities	25	141.03	175.74
Provisions	26	5.47	4.87
Current Tax Liabilities	27	2.71	6.63
		1,023.61	**840.43**
Total Equity and Liabilities		**5,290.45**	**4,522.10**
Significant Accounting Policies	1		

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

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Consolidated Statement of Profit & Loss for the year ended March 31, 2020

₹ in crores (10 Million)

Particulars	Note	2019-20	2018-19
REVENUES :			
Sales		3,258.91	3,469.19
Less : Discounts		240.07	235.55
Net Sales		**3,018.84**	**3,233.64**
Other Operating Revenues	28	41.35	23.07
Revenue from Operations		**3,060.19**	**3,256.71**
Other Income	29	103.81	50.00
Total Revenue		**3,164.00**	**3,306.71**
EXPENSES			
Cost of Materials Consumed	30	1,266.83	1,278.11
Purchases of Stock-in-Trade		231.19	301.53
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	31	(134.04)	47.85
Employee Benefits Expense	32	287.67	262.73
Finance Costs	33	129.30	124.40
Depreciation and Amortisation Expenses	34	149.48	127.68
Other Expenses	35	537.18	498.37
Total Expenses		**2,467.61**	**2,640.67**
Profit Before Interest, Depreciation & Tax (EBITDA)		**975.17**	**918.12**
Profit/(Loss) Before Tax		**696.39**	**666.04**
Tax Expense			
Current Tax (MAT)		217.79	145.12
Less : MAT Credit Entitlement		0.27	(99.29)
Provision / (Credit) for Deferred Tax		9.92	195.27
Profit for the period		**468.41**	**424.94**
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		(2.82)	(1.27)
(ii) Tax on (i) above		0.97	0.60
(iii) Equity Instruments through Other Comprehensive Income		(2.90)	(2.20)
(iv) Tax on (iii) above		-	-
Items that will be reclassified to statement of Profit and Loss			
Exchange differences on translating the financial statements of a foreign operations		2.02	-
Total Comprehensive Income for the period		**465.68**	**422.07**
Net Profit attributable to:			
a) Owners of the company		**475.32**	**427.28**
b) Non controlling interest		**(6.91)**	**(2.34)**
Other comprehensive Income attributable to:			
a) Owners of the company		**(2.73)**	**(3.00)**
b) Non controlling interest		**-**	**0.13**
Total comprehensive Income attributable to:			
a) Owners of the company		**472.59**	**424.28**
b) Non controlling interest		**(6.91)**	**(2.21)**
Earnings per Equity Shares			
1) Basic (in ₹)		26.28	23.88
2) Diluted (in ₹)		26.28	23.82
Significant Accounting Policies	1		

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

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

₹ in crores (10 Million)

March 31, 2018	Changes in Equity Share Capital during 2018-19	March 31, 2019	Changes in Equity Share Capital during 2019-20	March 31, 2020
175.50	2.74	178.24	-	178.24

B. Other Equity

Particulars	Equity Component of Compound financial Instruments	Reserve and Surplus						Other Comprehensive Income (OCI)			Total Attributable to owners of the Parent	Attributable to Non - Controlling Interests	Total
		Retained Earnings	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Exchange differences on translating the financial statements of a foreign operations	Items that will not be Reclassified to profit or loss				
									Re-measurement of the net defined benefit plans	Equity Instruments through OCI			
March 31, 2018	-	569.63	29.92	3.00	513.21	-	350.59	(0.19)	(6.97)	8.40	1,467.59	-	1,467.59
Profit for the year		427.28					-	-	-	-	427.28	(2.21)	425.07
FCCB Conversion	-	-	-	-	12.72	-	-	-	-	-	12.72		12.72
Transfer from Retained Earnings	-	(200.00)	-	-	-	-	200.00	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	(0.80)	(2.20)	(3.00)	-	(3.00)
Transfer to debenture redemption reserve	-	(4.74)	-	-	-	4.74	-	-	-	-	-	-	-
Dividend including Corporate Dividend Tax	-	(53.72)	-	-	-	-	-	-	-	-	(53.72)	-	(53.72)
Issue of 0.1% Compulsory Convertible Preference Share	8.00	-	-	-	-	-	-	-	-	-	8.00	-	8.00
Adjustment for translation of Non Integral Foreign Operations	-	-	-	-	-	-	-	0.99	-	-	0.99	-	0.99
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	53.09	53.09
March 31, 2019	8.00	738.45	29.92	3.00	525.93	4.74	550.59	0.80	(7.77)	6.20	1,859.86	50.88	1,910.74
Profit for the year		475.32					-	-	-	-	475.32	(6.91)	468.41
Transfer from Retained Earnings	-	(200.00)	-	-	-	-	200.00	-	-	-	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	-	2.02	(1.85)	(2.90)	(2.73)	-	(2.73)
Dividend including Corporate Dividend Tax	-	(161.16)	-	-	-	-	-	-	-	-	(161.16)	-	(161.16)
Issue of 0.1% Compulsory Convertible Preference Share	23.00	-	-	-	-	-	-	-	-	-	23.00	-	23.00
Changes in ownership interests in subsidiaries	-	(7.04)	-	-	-	-	-	-	-	-	(7.04)	(35.96)	(43.00)
March 31, 2020	31.00	845.57	29.92	3.00	525.93	4.74	750.59	2.82	(9.62)	3.30	2,187.25	8.01	2,195.26

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

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Notes to the **Consolidated Financial Statement** for the year ended March 31, 2020

Note 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, the Company no longer has effective control over the goods sold, the amount of revenue and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of Consideration that will be derived from the sales of Goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss.

Interest income

Interest income is recognized on time proportion basis using the effective interest method.

Dividend Income

Dividend income is recognized when the right to receive payment is established, which is generally when shareholders approve the same.

Renewal Energy Certificate

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on sale of REC's.

(ii) Inventory Valuation

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade, Stores & Spares and Renewable Energy Certificates are valued at the lower of cost and net realisable value (except scrap/waste which are value at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand cash at bank and demand deposits with banks with an original maturity of three months or less which are subject to an insignificant risk of change in value.

(iv) Property Plant and Equipment

On transition to IND AS, the company has adopted optional exception under Ind AS 101 to measure Property, Plant and Equipment (PPE) at fair value. Consequently the fair value has been assumed to be deemed cost of PPE on the date of transition. Subsequently PPE are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

PPE acquired are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Capital work-in-progress includes cost of PPE under installation / under development as at the balance sheet date. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation on Buildings, Plant & Machinery, Railway Siding and Other Assets of all Units is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 10 to 40 years for plant and machinery and 8 to 60 years for buildings.

Note 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020. *(contd.)*

Depreciation on additions due to exchange rate fluctuation is provided on the basis of residual life of the assets. Depreciation on assets costing up to ₹5000/- and on Temporary Sheds is provided in full during the year of additions.

Depreciation will be charged from the date the assets is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leased Assets

Leasehold lands are amortized over the period of lease, Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

(v) Research and Development Costs

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

(vi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a Lessee

The Company has adopted Ind AS 116 "Leases" effective April 1,2019 (Transition date)

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company has adopted Ind AS 116 "Leases" effective April 1,2019 (Transition date) using the simplified approach (Retrospective cumulative effect from April 1,2019)

Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company

Note 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020. *(contd.)*

and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in Note 2 of Property, Plant and Equipment (PPE) and Note 17 of Non current Financial Liabilities -Borrowings. Lease payments have been classified as cash used in financing activities.

Short-Term Leases and Leases of Low-value Assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis over the term of the relevant lease.

(vii) Impairment

The carrying amount of PPEs, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(viii) Financial Assets & Liabilities

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

(a) Financial Assets at Amortised Cost

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(b) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

Note 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020. *(contd.)*

(c) Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade Receivables.

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

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

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

Investment in Equity Shares.

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

Investment in Associates, Joint Ventures and Subsidiaries.

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

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at cost. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

Derecognition.

Financial Asset is primarily derecognised when:

(i) The right to receive cash flows from asset has expired, or

(ii) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a " pass-through" arrangement and either:

- a) The Company has transferred substantially all the risks and rewards of the asset, or
- b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities.

Initial Recognition and Measurement

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Note 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020. *(contd.)*

Subsequent Measurement.

The measurement of financial liabilities depends on their classification, as described below :

a) Financial Liabilities at Fair Value through Profit or Loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date with all the changes recognized in the Statement of Profit and Loss.

b) Financial Liabilities measured at Amortised Cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

c) Loans and Borrowings

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

d) Trade and Other Payables

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of Financial Liability

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative Financial Instruments

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Compound Financial Instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Note 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020. *(contd.)*

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(ix) Foreign Exchange Transactions / Translations / Hedge Accounting

Financial statements are presented in Indian Rupee, which is Company's functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Financial instruments designated as Hedge Instruments are mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement except exchange differences arising on those Long term foreign currency monetary items, related to acquisition of depreciable capital assets being carried forward from previous GAAP, which are adjusted to cost of such assets and depreciated over their balance life pursuant to the option in Notification No. G.S.R 914(E) dated 29th December, 2011 issued by Ministry of Corporate Affairs. Non Monetary Foreign Currency items are stated at cost.

(x) Employee Benefits

a) Defined Contribution Plan

The Company makes defined contribution to Superannuation Funds, which are accounted on accrual basis as expenses in the statement of Profit and Loss

b) Defined Benefit Plan

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (Ind AS-19), 'Employee Benefits'. These liabilities are funded on year-to-year basis by contribution to respective funds. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

The Defined Benefit Plan can be short term or Long terms which are defined below:

i) Short-term Employee Benefit

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) Long-term Employee Benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date

c) Termination Benefits

Termination benefits are recognized as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

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

(b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

Note 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020. *(contd.)*

(xi) Earnings per Share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(xii) Income Tax

Current Income Tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred Tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Minimum Alternate Tax

Minimum Alternate Tax credit is recognized, as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

(xiii) Provisions and Contingent Liabilities /Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Note 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020. *(contd.)*

(xiv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xvi) Fair Value Measurements

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market , in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xvii) Investment Properties

Investment Properties comprises portions of freehold land and buildings that are held for long-term rentals yields and/or for capital appreciation. Investment properties are initially recognised at cost. Subsequent Investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on building is provided over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Though the Company measures investment property using cost based measurement, the fair value of investment is disclosed in notes.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised In the statement of profit and loss in the period of derecognition.

(xviii) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

Notes to the **Consolidated Financial Statement** for the year ended March 31, 2020

Note 1. SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH, 2020. *(contd.)*

a. Income Taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

b. Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

c. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

d. Defined Benefit Plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair Value Measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(xix) Business Combinations

Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportionate share of the acquiree's identifiable net assets.

The interests of the parent and NCI in the subsidiary are adjusted to reflect the relative change in their interests in the subsidiary's equity. As per Ind AS 110, any difference between the amount by which NCI are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Notes to the **Consolidated Financial Statement** for the year ended March 31, 2020

Note 2. PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in crores (10 Million)

Description	Gross Carrying Value				Depreciation				Net Carrying Value	
	April 1, 2019	Additions/ Adjustments	Sales/ Adjustments	March 31, 2020	April 1, 2019	For the year	On Sales/ Adjustments	March 31, 2020	March 31, 2020	March 31, 2019
Land - Freehold (a)	342.78	-	-	342.78	-	-	-	-	342.78	342.78
- Leasehold^	82.76	-	82.76	-	5.88	-	5.88	-	-	76.88
-Right-of-use Asset^	-	76.88	-	76.88	-	1.45	-	1.45	75.43	-
Building	303.22	31.79	0.06	334.95	44.45	12.32	0.05	56.72	278.23	258.77
Plant & Equipment (b)	2,285.99	479.90	11.07	2,754.82	350.24	112.60	6.06	456.78	2,298.04	1,935.75
Right-of-use Asset(Plant & Equipment)	-	38.94	-	38.94	-	12.03	-	12.03	26.91	-
Furniture and Fixture	5.47	0.66	-	6.13	1.82	0.57	-	2.39	3.74	3.65
Office Equipment	10.03	2.28	0.07	12.24	3.89	2.16	0.06	5.99	6.25	6.14
Vehicles & Locomotive	20.93	7.99	1.48	27.44	3.41	2.92	0.59	5.74	21.70	17.52
Railway Siding	2.60	-	-	2.60	0.80	0.16	-	0.96	1.64	1.80
Total	3,053.78	638.44	95.44	3,596.78	410.49	144.21	12.64	542.06	3,054.72	2,643.29
Previous year	2,895.17	378.06	219.45	3,053.78	291.62	126.10	7.23	410.49	2,643.29	

^ Reclassified on account of adoption of Ind AS-116.

Notes:

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

b) During the year ₹9.03 crores has been added in Plant & Equipment due to Foreign Exchange Fluctuation (Net) (Previous year ₹5.83 crores was deducted) .

C) After adjusting Fair value as on 1st Aug 2018 on Acquisition of The Sirpur Paper Mills Limited as per resolution plan.

Note 2A INVESTMENT PROPERTY

Description	Gross Carrying Value				Depreciation				Net Carrying Value	
	April 1, 2019	Additions/ Adjustments	Sales/ Adjustments	March 31, 2020	April 1, 2019	For the year	Sales/ Adjustments	March 31, 2020	March 31, 2020	March 31, 2019
Land										
Freehold	6.99	-	-	6.99	-	-	-	-	6.99	6.99
Leasehold	12.01	-	-	12.01	1.83	0.20	-	2.03	9.98	10.18
Buildings	42.79	2.34	-	45.13	7.03	1.28	-	8.31	36.82	35.76
Total	61.79	2.34	-	64.13	8.86	1.48	-	10.34	53.79	52.93
Previous year ended 31st March 2019	57.88	3.91	-	61.79	7.51	1.35	-	8.86	52.93	

As at 31st March 2019, the fair value of Land and Buildings are ₹116.20 crores. These Valuations are based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. Management estimates that there is no major change in fair valuation as on 31st March, 2020.

Notes to the Consolidated Financial Statement for the year ended March 31, 2020

Note 3. OTHER INTANGIBLE ASSETS

₹ in crores (10 Million)

Description	Gross Carrying Value				Amortisation				Net Carrying Value	
	April 1, 2019	Additions/ Adjustments	Sales/ Adjustments	Mar 31, 2020	April 1, 2019	For the year	On Sales/ Adjustments	Mar 31, 2020	Mar 31, 2020	March 31, 2019
Computer Software	4.84	26.88	3.23	28.49	4.57	3.79	3.22	5.14	23.35	0.27
Total	4.84	26.88	3.23	28.49	4.57	3.79	3.22	5.14	23.35	0.27
Previous year	3.90	0.94	-	4.84	3.69	0.88	-	4.57	0.27	

Note 4. NON- CURRENT INVESTMENTS

Particulars	Face Value ₹ /Share	March 31, 2020		March 31, 2019	
		No. of Share	Value	No. of Share	Value
Quoted, Equity shares fully paid up					
Investment Carried at Fair Value through OCI					
JK Lakshmi Cement Limited	5/-	1,91,000	3.74	1,91,000	6.64
Unquoted, Equity shares fully paid up					
Investment Carried at Fair Value through Profit & Loss					
Investment in Equity instruments of Others					
Global Strategic Technologies Limited	10/-	3,42,000	0.34	-	-
Unquoted, Preference shares fully paid up					
Bengal & Assam Company Limited	100/-	65,00,000	65.00	-	-
Global Strategic Technologies Limited	100/-	5,00,000	5.00	-	-
Deepti Electronics and Electro Optics Private Limited	100/-	10,00,000	10.00	-	-
Investments Carried at Cost					
Investment in Equity instrument of Joint Venture					
Habras MZZ Plantation Myanmar Company Limited	USD 1000	3,250	24.50	3,250	22.48
Share of Post acquisition profit and reserves in Joint Venture			-	-	-
Investment in Others					
JK Paper Mills Employees' Co-operative Stores Limited (CY ₹2500/- ,PY ₹2500/-)	10/-	250	0.00	250	0.00
			108.58		29.12
Aggregate book value of unquoted investments			104.84		22.48
Aggregate market value of quoted investments			3.74		6.64

Note 5. NON CURRENT FINANCIAL ASSETS - LOANS

Particulars	March 31, 2020	March 31, 2019
Unsecured considered good :-		
At Amortised Cost		
JK Paper Employees` Welfare Trust	-	17.47
TOTAL	-	17.47

Note 6. NON CURRENT FINANCIAL ASSETS - OTHERS

Particulars	March 31, 2020	March 31, 2019
Deposits with Government Authorities	7.75	3.27
Derivative Financial Instruments (at fair value through P&L)	4.41	4.94
Others Deposit	19.63	10.04
TOTAL	31.79	18.25

Note 7. OTHER NON CURRENT ASSETS

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Capital Advances	166.90	13.62
Deposits with Government Authorities and Others	15.25	8.10
TOTAL	**182.15**	**21.72**

Note 8. INVENTORIES (AS TAKEN AND CERTIFIED BY THE MANAGEMENT)

Particulars	March 31, 2020	March 31, 2019
Raw Materials #	199.89	183.79
Work-in-Progress @	63.58	20.52
Finished Goods	148.17	40.03
Stock in Trade #	7.62	24.98
Stores & Spares #	78.92	76.94
Renewable Energy Certificates	0.01	0.01
TOTAL	**498.19**	**346.27**

Includes Raw Materials in transit ₹10.08 crores (As at 31-03-19 ₹2.07 crores), Stores & Spares in transit ₹1.91 crores (As at 31-03-19 ₹1.49 crores) and Stock in Trade in transit ₹1.27 crores (As at 31-03-19 ₹ NIL).

@ Includes Pulp in process ₹3.82 crores (As at 31-03-19 ₹10.77 crores) and Semi Finished Goods ₹48.42 crores (As at 31-03-19 ₹9.35 crores).

Note 9. CURRENT INVESTMENTS

Particulars	March 31, 2020	March 31, 2019
Investments in Liquid Funds- at fair value through P&L		
Investment in Non Convertible Debenture	74.91	499.48
Investment in Mutual Fund	307.73	121.76
FD with Non Schedule Bank	-	25.00
	382.64	**646.24**
Aggregate book value of quoted investments	307.73	121.76
Aggregate book value of unquoted investments	74.91	524.48

Note 10. TRADE RECEIVABLES

Particulars	March 31, 2020	March 31, 2019
Unsecured		
Considered Good #	73.79	73.48
Credit Impaired	0.48	0.35
	74.27	**73.83**
Less: Allowance for credit impairment	0.48	0.35
TOTAL	**73.79**	**73.48**

Note 11. CASH AND CASH EQUIVALENTS

Particulars	March 31, 2020	March 31, 2019
Cash & Cash Equivalents		
Current Accounts*	28.76	15.01
Cheques/Drafts on hand	-	0.09
Bank Deposits with original maturity of 3 months or less	0.51	-
Cash on Hand	0.25	0.14
TOTAL	**29.52**	**15.24**

* includes ₹1.72 crores in CY and ₹3.56 crores in PY earmarked for specified purposes.

Notes to the **Consolidated Financial Statement** for the year ended March 31, 2020

Note 12. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Other Bank Balances		
Unclaimed Dividend Accounts	0.72	0.20
Fixed Deposit with Scheduled Banks #	11.79	11.30
TOTAL	**12.51**	**11.50**

Includes ₹0.20 crores (Previous year ₹0.51 crores) pledged with Government Authorities.

Note 13. CURRENT FINANCIAL ASSETS - LOANS

Particulars	March 31, 2020	March 31, 2019
Unsecured considered good :-		
Loans to related parties		
Bengal & Assam Company Limited-(Associate of)	90.00	120.00
Other Loans & Advances		
Others	28.25	30.80
TOTAL	**118.25**	**150.80**

All the above loans and advances have been given in the ordinary course of business for general business purpose (U/s 186(4) of the Companies Act 2013)

Note 14. CURRENT FINANCIAL ASSETS - OTHER

Particulars	March 31, 2020	March 31, 2019
Unsecured considered good :-		
Advances Recoverable	5.57	0.46
Interest Accrued but not due	6.61	26.94
Advances to Employees	1.00	1.02
Derivative Financial Instruments (at fair value through P&L)	4.35	2.07
Government Grant Receivable - Revenue	44.51	
Government Grant Receivable - Capital	50.00	
TOTAL	**112.04**	**30.49**

Note 15. OTHER CURRENT ASSETS

Particulars	March 31, 2020	March 31, 2019
Advances Recoverable	6.48	5.87
Advances to Suppliers	57.53	47.80
Indirect Tax Recoverable	129.70	66.65
Other Deposits	2.73	3.64
Prepaid Finance Charges	3.25	2.40
Doubtful Advances		
Other	0.35	0.60
	200.04	**126.96**
Less : Allowance for Doubtful Advances	0.35	0.60
TOTAL	**199.69**	**126.36**

Note 16. SHARE CAPITAL

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Authorised :		
Equity Shares - 30,00,00,000 of ₹10/- each	300.00	300.00
(30,00,00,000 Equity Share of ₹10 each as at 31-March-2019)		
Redeemable Preference Shares - 2,00,00,000 of ₹10/- each	200.00	200.00
(2,00,00,000 Share of ₹100 each as at 31-March-2019)		
	500.00	**500.00**
Issued, Subscribed and Paid-up :		
Equity Shares - 17,82,43,585 of ₹10/- each (17,82,43,585 Equity Share of	178.24	178.24
₹10 each fully paid up at 31-March-2019)		
	178.24	**178.24**

Notes :

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

Particulars	March 31, 2020	March 31, 2019
Shares outstanding at the beginning of the year	17,82,43,585	17,55,00,850
Add : Shares issued during the year	-	27,42,735
Shares outstanding at the end of the year	17,82,43,585	17,82,43,585

(b) Equity Shares:

The Equity Shareholders have:-

- The right to receive dividend out of balance of net profits remaining after payment of dividend to the preference shareholders. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.
- The Company has only one class of Equity Shares having face value of ₹10/- each and each shareholder is entitled to one vote per share.
- In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their individual shareholding in the paid up equity capital of the Company.

(c) Reconciliation of Preference Shares Capital (In numbers)

Particulars	March 31, 2020	March 31, 2019
Preference Shares outstanding at the beginning of the year	40,00,000	
Add : issued during the year (Nominal Value ₹100, ₹100 Paid up) Previous year (Nominal Value ₹100, ₹20 Paid up)	23,00,000	40,00,000
Preference Shares outstanding at the end of the year	63,00,000	40,00,000

Subsidiary issued following preference shares :

During the Current year :

JK Enviro-Tech Limited has issued Compulsory Convertible Preference Shares having nominal Value of ₹100/- (One Hundred) each, aggregating to ₹23,00,00,000 (Rupees Twenty Three crores only), having 0.01% dividend (on cumulative basis) on 4th September 2019, to be convertible into Equity shares of the Company, having nominal value of ₹10 each, at a conversion price of ₹20.80 per equity share (including premium of ₹10.80 per equity share) at any time upto 7 years but further extendable with mutual consent of the Company and the shareholder(s), by way of preferential allotment for cash. These convertible preference share is recorded in Other equity.

Note 16. SHARE CAPITAL *(contd.)*

During the Previous year :

JK Enviro-Tech Limited has issued Compulsory Convertible Preference Shares(Series 1 and 2) having nominal Value of ₹100/- (One Hundred) each, aggregating to ₹40,00,00,000 (Nos 40,00,000), having 0.01% dividend (on cumulative basis), with ₹20 payable on application and balance ₹80 to be payable at the end of 5 years from the date of allotment or at the time of conversion whichever is earlier,to be convertible into Equity shares of the Company, having nominal value of ₹10 each, at a conversion price of ₹12 per equity share (including premium of ₹2 per equity share) at any time upto 7 years but further extendable with mutual consent of the Company. The equity portion of convertible preference share is recorded in Other equity.

(c) List of Shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers) :

Particulars	March 31, 2020	March 31, 2019
Bengal & Assam Company Limited	7,96,27,228	3,64,18,299
BMF Investments Limited	-	3,00,89,797
Florence Investech Limited	-	1,18,33,332
Trustees, JK Paper Employees Welfare Trust	84,23,655	98,28,655

Note 17. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
SECURED		
Term Loan		
From Banks	1,099.16	1,000.57
From Financial Institutions	119.76	135.70
Non Convertible Debentures (NCDs)	332.01	331.57
UNSECURED		
Public Deposits	32.41	28.66
Liability Component of Redeemable Preference Share	51.12	48.04
Lease Liabilities	28.10	
	1662.56	**1544.54**
Less : Current Maturities of Long Term Borrowings	237.50	257.20
TOTAL	**1425.06**	**1287.34**

A. Term Loans of ₹323.91 crores (FIs – ₹ Nil, Banks ₹323.91 crores) and NCD of ₹335 crores are secured by means of first pari passu mortgage/ charge on the fixed assets of the company . Out of the above Term Loan, ₹165.39 crores (FIs - ₹ Nil, Banks ₹165.39 crores) 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 ₹323.91 crores are repayable in total 60 quarterly instalments from June 2020 to March 2024.

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

B. Term Loans of ₹416.28 crores (FIs – ₹120.00 crores, Banks ₹296.28 crores) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit JKPM of the company. These Term Loans are/shall be repayable as under :-

1 Term Loans aggregating to ₹158.00 crores are repayable in total 37 equal quarterly-instalments from June 2020 to September 2027.

2 Term Loans aggregating to ₹170.62 crores are repayable in total 14 equal half-yearly instalments from May 2020 to August 2023.

3 Term Loans aggregating to ₹87.66 crores are repayable in total 29 quarterly instalments from May 2020 to Mar 2024.

Note 17. NON CURRENT FINANCIAL LIABILITIES - BORROWINGS *(contd.)*

C. Term Loans of ₹125.63 crores (FIs – ₹ Nil, Banks ₹125.63 crores) 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/shall be repayable as under :-

1 Term Loans aggregating to ₹95.00 crores are repayable in total 36 equal quarterly-instalments from December 2022 to September 2031.

2 Term Loans aggregating to ₹30.63 crores are repayable in total 36 quarterly instalments from December 2022 to September 2031.

D. Term Loans aggregating to ₹1.19 crores (FIs – ₹ Nil, Banks ₹1.19 crores) are secured by specific charge on the Vehicle hypothecated against these loans. These Term Loans are repayable in total 33 monthly instalments from April 2020 to December 2022.

E. Secured Term loans from Financial Institutions and Banks have been reduced by ₹5.95 crores (FIs – ₹0.24 crores, Banks ₹5.71 crores) and NCDs have been reduced by ₹2.99 crores due to effective rate of interest.

F. Certain charges are in the process of satisfaction. Secured Term loans from Financial Institutions and Banks include ₹219.92 crores foreign currency loans.

G Lease Liabilities aggregating to ₹28.10 crores is repayable in total 160 equal monthly instalments from April 2020 to June 2026.

H Public deposits are due for repayment in 2020-21, 2021-22 & 2022-23.

I Subsidiary :

A Term Loans of ₹361.14 crores from Banks is secured by means of first pari passu mortgage/charge on the fixed assets of the company, and is further secured by second charge on the current assets of the Company. JK Paper Limited (Ultimate Parent Company) has also extended the Letter of Comfort towards the above loans.

i. Term Loans aggregating to ₹331.14 crores are repayable in total 36 equal quarterly instalments from December 2021 to September 2030.

ii. Term Loans aggregating to ₹30.00 crores are repayable in total 16 equal quarterly instalments from September 2021 to June 2025.

B Secured Term loans from Bank has been reduced by ₹3.28 crores due to effective rate of interest.

C. During the previous year company had issued Redeemable Preference Shares of ₹162 crores to be redeemed at the end of 20 years from the issue date with dividend of 0.01% p.a. The Equity portion of these Redeemable Preference Shares, on account of Dividend Percentage being lower than effective market rate, is recorded in Other Equity.

Note 18. NON CURRENT FINANCIAL LIABILITIES - OTHER

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Trade Deposits	67.69	56.38
Interest Accrued but not due on Loans	1.55	0.73
Derivative Financial Instruments (at fair value through Profit & Loss)	1.10	1.92
TOTAL	**70.34**	**59.03**

Note 19. NON CURRENT PROVISIONS

Particulars	March 31, 2020	March 31, 2019
Provision for Employee Benefits	9.10	7.49
TOTAL	**9.10**	**7.49**

Notes to the Consolidated Financial Statement for the year ended March 31, 2020

Note 20. DEFERRED TAX LIABILITIES

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	569.75	524.04
Tax on carried forward unabsorbed Depreciation	(73.25)	(42.64)
Tax on Others	16.88	23.03
a. Total Deferred Tax Liability	**513.38**	**504.43**
Opening MAT Credit Entitlements	(265.60)	(166.31)
Current MAT Credit Entitlement	1.83	(99.29)
Reversal of MAT Credit of Earlier Years	91.40	-
b. Total MAT Credit Entitlement	**(172.37)**	**(265.60)**
c. Net Deferred Tax Liability (a+b)	**341.01**	**238.83**

Based on the past performance and current plans, the Company expects to continue to generate taxable income which will enable it to utilise MAT credit entitlement.

Note 21. OTHER NON CURRENT LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Deferred Government Grant	47.83	-
TOTAL	**47.83**	-

Note 22. CURRENT FINANCIAL LIABILITIES - BORROWINGS

Particulars	March 31, 2020	March 31, 2019
SECURED		
Working Capital Borrowings from Bank	78.42	14.29
UNSECURED		
Commercial Paper	26.71	-
Working Capital Borrowings from Bank	8.90	-
Public Deposits	5.66	3.75
TOTAL	119.69	18.04

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 23. CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

Particulars	March 31, 2020	March 31, 2019
Acceptances		
Trade Payable		
Total outstanding dues of Micro and Small Enterprises	5.02	3.05
Total Outstanding dues of Creditors other than Micro and Small Enterprises	377.20	271.19
TOTAL	382.22	274.24

Note 24. CURRENT FINANCIAL LIABILITIES - OTHER

₹ in crores (10 Million)

Particulars	March 31, 2020	March 31, 2019
Current Maturities of Non Current Borrowings	237.50	257.20
Interest Accrued but not due	8.04	9.53
Unclaimed Dividends #	0.72	0.20
Unclaimed Matured Deposits #	0.67	0.88
Unclaimed Interest on Unclaimed Matured Deposits #	0.13	0.16
Derivative Financial Instruments (at fair value through Profit & Loss)	2.95	1.56
Capital Creditors	63.22	18.82
Other Payables	59.26	72.56
TOTAL	**372.49**	**360.91**

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

Note 25. OTHER CURRENT LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Advance from Customers	15.07	8.17
Statutory Dues	21.42	45.33
Other Payables	102.54	122.24
Deferred Govt. Grants	2.00	-
TOTAL	**141.03**	**175.74**

Note 26. SHORT TERM PROVISIONS

Particulars	March 31, 2020	March 31, 2019
Provision for Employee Benefits	5.47	4.87
TOTAL	**5.47**	**4.87**

Note 27. CURRENT TAX LIABILITIES

Particulars	March 31, 2020	March 31, 2019
Provision for Income Tax (Net of Advance tax)	2.71	6.63
TOTAL	**2.71**	**6.63**

Note 28. OTHER OPERATING REVENUES

Particulars	2019-20	2018-19
Insurance Charges Recovered	0.12	-
Excess Provision no longer required written back	15.10	0.61
Miscellaneous Income	26.13	22.46
TOTAL	**41.35**	**23.07**

Note 29. OTHER INCOME

Particulars	2019-20	2018-19
Interest Income	52.93	34.00
Dividend Income	0.06	0.01
Profit on sale of Fixed Assets	0.06	-
Profit on Sale/Fair value of Current investment	21.02	15.30
Miscellaneous Income	11.94	0.69
Government Subsidy - State Government	17.80	
TOTAL	**103.81**	**50.00**

Note 30. COST OF MATERIALS CONSUMED

₹ in crores (10 Million)

Particulars	2019-20	2018-19
Hardwood & Bamboo	591.10	545.45
Pulp	245.55	325.38
Chemicals	333.50	316.11
Packing Material	96.68	91.17
TOTAL	1266.83	1,278.11

Note 31. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	2019-20	2018-19
Inventories at the beginning of the year		
Finished Goods	39.83	67.03
Stock In Trade	24.98	53.11
Work-in-Progress	20.52	11.28
Renewable Energy Certificates	0.01	-
	85.34	131.42
Less:- Obsolete Inventory	-	(0.99)
Inventories at the end of the year		
Finished Goods	148.17	39.83
Stock In Trade	7.62	24.98
Work-in-Progress	63.58	20.52
Renewable Energy Certificates	0.01	0.01
	219.38	**85.34**
Less:- Transfer to Pre-Operative Expense	-	(0.78)
(Increase)/ Decrease in Stock TOTAL	(134.04)	47.85

Note 32. EMPLOYEE BENEFIT EXPENSES

Particulars	2019-20	2018-19
Salaries, Wages, Allowances, etc.	268.09	243.14
Contribution to Provident and Other Funds	14.49	12.23
Staff Welfare Expenses	5.09	7.36
TOTAL	287.67	262.73

Note 33. FINANCE COST

Particulars	2019-20	2018-19
Interest on:		
Term Loan and Fixed Deposits	100.90	100.05
Others	16.43	12.75
Other Borrowing Costs:		
Financial Charges	5.07	7.09
Premium on Forward Exchange Contracts	1.23	0.60
Lease rent on Machinery	3.04	-
Net (Gain) or Loss on Foreign Currency Transaction	2.63	3.91
TOTAL	129.30	124.40

Notes to the Consolidated Financial Statement for the year ended March 31, 2020

Note 34. DEPRECIATION AND AMORTISATION EXPENSES

₹ in crores (10 Million)

Particulars	2019-20	2018-19
Depreciation on Property Plant & Equipment	145.69	127.45
Amortisation of Other Intangible Assets	3.79	0.23
TOTAL	**149.48**	**127.68**

Note 35. OTHER EXPENSES

Particulars	2019-20		2018-19	
Consumption of Stores and Spares		59.56		59.40
Power, Fuel and Water		295.27		258.67
Repairs to Building		8.95		12.70
Repairs to Machinery		30.76		31.70
Rent (Net)		15.22		10.93
Insurance		3.73		3.96
Rates and Taxes		3.16		1.04
Commission on Sales		0.33		2.93
Directors' Fees		0.48		0.43
Directors' Commission		3.66		3.40
Loss on Foreign Exchange Fluctuation		3.49		1.77
Loss on Sale of Assets		-		0.37
Asset Written off		4.08		0.74
Bad Debts	0.56		(0.09)	
Less: Withdrawal from Provision for Doubtful Advance	0.25	0.31	(0.11)	0.02
Provision for Doubtful Debts		0.13		0.15
Other Miscellaneous Expenses		108.05		110.16
TOTAL		**537.18**		**498.37**

Note 36. 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, 2020;

i Subsidiaries:

Name	Proportion of ownership interest	Financial Statements as on	Status
Jaykaypur Infrastructure & Housing Limited, India	100%	31st March, 2020	Audited
Songadh Infrastructure & Housing Limited, India	100%	31st March, 2020	Audited
JK Enviro-Tech Limited, India	96.08%	31st March, 2020	Audited
The Sirpur Paper Mills Limited, India (Subsidiary of JK Enviro-Tech Limited, India)	96.27%	31st March, 2020	Audited
JK Paper International (Singapore) Pte Limited, Singapore	100%	31st March, 2020	Audited

ii Joint Venture:

Name	Proportion of ownership interest	Financial Statements as on	Status
Habras MZZ Plantation Myanmar Company Limited, Myanmar*	50.00%	31st March, 2020	Audited

*Joint venture of JK Paper International (Singapore) Pte Limited, Singapore.

b. The Financial Statements of the Parent Company and its Subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses, after eliminating intra-group balances and intra-group

Note 36. PRINCIPLES OF CONSOLIDATION: *(contd.)*

transactions.

c. Goodwill represents difference between company's share in net worth of subsidiaries and the cost of acquisition at each point of time of making investment.

d. Investment in Joint Venture, are accounted for using equity method as per Indian Accounting Standard (Ind AS) 28 – "Accounting for Investments in Associates and Joint Ventures" notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rule, 2014.

e. In case of foreign subsidiary, being non-integral operations, revenue items are consolidated at the average exchange rate during the year. All assets and liabilities are translated at year end exchange rate. The resulting exchange differences are accumulated in the Foreign Currency Translation Reserve.

f. The summary of share of Net Assets and Profit/(Loss) of Subsidiaries and Joint Venture:

₹ in crores (10 million)

Name of the Entity	Net Assets i.e Total Assets minus Total Liabilities		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit	Amount
Subsidiaries				
Jaykaypur Infrastructure & Housing Limited, India	0.13%	3.15	0.38%	1.79
Songadh Infrastructure & Housing Limited, India	0.28%	6.61	0.04%	0.17
JK Enviro-Tech Limited	3.33%	78.75	-0.74%	(3.49)
The Sirpur Paper Mills Limited, India (Subsidiary of JK Enviro-Tech Limited, India)	6.71%	158.63	-4.63%	(21.67)
JK Paper International (Singapore) Pte Limited, Singapore	1.04%	24.49	-0.01%	(0.05)
Joint Venture				
Habras MZZ Plantation Myanmar Company Limited, Myanmar (Joint Venture of JK Paper International (Singapore) Pte Limited)	0.00%	-	0.00%	-

g. Other Notes to Accounts of the Financial Statements of the Company and its subsidiaries are stated in their respective Financial Statements. Hence not disclosed again in Consolidated Accounts.

Note 37. 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".

S. No.	Particulars	For the year ended 31st March 2020			For the year ended 31st March 2019		
		Paper & Board	Others	Total	Paper & Board	Others	Total
A	**Segment Revenue**						
	Revenue	3,055.30	19.70	3,075.00	3,256.71	5.52	3,262.23
	Inter- segment Revenue	-	(14.81)	(14.81)	-	(5.52)	(5.52)
	Income from Operations	3,055.30	4.89	3,060.19	3,256.71	-	3,256.71
B	**Segment Results**						
	Segment Results (PBIT excluding Exceptional items)	731.26	(9.38)	721.88	747.24	(6.80)	740.44

Note 37. SEGMENT REPORTING *(contd.)*

S. No.	Particulars	For the year ended 31st March 2020			For the year ended 31st March 2019		
		Paper & Board	Others	Total	Paper & Board	Others	Total
	Less : (i) Interest & Financial Charges (Net)			129.30			124.40
	(ii) Exceptional items			-			-
	(iii) Other Un-allocable Expenditure (net off Un-allocable Income)			-			-
				(103.81)			(50.00)
	Total Profit / (Loss) before Tax (PBT)			696.39			666.04
C	**Capital Employed**						
	Segment Assets	4,917.87	372.58	5,290.45	4,210.95	311.15	4,522.10
	Segment Liabilities	2,663.18	253.77	2,916.95	2,198.39	234.73	2,433.12
	Total Capital Employed (net)	2,254.69	118.81	2,373.50	2,012.56	76.42	2,088.98
	Capital Expenditure	619.09	3.52	622.61	92.25	4.11	96.36
	Depreciation & Amortisation	147.87	1.61	149.48	126.11	1.57	127.68
	Non Cash Expenses other than Depreciation	-	-	-	-	-	-

Note 38. CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in crores (10 Million)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent Liabilities:		
a) **Claim against the company not acknowledged as debts.#**		
Excise duty/ Custom duty/Service tax liability in respect of matter in appeals	18.86	19.32
Sales tax/ VAT/Octroi liability in respect of matter in appeals	2.21	0.97
Income tax liability that may arise in respect of matters in appeal referred by the department	0.10	0.63
Other matters	7.44	8.03
b) **Commitments:**		
Contracts remaining to be executed on capital account (Net of Advances)	993.61	110.48
Export commitments against import of capital goods under EPCG scheme	-	49.95

In respect of certain disallowances and additions made by the income tax authorities, appeals are pending before the appellate authorities and adjustments , if any, will be made after the same are finally determined.

Note 39.

A. In respect of levy of Octroi pertaining to Unit - CPM by Songadh Group Gram Panchayat, the Company has paid ₹1.25 crores till 31st March 1997 under protest and also created a liability of the similar amount. As the matter is still pending in the court of law, the necessary adjustment, if any, would be made after its disposal.

B. The Audited GST return for the year ended 31st March, 2019 is pending for the filing as competent authority has extended the date of filing till 30th September, 2020. The company is in process of reconciling the data of GSTR 2A with GSTR 3B. In view of the management on final reconciliation the impact will not be material.

C. During the previous year, the Company has allotted 27,42,735 Equity Shares of ₹10/- each upon conversion of FCCBs Series-5 of Euro 2.4 million.

D. Acquisition in Subsidiary

1. A corporate insolvency resolution process ("CIRP") under the Insolvency and Bankruptcy Code, 2016 was initiated against the Company vide an order of the Hyderabad Bench of the National Company Law Tribunal ("NCLT") dated September 18, 2017. Subsequent to that, on July 19, 2018, the NCLT had approved the terms of the Resolution Plan submitted by JK Paper Limited ("JKPL"), which provides, inter alia, the acquisition of the Company by JKPL.

Note 39 *(contd.)*

Pursuant to the Resolution Plan, ₹371.04 crores has been settled by the JKPL and JK Enviro-Tech Limited (JKETL), a subsidiary of the JKPL, towards financial creditors, corporate insolvency resolution process cost, admitted operational creditors, workmen and employee dues, etc. This consists of cash payment of ₹166.04 crores & issue of securities consisting equity shares of ₹43.00 crores and preference shares of ₹162.03 crores by the Company.

JK Paper Limited and its subsidiary JK Enviro-Tech Limited, together subscribed to 100% [except 70 shares of ₹700/- to outsider] (Previous year 76.37%) of the equity share capital of The Sirpur Paper Mill Limited for an aggregate amount of ₹182.00 crores (Previous year ₹139.00 crores). During the year 23.63% of equity share capital is acquired over a period October 2019 to December 2019 from the erstwhile lenders of the The Sirpur Paper Mill Limited for ₹43.00 crores through its subsidiary JK Enviro-Tech Limited.

On approval of the Resolution Plan by the NCLT, all other liabilities or obligations of the Company, whether admitted or not, due or contingent, crystallised or uncrystallised, known or unknown, secured or unsecured, disputed or undisputed, present or future, whether or not set out in the balance sheets of the Company or the profit and loss account statements of the Company, in relation to any period prior to the Completion Date was written off in full and shall stand permanently extinguished and the Company shall at no point of time be, directly or indirectly, held responsible or liable in relation thereto.

Post implementation of the resolution plan, Net Effect of ₹137.93 crores (net off ₹12.48. crores write-off of receivables/ loans) is credited to the Capital Reserve as stated in the Approved Resolution Plan.

Goodwill ₹9.81 crores represents difference between company's share in net worth of subsidiaries and the cost of acquisition is not amortised and tested for impairment.

2. JK Paper Limited subscribed to 96.08%(Previous year 92.85%) to Equity share capital of JK-Enviro Tech Limited on 26th Aug 2019 for an aggregate amount of ₹20.00 crores including security premium of ₹10.80/- [Per equity share].

E. During the year the Sirpur Paper Mills Limited has recognised government grant in terms of MoA entered with Government of Telangana as under:

Particulars	₹ in crores (10 Million)
Revenue	44.51
Capital Subsidy	50.00

In current year ₹17.80 crores (including Deferred Government Grant of ₹0.17 crores) has been recognised in Statement of Profit and Loss Account and ₹26.88 crores been adjusted with Property , Plant and Equipments. Deferred Government Grant income of ₹0.17 crores has been recognised in Statement of Profit and Loss Account.

Note 40.1 EARNING PER SHARE

	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a)	Profit/ (loss) after tax for Basic Earnings Per share	468.41	424.94
	Add: Interest on Foreign Currency Convertible Bonds (FCCBs) (net of tax)	-	-0.33
	Profit for Diluted Earnings Per Share	468.41	424.61
b)	**Weighted Average Number of Ordinary Shares**		
	Basic	17,82,43,585	17,79,65,554
	Effect of Conversion Option	-	2,78,031
	Diluted	17,82,43,585	17,82,43,585
c)	Nominal Value of Ordinary Shares	₹10/-	₹10/-
d)	**Earning Per Ordinary Share (₹)**		
	Basic	26.28	23.88
	Diluted	26.28	23.82

Note 40.2 LEASES

The Company has adopted Ind AS 116 "Leases" effective 1st April ,2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to its leases using the simplified approach. This has resulted in recognising right –of –use assets and corresponding lease liabilities.

1 Refer Note 2 for changes in the carrying value of right of use assets for the year ended March 31, 2020:

2 The following is the break-up of current and non-current lease liabilities as at March 31, 2020

₹ in crores (10 Million)

Particulars	Year ended March 31, 2020
Current lease liabilities	11.88
Non-current lease liabilities	16.22
TOTAL	**28.10**

3 The following is the movement in lease liabilities during the year ended March 31, 2020:

Particulars	Year ended March 31, 2020
Balance at the beginning	**38.94**
Finance cost accrued during the period	3.04
Payment of lease liabilities	(13.88)
Balance at the end	**28.10**

4 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis:

Particulars	Year ended March 31, 2020
Not later than one year	13.88
Later than one year and not later than five years	16.58
Later than five years	2.48

Note 40.3

The pandemic caused to COVID-19 disease impacted adversely the economy . It impacted every component of the business including sales , liquidity , supply chain management and production. The Company has considered impact of present and future economic conditions which may result from COVID-19 Pandemic while assessing carrying amount of Receivables, Inventory, Property Plant & Equipment and Provisions, based on information available till the date of approval of these financial results.

In consequence to the above , the Company has carried out its year end exercise of physical verification of Inventories at some locations subsequently on resumption of business operations.

Note 41. RELATED PARTY DISCLOSURES

a) List of Related Parties

i. **Enterprise which holds more than 20% of Equity Share**

Bengal & Assam Company Limited (BACL)

ii. **Trust under common control**

JK Paper Limited (JK Paper Mills) Compulsory Employees Provident Fund

JK Paper Limited Employees Gratuity Fund

JK Paper Limited Officers Superannuation Scheme

iii. **Key Management Personnel (KMP)**

Executive Directors

Shri Harsh Pati Singhania, Vice Chairman & Managing Director

Shri Om Prakash Goyal, Whole-time Director (till 30th Sep 2018)

Shri Amar Singh Mehta, President and Director (w.e.f 1st Oct 2018)

Non-Executive Directors

Shri Bharat Hari Singhania, Chairman

Shri Arun Bharat Ram

Shri Dhirendra Kumar

Note 41. RELATED PARTY DISCLOSURES *(contd.)*

Executives

Shri V. Kumaraswamy, Chief Finance Officer

Shri S.C. Gupta, Vice President & Company Secretary

Relative of KMP

Shri Shrivats Singhania, Vice President (Marketing Development)

Shri M.H.Dalmia

Shri R.V.Kanoria

Shri Sandip Somany

Shri Shailendra Swarup

Shri Udayan Bose

Smt. Vinita Singhania

Shri Wim Wienk (till 12th November 2018)

Smt. Deepa Gopalan Wadhwa (w.e.f 27 Jun 2019)

Shri Sushil Kumar Roongta (w.e.f 12th February 2019)

b) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis :

₹ in crores (10 Million)

Sl. No	Nature of Transactions	Enterprise which holds more than 20% of Equity Share	
		BACL	
		2019-20	2018-19
(i)	Interest Paid	-	0.01
(ii)	Rent Paid	0.07	0.06
(iii)	Loans Given	30.00	145.00
(iv)	Loan installment received	60.00	25.00
(v)	Interest Received	12.79	3.11
(vi)	Preference Shares Investment	65.00	-
(vii)	Loan Repaid	-	7.50
(viii)	Outstanding at end of the period - Receivable	155.62	120.81

Sl. No	Nature of Transactions	Trust under common control					
		Employees Provident Fund		Employees Gratuity Fund		Officers Superannuation Scheme	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
(i)	Contribution	4.49	3.91	6.03	4.14	0.65	0.64
(ii)	Outstanding at end of the period- Payable	0.38	0.35	0.60	0.69	0.66	0.64

Key Management Personnel (KMP) :

Sl. No	Particulars	2019-20	2018-19
(i)	#Short-term Employee Benefits including honorarium	35.40	35.22
(ii)	Commission and other benefits to Non-Executive Directors *	4.09	3.78

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

* Including sitting fees and commission.

Note 42. FINANCIAL INSTRUMENTS

Financial Assets

₹ in crores (10 Million)

Sl. No		Particulars	Note	Fair value hierarchy	As at March 31, 2020 Carrying Amount	As at March 31, 2020 Fair Value	As at March 31, 2019 Carrying Amount	As at March 31, 2019 Fair Value
1		**Financial assets designated at fair value through profit and loss**						
	a)	Derivatives - not designated as hedging instruments	A	Level-2	8.76	8.76	7.01	7.01
	b)	Investments :						
	(i)	Equity and Preference Investment	F	Level-3	80.34	80.34	-	-
	(ii)	In mutual funds and others	B	Level-1	382.64	382.64	646.24	646.24
2		**Financial assets designated at fair value through other comprehensive income**						
		Investment In Equity shares	C	Level-1	3.74	3.74	6.64	6.64
3		**Financial assets designated at amortised cost**						
	a)	Other Bank Balances *			12.51	12.51	11.50	11.50
	b)	Cash & Cash Equivalents *			29.52	29.52	15.24	15.24
	c)	Trade receivables *			73.79	73.79	73.48	73.48
	d)	Other receivables *			118.25	118.25	168.27	168.27
	e)	Other financial assets			135.07	135.07	41.73	41.73
4	a)	Investment in joint venture	D		24.50	24.50	22.48	22.48
					869.12	**869.12**	**992.59**	**992.59**

Financial Liabilities

Sl. No		Particulars	Note	Fair value hierarchy	As at March 31, 2020 Carrying Amount	As at March 31, 2020 Fair Value	As at March 31, 2019 Carrying Amount	As at March 31, 2019 Fair Value
1		**Financial liability designated at fair value through profit and loss**						
	a)	Derivatives - not designated as hedging instruments	A	Level-2	2.95	2.95	3.48	3.48
2		**Financial liability designated at amortised cost**						
	a)	Borrowings	E		1,544.75	1,544.75	1,305.38	1,305.38
	b)	Trade payables *			382.22	382.22	274.24	274.24
	c)	Other financial liability			439.88	439.88	416.46	416.46
					2,369.80	**2,369.80**	**1,999.56**	**1,999.56**

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values.

A The fair values of derivatives are on MTM as per Bank.

B Company has opted to fair value its mutual fund investment through statement of Profit & Loss.

C Company has opted to fair value its quoted investments in equity share through OCI.

D Investment in Joint Venture, are accounted for using equity method.

E Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

F Company has opted to fair value its unquoted investments in equity and preference share through Profit & Loss

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Note 42. FINANCIAL INSTRUMENTS *(contd.)*

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Note 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

43.1 Financial Risk Factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. Whenever, the currency cover costs are such as to neutralize the advantage in foreign currency, loans are hedged so as to not to lose advantage. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

i. Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits.

ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate , interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

a. Foreign Currency Risk and Sensitivity

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

The following table analyses foreign currency risk from financial instruments as of March 31, 2020:

₹ in crores (10 Million)

Particulars	USD	Euro	GBP	SEK	SGD	Total
Financial Assets						
Cash and cash equivalents	0.02	-	-	-	0.00 *	0.02
Trade receivables	-	-	0.01	-	-	0.01
Other financials assets (including loans)	-	-	-	-	-	-
Financial liabilities-						
Trade payables	(35.88)	(0.55)	-	(0.06)	-	(36.49)
Other financials liabilities	0.03	-	-	-	-	0.03
Borrowings	(89.97)	(151.88)	-	-	-	(241.85)
Interest Accrued but not due	(0.08)	(0.17)	-	-	-	(0.25)
Net assets / (liabilities)	**(125.88)**	**(152.60)**	**0.01**	**(0.06)**	**0.00**	**(278.53)**

* ₹16,993/-

Note 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

The following table analyses foreign currency risk from financial instruments as of March 31, 2019:

₹ in crores (10 Million)

Particulars	USD	Euro	GBP	SEK	SGD	Total
Financial Assets						
Cash and cash equivalents	0.01	-	-	-	0.04	0.05
Trade receivables	7.98	-	0.15	-	-	8.13
Other financials assets (including loans)	-	-	-	-	-	-
Financial liabilities						
Trade payables	(46.61)	(0.86)	(0.00)*	(0.06)	-	(47.53)
Other financials liabilities	0.03	-	-	-	-	0.03
Borrowings	(107.92)	(185.18)	-	-	-	(293.10)
Interest Accrued but not due	(0.10)	(0.21)	-	-	-	(0.31)
Net assets / (liabilities)	**(146.61)**	**(186.25)**	**0.15**	**(0.06)**	**0.04**	**(332.73)**

* ₹41,402/-

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate	
	March 31, 2020	March 31, 2019
USD	75.39	69.17
EUR	83.05	77.70
GBP	93.08	90.48
SGD	52.96	51.22

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax:

Particulars	2019-20		2018-19	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
USD Sensitivity (CY ₹127/-)	(0.00)	0.00	0.01	(0.01)
Euro Sensitivity (CY ₹17,136/-, PY ₹25,925/-)	(0.00)	0.00	(0.00)	0.00
GBP Sensitivity (CY ₹298/-, PY ₹3,694/-)	0.00	(0.00)	0.00	(0.00)
SEK Sensitivity (CY ₹1,588/-, PY ₹1,588/-)	(0.00)	0.00	(0.00)	0.00
Increases/ (decrease) in profit or loss	**(0.00)**	**0.00**	**0.01**	**(0.01)**

Summary of Exchange difference accounted in Statement of Profit and loss:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	3.48	1.77
Net foreign exchange (gain)/ losses shown as Finance Cost	0.17	0.26
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Derivatives	-	-
Currency forwards (gain) / losses shown as operating expenses	-	-
Interest rate swaps (gain) / losses shown as finance cost	2.46	3.65
Net foreign exchange (gain)/ losses shown as Other Income	-	-
TOTAL	6.11	5.68

Notes to the **Consolidated Financial Statement** for the year ended March 31, 2020

Note 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

b. **Interest Rate Risk and Sensitivity**

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Interest Rate Risk Exposure

₹ in crores (10 Million)

Particulars	As at March 31, 2020		As at March 31, 2019	
	(₹ in crores)	% of Total	(₹ in crores)	% of Total
Fixed Rate Borrowings	503.31	28.24%	574.96	39.76%
Variable Rate Borrowings	1,278.95	71.76%	871.09	60.24%
Total Borrowings	**1,782.26**	**100.00%**	**1,446.05**	**100.00%**

Sensitivity on variable rate borrowings

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Interest Rate Increase by 0.25%	(2.82)	(1.27)	(2.82)	(1.27)
Interest Rate decrease by 0.25%	2.82	1.27	2.82	1.27

c. **Commodity Price Risk and Sensitivity**

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

CREDIT RISK

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹73.79 crores and ₹73.48 crores as of March 31, 2020 and March 31, 2019, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

(In %)

Particulars	Year ended March 31st	
	2020	2019
Revenue from top customer	4.49%	4.10%
Revenue from top five customers	15.11%	14.96%

Note 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2020 was ₹0.48 crores.

₹ in crores (10 Million)

Particulars	Year ended March 31st	
	2020	2019
Balance at the beginning	0.35	0.20
Additional provision created during the year	0.13	0.15
Balance at the end	**0.48**	**0.35**

The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk

Ageing Analysis of Trade Receivables

Particulars	As at March 31, 2020				As at March 31, 2019			
	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months
Unsecured	21.65	52.08	0.06	0.48	49.60	23.88	-	0.35
Provision for Doubtful Receivables	-	-	-	0.48	-	-	-	0.35
Net Balance	21.65	52.08	0.06	-	49.60	23.88	-	-

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirement. The company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The company also has adequate credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	119.69	119.69	-	-	**119.69**
Borrowings - Non-Current	1,662.56	237.50	859.48	565.58	**1,662.56**
Trade payables	382.22	382.22	-	-	**382.22**
Other financial liabilities - Current	134.99	134.99	-	-	**134.99**
Other financial liabilities - Non-Current					
Trade Deposits	67.69	-	-	67.69	**67.69**
Interest accrued but not due on loans	1.55	-	1.55	-	**1.55**
Derivative Financial Instruments	1.10	-	1.10	-	**1.10**

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Note 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(contd.)*

₹ in crores (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	18.04	18.04	-	-	**18.04**
Borrowings - Non-Current	1,544.54	257.20	839.24	448.10	**1,544.54**
Trade payables	274.24	274.24	-	-	**274.24**
Other financial liabilities - Current	103.71	103.71	-	-	**103.71**
Other financial liabilities - Non-Current					
Trade Deposits	56.38	-	0.27	56.11	**56.38**
Interest accrued but not due on loans	0.73	-	0.73	-	**0.73**
Derivative Financial Instruments	1.92	-	1.92	-	**1.92**

43.2 Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

43.3 Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be

Particulars	As at March 31 2020	As at March 31 2019
Borrowings	1,782.25	1,562.58
Less: cash and cash equivalents including bank balance	42.03	26.74
Less: Current Investments	382.64	646.24
Net debt	1,357.58	889.60
Equity	2,365.49	2,038.10
Capital and Net debt	3,723.07	2,927.70
Gearing Ratio	36%	30%

Note 44. DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Forward Contract outstanding for the purpose of hedging at the Balance Sheet Date

Sr. No.	Foreign Currency	As at March 31, 2020		As at March 31, 2019	
		FC in Mn	₹ In crores	FC in Mn	₹ In crores
1	US Dollar	21.70	163.62	20.76	143.61
2	Euro	10.76	89.33	13.55	105.29

Nominal amounts of Complete Currency Swaps (CCS) for hedging entered into by the Company and outstanding at end of the year is ₹27.38 crores (Previous year ₹32.94 crores).

Note 44. DERIVATIVE FINANCIAL INSTRUMENTS *(contd.)*

Foreign Currency Exposure not hedged as at the Balance Sheet Date.

Sr. No.	Foreign Currency	As at March 31, 2020		As at March 31, 2019	
		FC in Mn	₹ In crores	FC in Mn	₹ In crores
1	US Dollar *	0.001	0.01	0.44	3.04
2	Euro	4.32	35.88	6.18	48.02
3	GBP *	(0.001)	(0.01)	(0.02)	(0.15)
4	SEK	0.09	0.06	0.09	0.06

*Net of Receivables USD Nil – ₹ Nil (Previous year USD 1.15 Million – ₹7.98 crores) and GBP 0.001 Million – ₹0.01 crores (Previous year GBP 0.02 Million – ₹0.15 crores).

Interest Rate Swaps

The Company has variable interest foreign currency borrowings. To offset the risk of variation in interest rates, the Company has entered into, fix pay and variable receipt, interest rate swaps. These swap contracts are in US Dollar & Euro. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Sr. No.	Foreign Currency	As at March 31, 2020		As at March 31, 2019	
		Loan FC in Mn	MTM ₹ In crores (Gain)/Loss	Loan FC in Mn	MTM ₹ In crores (Gain)/Loss
1	US Dollar	7.17	(0.40)	9.56	(0.01)
2	Euro	14.99	0.93	19.60	0.68

The company is fully covered on interest rate fluctuation on foreign currency borrowing through interest rate swaps (IRS) and complete currency swaps (CCS).

Note 45. INCOME TAX

a) Amount recognised in Statement of Profit and Loss

₹ in crores (10 Million)

Particulars	2019-20	2018-19
Current Income Tax		
Current year *	217.79	145.12
MAT Credit Entitlement		
Current year	(1.66)	(102.58)
Reversal of MAT credit entitlement of earlier years	1.93	3.29
TOTAL	**218.06**	**45.83**
Deferred Tax	9.92	195.27
Income tax expense reported in the statement of profit and loss	**227.98**	**241.10**

* Including ₹0.10 crores related to earlier years.

b) Reconciliation of Effective Tax Rate

Particulars	2019-20	2018-19
Profit before tax	**696.39**	**666.04**
At applicable Statutory Income Tax Rate 34.944%	243.35	232.74
Tax Impact on:-		
Benefit of 80IA	(29.08)	(38.63)
Donation	0.09	0.44
Differential Tax Rates of Subsidiaries	0.05	0.52
In House R&D Expenditure	(0.84)	(0.84)
CSR Expenditure	2.67	1.17

Notes to the **Consolidated Financial Statement** for the year ended March 31, 2020

Note 45. INCOME TAX *(contd.)*

Particulars	2019-20	2018-19
Deferred Tax Asset not recognised on business losses and unabsorbed depreciation of The Sirpur Paper Mills Limited	7.57	2.34
Others	4.17	43.36
Reported Income Tax Expense	**227.98**	**241.10**
Effective Tax Rate	**32.74%**	**36.20%**

Note 46. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

After the end of financial year, the Board of Directors of the company has approved the buyback of its Equity Shares at the maximum buy back price of ₹130/- per equity share for an aggregate amount not exceeding ₹100 crores, from the open market through the stock exchanges mechanism.

Note 47.

Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

Note 48.

Notes 1 to 47 are annexed to and form an integral part of financial statements.

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2020

₹ in crores (10 Million)

	2019-20		2018-19	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net Profit before Tax	696.39		666.04	
Adjustments for :				
Depreciation and amortization	149.48		127.68	
Defined Benefit Plans charged to OCI	(2.82)		(1.27)	
Income from Investments	(21.02)		(15.30)	
(Profit)/ Loss on Sale of Assets (Net)	(0.06)		0.37	
Dividend Income	(0.06)		(0.01)	
Finance Cost	129.30		124.40	
Interest Income	(52.93)		(34.00)	
Foreign Exchange Fluctuation	3.49		1.77	
Assets Written off	4.08		0.74	
Bad Debts	0.31		0.02	
Provision for Doubtful Debts	0.13		0.15	
Provision for earlier years no longer required	(15.10)		(0.61)	
Foreign Currency Translation gain / (loss) on Consolidation	2.02		0.99	
Operating Profit before Working Capital Changes	893.21		870.97	
Adjustments for Working Capital Changes:				
Trade and Other Receivables	(191.59)		(2.61)	
Inventories	(151.92)		47.96	
Trade and Other Payables	138.34		102.23	
Cash generated from Operations	688.04		1,018.55	
Taxes paid	(130.31)		(139.69)	
Net Cash from Operating Activities		557.73		878.86
B. CASH FLOW FROM INVESTING ACTIVITIES :				
Purchase of Property Plant & Equipment	(722.45)		(647.26)	
Sale of Property Plant & Equipment	1.91		173.97	
Sale/(Purchase) of Investments (Net)	202.26		(510.33)	
Dividend Income	0.06		0.01	
Interest Received	73.26		8.89	
Net Loans and Advances	50.02		(149.55)	
Acquisition of Subsidiary (Net of Cash)	-		9.09	
Net Cash from Investing Activities		(394.94)		(1,115.18)
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long-term Borrowings	334.79		567.17	
Repayment of Long-term Borrowings	(261.68)		(236.05)	
Proceeds/(Repayment) from Short-term Borrowings (Net)	101.65		(57.99)	
Repayment of lease obligation	(10.84)			
Interest and Financial Charges	(130.78)		(131.79)	
Dividend (including Dividend Tax)	(160.64)		(53.65)	

Consolidated Cash Flow **Statement** for the year ended March 31, 2020

₹ in crores (10 Million)

	2019-20		2018-19	
Proceeds/(Repayment) from Preference Share Capital	23.00		8.00	
Proceeds/(Payment) from Issue of Share Capital to Non Controlling Interest	(43.00)		44.00	
Net cash from Financing Activities		(147.50)		139.69
D. Increase/(Decrease) in Cash and Cash Equivalents - Cash & Bank Balance		15.29		(96.63)
E. Cash and Cash Equivalents as at the beginning of the year - Cash & Bank Balances (Note No. 11 & 12)		26.74		123.37
F. Cash and Cash Equivalents as at the close of the year - Cash & Bank Balances (Note No. 11 & 12)		42.03		26.74

Notes :

₹ in crores (10 Million)

	2019-20		2018-19	
	Long Term	Short Term	Long Term	Short Term
(a) **Total Liabilities from Financing Activities**				
Opening	1,544.54	18.04	1,233.50	76.03
Cash Flow Changes				
Inflow/(Repayments)	73.11	101.65	331.12	(57.99)
Non-Cash Flow Changes				
Foreign Exchange	14.10	-	(4.33)	-
FCCB Conversion	-	-	(15.46)	-
Lease Liabilities	28.10	-	-	-
Other	2.71	-	(0.29)	-
Closing	**1,662.56**	**119.69**	**1,544.54**	**18.04**

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

As per our report of even date attached

for **LODHA & CO.**
Chartered Accountants
Firm's Registration Number 301051E

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 12th May, 2020

For and on behalf of the Board of Directors

Harsh Pati Singhania
Vice Chairman & Managing Director

A. S. Mehta
President & Director

V. Kumaraswamy
Chief Finance Officer

Suresh Chander Gupta
Vice President & Company Secretary

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