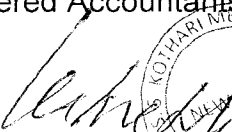

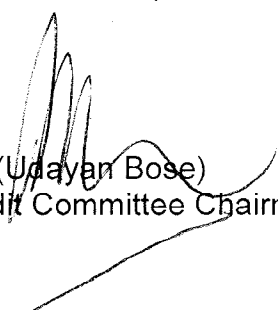
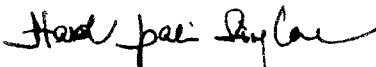
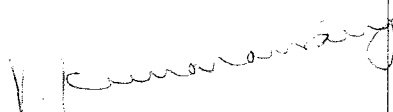




FORM A

Annual Audit Report to be filed with the Stock Exchanges along with Audited Annual Accounts pursuant to Clause 31 (a) of the Listing Agreement

1.	Name of the Company:	JK Paper Limited
2.	Annual financial statements for the year ended	31st March 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	<p>For S. S. Kothari Mehta & Co. Chartered Accountants</p>   <p>(K. S. Mehta) Partner</p> <p>Firm's Registration No. 000756N Membership No. 008883</p>  <p>(Udayan Bose) Audit Committee Chairman</p>  <p>(Harsh Pati Singhania) Vice Chairman & Managing Director</p>  <p>(V. Kumaraswamy) Chief Finance Officer</p>	



ANNUAL REPORT 2013 - 2014

TRANSFORMING • GROWING • LEADING



JK PAPER LTD.





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Board of Directors

BHARAT HARI SINGHANIA
Chairman

HARSH PATI SINGHANIA
Vice Chairman & Managing Director

OM PRAKASH GOYAL
Whole-time Director

ARUN BHARAT RAM

DHIRENDRA KUMAR

M.H. DALMIA

R.V. KANORIA

SHAILENDRA SWARUP

SHAILESH HARIBHAKTI

UDAYAN BOSE

VINITA SINGHANIA

WIM WIENK

Offices

Registered Office

P. O. Central Pulp Mills - 394 660
Fort Songadh
Dist. Tapi (Gujarat)

Administrative Office

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

Bankers

State Bank of India
Axis Bank
Canara Bank
IDBI Bank

Company Website

www.jkpaper.com

Plants

JK Paper Mills (Unit JKPM)

Jaykaypur - 765 017
Rayagada (Orissa)

Central Pulp Mills (Unit CPM)

P. O. Central Pulp Mills - 394 660
Fort Songadh
Dist. Tapi (Gujarat)

Auditors

S.S. Kothari Mehta & Co.
Chartered Accountants

Company Secretary

Suresh Chander Gupta



Chairman's Statement

Dear Shareholder,

The incredible pace of change that the world has experienced in recent years has had its impact on paper industry as well. The industry has found new opportunities in the packaging and modern retail where paper has emerged as the preferred choice to other packaging materials. Globally, the paper industry has grown at a CAGR of around 1-2% over the last five years. In the developing economies, the growth is better and India has recorded a growth of around 8% CAGR.

India continues to remain a positive story, a growing economy where paper has use both in the development and in the consumption sector. Education drives the need in the development sector and better life style aspiration in the consumption sector. The industry however has to function in an environment where raw material is available but at a premium, environmental concerns are at their peak and the markets in flux. Sustainability is the new watchword which translates into extracting more value from the same unit of raw material than it has ever done. Greater thrust on literacy and rising income levels, growing consumerism and the fact that our per capita paper consumption is amongst the lowest in the world, are some of the factors that should help sustain annual growth of 8-9% in the coming years. My optimism about the growth of paper industry in India also stems from the fact that latest forecasts on the Indian economy are positive and an uptrend is visible. I am confident that India will not only regain but surpass its double digit GDP growth and take its rightful position as a third largest economy in the world. The recent developments in the company bode well for our future. JK Paper has implemented an ambitious expansion plan at an outlay of Rs.1775 crore, which besides increasing its revenue generating capacity also ensures that our manufacturing processes can be benchmarked with the best sustainability practices around the world. The new capacity will produce superior quality paper at competitive costs using eco-friendly contemporary technology and will further strengthen our leadership position.

JK Paper, which has been focussing predominantly on the Copier paper segment has also successfully attained leadership in Packaging Board and Coated Paper segments. The Company today caters to these high growth segments which are value added and not just commodities. It has emerged as a major player in each of these segments.

Customer satisfaction is one of our focus areas that continuously drives us to offer highest quality products. We continue to provide them cost-competitive products and enlarge our offerings to take advantage of the growing opportunities.

It is a matter of great satisfaction that various initiatives taken by your Company towards Corporate Social Responsibility (CSR) have been well received at esteemed forums and reinforces our belief that we are moving in the right direction in our endeavour to achieve operational excellence with social commitments.

With your continued support, I firmly believe that the company will achieve greater heights in the future.

I wish you and your family members all success in the future.

BHARAT HARI SINGHANIA

Vice Chairman & Managing Director's Message



Dear Shareholder,

The year gone by has been amongst the most challenging one for India. The economy at under 5 percent GDP growth touched its lowest in more than a decade and the manufacturing sector recorded amongst the lowest growth rates ever. The uncertainty on the policy front was compounded by lack of investment in key sectors that trigger economic recovery. Food inflation compounded the problem resulting in low consumer confidence and lowest spending on non-essential items. However, the expected rebound in economy is visible, a government with a decisive mandate is expected to restore the economy to a development path. The sentiment is already up with the stock markets touching record highs and investment by the FIIs flowing back into the country.

The year for JK Paper has been no less challenging. While we draw huge satisfaction from the fact that our most ambitious expansion plan stands implemented and in less than a full year of operation the capacity utilization is already over 85%, the parameters of sustainability and efficiency which were the *raison d'être* behind this expansion are well on their way to be met. The Company also at over Rs. 2,025 crores recorded its highest ever turnover. We have gained 7 percentage points in our market share in Office paper segment which has gone up from 19 to 26 percent. The market dynamics, however, have been changing more rapidly than ever in the history of paper industry. This requires us to quickly review and realign our existing strategies and further strengthen our position in segments like Coated papers, Packaging Board and Maplitho papers as well.

Along with technological excellence raw material sustainability has been a priority for JK Paper, our emphasis on the Farm Forestry Programme this year added an additional 14,877 Ha, which was almost a third higher than the previous year and our concerted efforts have cumulatively resulted in plantations of over 1,16,000 Ha since inception of the Farm Forestry Programme.

I am happy to share that our new facility at unit JKPM, Odisha with 215,000 TPA Pulp Mill and 165,000 TPA Paper Machine commissioned during the year is a matter of pride for all of us. It compares with the best in the world on key parameters, and puts us in the forefront of enterprises employing contemporary technology that lives the axiom - 'doing more with less'. We have been in the business of making paper for 75 years and have pioneered in introducing new varieties and brands to keep pace with changing customer needs and expectations. This customer focused approach has helped us to achieve the leadership position in the market and established a reputation for JK Brands that is enjoyed by none in the industry.

People have been at the centre of all our endeavours and development of human capital an article of faith, we have always believed that people are key to actualising the company's mission. All round development of people therefore is deeply embedded in our business ethos. Employee participation is encouraged along with their professional and personal development.

The Company has been playing the role of a responsible corporate citizen by not only respecting the environment through conservation of scarce natural resources but also playing a major role in community development in the form of literacy programs among tribal women, encouraging self-help groups, skill development programs and healthcare facilities for the underprivileged.

We will continue to strive to raise the bar higher to address the challenges of changing business environment as well as expectations of our stakeholders. I am sure that with your continued support, the company will achieve greater heights in the times to come.

I wish you and your family members all success in your endeavours.

A handwritten signature in black ink, appearing to read 'Harsh Pati Singhania'.

HARSH PATI SINGHANIA



Better Technology for Enhanced Value.

We have been in the business of making paper and paperboards for three quarters of a century and in these years our touchstone has been to transform, grow and lead as per market demand and ever-changing customer needs. Today, lower environmental footprint, superior product quality and better value proposition to our customer is the new norm, the underpinning behind the new plant at our unit JKPM in Odisha that became operational in August 2013.

Built at an investment of Rs. 1775 crore, a state-of-the-art fully automated facility, right from the raw material feed to final end-product, ready for delivery, will not only help us to scale up our operations but also propel us to be amongst the leading businesses in the country and are transforming in to being both efficient and sustainable.

The expansion programme uses state of art technology in all the areas, such as a 215,000 TPA Fibre line, 165,000 TPA Paper machine, 55 MW Power generation, A4 converting and packaging line etc. Expansion of capacity is dominantly in the “Office paper” category and that too using the ultra modern technology to meet the burgeoning demand from digital printing segment.

With this expansion our resource conservation parameters at unit JKPM are benchmarked with the global standards.

In our endeavour to lead from the front, we remain committed to be a socially responsible and transparently governed company. And what sets us apart is our long track record of raising the benchmark of excellence for the paper industry as a whole.

True leadership is all about the ability to look beyond the horizon and push the frontiers and challenge possibilities by getting over the comfort zone. We have continuously raised the bar to achieve the highest levels of excellence and won various awards.





New Brands. New Markets.

When Paper industry was content with producing ordinary Cream Wove quality, JK pioneered in 1962 with Surface sized Maplitho Paper - popularly came to be called 'JK Maplitho'- a premium quality printing paper ideally suited for the Lithographic Printing process. With 'JK Maplitho', a new industry benchmark was created.

From being the first to mass market Branded cut-size Copier paper as 'JK Copier' in the Indian market in mid 90s, the company introduced new varieties and brands - a "habit" acquired over the years to innovate and create new market segments for varied customer needs. In the past, the company has enriched its product mix through diversification into Coated papers and Hi-end Packaging Boards.

Over the years the Office papers have seen sharp segmentation with multiple price points. JK Paper has responded to this by strengthening its premium position with 'JK Copier' & 'JK Easy Copier' alongwith 'JK Cedar' and 'JK Sparkle' and at the same time has developed a new range viz; 'JK C Max' for the mid-segment and 'JK Max' for a more price sensitive segment of the market.

The Company has successfully strengthened and expanded its reach by adding new distributors across India. The superior quality of our existing brands of copier from the state-of-the-art new machine has found resonance in our export markets.

We see ourselves as custodians of quality where every individual, right from the highest echelons of management to the employee on the shop-floor is conscious that there is no compromise on the quality at any level. This has earned us the distinction of being a quality leader. Customers take immense pride in our association and the things that make the relationship grow stronger are our willingness to understand customers' business needs and provide innovative solutions.

The quest for staying one step ahead of customer's expectation goes on.





NEW BRANDS

Real value. Real class.



JK
PAPER

JK PAPER LTD.

Creating lasting impressions

Power of Empowered People.

The world is moving towards collaborations and co-creation; it is so true of modern corporations. Employees have transformed into intrapreneurs and so have our HR policies and practices to facilitate this new shift.

Our robust HR processes ensure the right talent in the right role. It also enables the Company to develop leaders who can take charge.

We ensure that people have a higher sense of fulfilment in their assignments and are provided with ample challenges and growth opportunities. Our systems are transparent and we have an open environment for lateral and vertical communication. Our methodical job rotation scheme for high potential talents ensures wider exposure.

Training needs for graded staffs and workers are identified by conducting structured programmes to assess skill gaps on various skill matrices of individuals in the respective sections based on organisational needs. An annual training calendar is drawn to carry out the identified training needs both through in-house and outsourced training programmes. These enable significant improvement in skills of the workers in the required areas for better performance and thereby higher motivation.

A key focus of HR activities is to continuously encourage and motivate young people to take on greater challenges. This is done through training of middle and top management: by sending them to top Business Schools including ISB and IIMs for enhancing their leadership, strategic thinking and other skills.

We have developed a “Krishna-Arjuna” mentoring initiative. In this we put young and talented leaders under the mentorship of senior professionals so as to help them take Leadership Responsibilities in future.





Enriching Nature. Going Greener.

Replenish before you reap is the new mantra that guides JK Paper. It is our endeavour to maintain and restore the ecosystem without altering the bio-diversity. Sustainability concerns have altered the rules of the game where it is no longer a matter of choice but an absolute imperative.

Trees are not just a critical raw material for us but are also the means to transform lives of the rural community and promote a cleaner and greener environment. Our farm forestry initiatives over the years have increased the acreage. During the year the Company covered 14,877 hectares, thus achieving a cumulative acreage of 1,16,000 hectares from the inception of the farm forestry programme. Currently the Company plants more than what it needs for its production thereby making it a net green positive company.

Improved technology at our mills ensures sufficient control of emissions and helps us to minimize any adverse impact to the environment. The results are encouraging for example at unit JKPM, power generation by renewable energy has gone up from 25% last year to 54% in the current year, treated water is certified and used by farmers for irrigation at unit CPM thereby significantly lowering the environmental imprint. The new production line at Unit JKPM has further improved compliance with environmental standards and has also resulted in major savings through reduction in consumption of water, fuel and raw materials. Combined Recharging cum Rain water harvesting system (RWVH) is implemented in the company's housing colony to ease the burden on natural sources.

The environmental management practices at JK Paper have been centred on using sustainable practices for its operations. Both its production units are certified for ISO 9001: 2008, ISO 14001: 2004 and OHSAS 18001: 2007. The Occupational Health and Safety process is implemented through rigorous Safety Audits, TPM Internal Audits & Environment Audits.

The Company not only tries to comply with stipulated regulations but also to exceed them through conscious efforts at all levels.



DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the 53rd Annual Report and Audited Accounts of the Company for the year ended 31st March, 2014.

FINANCIAL RESULTS

Rs in Crore (10 million)

	2013-14
Sales	2025.47
Profit Before Finance Costs and Depreciation (PBIDT)	138.51
Profit before Depreciation and Tax (PBDT)	16.65
Profit/(Loss) after Tax (PAT)	(77.19)
Surplus brought forward	300.42
Total amount carried to Balance Sheet	223.23

DIVIDENDS

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

PERFORMANCE REVIEW

The Company's sales during the year increased to Rs 2025.47 Crore (up 18%) from Rs 1721.38 Crore in the previous year. The Operating Profit (PBIDT) stood at Rs 138.51 Crore, however the Company recorded a loss amounting to Rs 77.19 Crore as a result of higher interest and depreciation burden arising from commissioning of Company's new project (Rs 1775 Crore excluding notional losses on forex loans) at Jaykaypur, Odisha, slower ramp up of production and severe cost increase. Total production at 3,28,321 tonnes and Sales at 3,21,094 tonnes represented an increase of 12% and 11% respectively over the previous year and are highest ever achieved by the Company. Overall capacity utilization (including new plant) was 85%.

During the year, there was a severe increase in wood prices (37%) and coal (15%). Though, the Company was able to increase sales realization (12%), it was inadequate to cover the steep cost increase thereby

impacting the profit margins. Cost compression measures adopted by the company helped to moderate the impact of higher input costs. Hardwood pulp prices which were ruling higher during start of the year declined during second half of the year but weakening of Rupee negated the impact on landed cost. With the expected commissioning of new large scale pulp capacities in Latin America, prices are likely to remain stable going forward.

The growth of Indian Paper and Board industry at 6.5% is one of the fastest in the world. At 13 million tonnes per annum, the Indian Paper and Board market ranks amongst the top 15 globally. Furthermore the large population base and low penetration (per capita consumption at 11 Kg as compared to world average of 56 Kg) indicates the future potential for growth. JK Paper has always focused on providing value to its customers through differentiated products/ services and led the transition of paper from being a commodity to a Branded product. The Company introduced high quality "ColorLok" papers in India to address the changing needs of customers, which have occupied a unique position in the minds of its end customers. The Virgin Fibre Board and Coated Papers produced by the Company are similarly recognized for their quality and functional properties. All this has resulted in the Company achieving a leadership position in Office Papers segment and being ranked one of the top 2 players in Coated Paper and Virgin Fibre Board market.

Wood is the primary raw material for the paper industry, however in the recent years the domestic supply has failed to catch-up with demand from various consuming industries. This has led to sharp increase in wood prices and consequently higher input costs for the paper industry. To tide over this situation the Company imported some quantities of wood logs and wood chips during the year. The industry will have to resort to such imports till the demand supply gap is addressed in the next couple of years. The Company had foreseen this situation and had intensified its farm forestry activities to develop raw material bank within 200 Km radius of the mills. During the year the Company covered 14,877 hectares, thus achieving a cumulative acreage of 1,16,000 hectares from the inception of its farm forestry programme.

INDUSTRY SCENARIO

The industry growth was muted due to economic slowdown and decrease in spending across the board. With gradual improvement in the economy and growth drivers in place such as changing lifestyles, increasing organized retail and government spending on education, the paper and board consumption is bound to increase. However, increased supply in domestic market due to new capacities and Cheaper imports from ASEAN countries at zero duty are likely to pose some challenges in the short term.

Office Papers: The market scenario for uncoated paper improved during the year and some price increases could be effected and sustained in the market. These are early indicators that the capacity overhang created in the last couple of years is partly getting absorbed. This augurs well for the Company as it will achieve full capacity during FY 2014-15 from its new facility at Unit JKPM. The Company's market share has already increased to 26% from 19% in 2013-14.

The Company introduced JK MAX in 67 gsm and JK CMAX in 72gsm to cater to some unaddressed segments of the market. The products have been received favourably and are gaining popularity. The existing brands "JK Copier", "JK Easy Copier", "JK Copier Plus", "Sparkle" and "Cedar" continued to cement their position further in the market. The Company's products "JK Excel Bond", "JK Ledger" and "MICR Cheque Papers" cater to niche segments and enjoy patronage from corporate customers.

Coated Papers: The market for Coated Papers continued to grow, however reduced corporate spending due to economic slowdown resulted in slower demand growth. Imports from China and Indonesia continued unabated preventing any significant price increases. Weakening of Rupee against the Dollar created a temporary slowdown in imports but lack of additional domestic supply assisted in recovery for imports. The Company's Brands "JK Cote" and "JK Supercote" continue to attract a wide variety of customers..

Packaging Board: The Company focuses only on high end segment of Virgin Fibre Board with its brands "JK

Tuffcote" and "JK Ultima". Market growth for the targeted segment continues to be robust due to increasing thrust on good quality packaging for consumer products. In spite of competition from new entrants the Company has maintained its position as the 2nd largest player in the market. With shift from low end packaging and increasing organized retail, the market is expected to continue its growth momentum. The Company will continue to maintain its position in this attractive market.

Maplitho Paper: With the new capacity at Unit JKPM now operational, the Company plans to re-enter this segment, which was created by your company, with a superior product offering. The market for Maplitho paper is large and growing at stable rate thus providing a good opportunity for the Company to leverage its Brand recall with this category.

NEW PROJECTS

The Company has been a market leader in Office Papers segment which has been witnessing strong growth in recent years. The domestic capacities were not sufficient to meet demand. Sensing this opportunity the Company embarked upon an ambitious project at Unit JKPM to increase the Company's annual capacity from 2,90,000 tonnes to 4,55,000 tonnes per annum. This involved setting up a 2,15,000 TPA pulp mill, a 1,65,000 TPA paper machine and a 55 MW captive power plant along with other necessary utilities. The Project utilizing state of the art technology from reputed global equipment suppliers involved a capital investment of Rs 1775 Crore excluding notional losses on forex loans.

The plant was commissioned on 30th August 2013 and is now operating consistently and delivering superior quality paper. The Average capacity utilization for the last quarter of 2013-14 was 89%, with a maximum of 93% achieved in the month of February 2014. Adoption of contemporary technology in this plant has helped in reducing consumption of wood, water, and energy while improving margins for the Company. The Company intends to leverage the scale and technology advantage provided by the new plant to optimize input costs further while delivering enhanced performance of its office papers.

Last year, the Company forayed into High-end Corrugated Packaging segment through a joint venture with Oji Holdings Corporation and Marubeni Corporation of Japan. The JV will manufacture high quality packaging products required by Consumer Durables, Electronics, Auto Components, FMCG and Food Processing Industries at its manufacturing facility in Neemrana, Rajasthan. Trial production from the plant is expected to commence in Q2 of 2014-15.

CUSTOMER SATISFACTION AND QUALITY

The Company's leadership position in the market is due to its customer focused approach in the pursuit of offering value added products. Through its various touch points the Company is able to understand customer needs and develop new products that meet them. The product and quality standards are also benchmarked with competition to bring about continuous improvement and exceed customer expectations. Use of pigment dyes was adopted in all products to improve quality and satisfy the changing needs of customers.

Customers are invited to the mills at regular intervals to have a firsthand feel of the manufacturing processes and also have close interaction with factory personnel. Such interactions have generated many opportunities for close collaboration in areas of new product development and service.

ENVIRONMENT

The environmental management practices at JK Paper have been centered on using sustainable practices for its operations. Both its production units are certified for ISO 9001 : 2008, ISO 14001 : 2004 and OHSAS 18001 : 2007. The Occupational Health and Safety process is implemented through rigorous Safety Audits, TPM Internal Audits & Environment Audits. The Company not only tries to comply with stipulated regulations but also to exceed them through conscious efforts at all levels. The operational teams focus particularly on conservation of natural resources used during manufacturing and productive recycling of waste.

The new plant at Unit JKPM uses Elemental Chlorine Free (ECF) technology that obviates direct use of Chlorine thus minimizing environmental impact and safety hazard. The new production line has thus improved our compliance with environmental standards

and has also resulted in major savings through reduction in usage of water, fuel and raw materials.

At Unit CPM, treated effluent from the mill is used for irrigation of nearby farm lands. Currently more than half of the treated effluent is being used for this purpose which is likely to increase substantially at the end of next phase currently in progress. It is a matter of great satisfaction to us that the Company has been able to create livelihood opportunities for nearby farmers by providing access to nutrient rich quality water for Agriculture, Subabul and Eucalyptus plantations. Combined Recharging cum Rain water harvesting system (RWH) is implemented in the company's housing colony to ease the burden on natural sources. The Company has also installed solar heaters for utilisation of solar energy.

AWARDS AND RECOGNITION

Awards and recognition received by the Company reinforce its belief that the Company is moving in the right direction to achieve higher levels of operational performance and social commitments. It is a matter of great satisfaction that various initiatives taken by the Company have received recognitions at esteemed forums.

Unit - JKPM has been awarded the following;

- Green Manufacturing Excellence Award-2013 from Frost & Sullivan.
- National Safety Award-2011 for outstanding performance in industrial safety.
- Golden Peacock Environment Management-2013.
- Greentech Award-2013 for outstanding achievement in Safety.
- Appreciation for Good practices in Quality Systems by FICCI.

Unit - CPM has been awarded the following;

- Greentech Safety Gold Award-2013.
- Greentech HR Silver Award-2013 for outstanding achievement in paper sector.
- World CSR Congress Best Sustainability Award-2013.

- IPMA Award-2013 for Energy Conservation.
- Greentech Environment Gold Award- 2013.

DIRECTORS

Shri Shailesh Haribhakti, who is liable to retire by rotation at the forthcoming Annual General Meeting (AGM) has not offered his candidature for reappointment as a Director, due to SEBI's impending limits on the number of Boards that he can serve on. He will hold office as Director till the date of ensuing AGM.

Shri Udayan Bose and Shri M.H.Dalmia retire by rotation at the ensuing AGM and being eligible are proposed to be appointed as Independent Directors of the Company to hold office for a term of five consecutive years from the ensuing AGM. Shri R.V.Kanoria, Shri Shailendra Swarup, and Shri Arun Bharat Ram whose period of office is liable to determination by retirement of Directors by rotation are also proposed to be appointed as Independent Directors of the Company to hold office for a term of five consecutive years from the ensuing AGM. The Company has also received declarations from the said Directors about their independence pursuant to Section 149 of the Companies Act, 2013.

The Board recommends these appointments as aforesaid.

CORPORATE SOCIAL RESPONSIBILITY

A detailed report on the Company's CSR activities is given separately in the Annual Report.

AUDITORS

M/s. S S Kothari Mehta & Co, Chartered Accountants, Auditors of the Company, retire and are eligible for re-appointment. The observations of the Auditors in their Report on Accounts read with the relevant notes are self-explanatory.

COST AUDIT

M/s R.J.Goel & Co., Cost Accountants, Delhi conducted the Cost Audit for the financial year ended 31st March 2013 and as required, Cost Audit Report was duly filed with Ministry of Corporate Affairs, Government of India on 19.09.2013.

The Audit of the Cost Accounts of the Company for the financial year ended 31st March 2014 will be conducted by the said firm and the Report will be submitted to the Ministry of Corporate Affairs, Government of India.

ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Details of energy conservation, technology absorption, foreign exchange earnings and outgo, required to be disclosed under Section 217(1)(e) of the Companies Act, 1956 read, with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is annexed to this Report and forms part of it.

PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended regarding employees is given in Annexure to the Directors' Report. However, as per the provisions of Section 219 (1)(b)(iv) of the Companies Act, 1956, the Annual Report is being sent to the shareholders of the Company excluding the aforesaid information. Any shareholder interested in obtaining such particulars may write to the Secretary at the Company's New Delhi address.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion & Analysis, Corporate Governance Report and Auditor's Certificate regarding compliance of conditions of Corporate Governance are made a part of this Annual Report.

SUBSIDIARY COMPANIES

The accounts of the wholly-owned subsidiaries i.e. Jaykaypur Infrastructure & Housing Limited (JIHL) and Songadh Infrastructure & Housing Limited (SIHL) and of the subsidiary i.e., JK Enviro-tech Limited (JKETL) have been consolidated as required by applicable Accounting Standards. With reference to the General Circular No. 2/2011 dated 8th Feb. 2011, issued by the Ministry of Corporate Affairs, Government of India,

copies of the Balance Sheet, Statement of Profit & Loss, Reports of the Board and the Auditors of the aforesaid Subsidiary Companies have not been attached to the Balance Sheet of the Company. However, annual accounts of the Subsidiary Companies and the related detailed information of the Holding and Subsidiary Companies, shall be made available to the shareholders seeking such information at any point of the time. The annual accounts of the Subsidiary Companies are also available for inspection by any shareholder at the Registered and Head Offices of the Company and that of the Subsidiary Companies concerned.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors state that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. the accounting policies selected and applied are consistent 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 & Loss of the Company for that period;
- iii. proper and sufficient care has been taken for 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;

- iv. The annual accounts have been prepared on a going concern basis.

INDUSTRIAL RELATIONS

Industrial Relations continued to be cordial and healthy. The Company could overcome challenges faced during commissioning of the new project with continued support of all the workmen, staff and unions. During the year, the Company amicably concluded its long term wage agreement with the trade unions at both the plants. The credibility of the company among its stakeholders is growing continuously because of its commitment to continuously address people issues with openness and transparency. Several initiatives implemented by the Company have significantly helped in improving the work culture, enhancing productivity and enriching the quality of life of the workforce

ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors

BHARAT HARI SINGHANIA
Chairman

New Delhi
Date : 21st May, 2014

ANNEXURE TO THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2014

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo:

A) Energy Conservation:

- 1) Installation of Energy efficient Agitators in Starch Storage Tank
- 2) Replacement of PM-I steam & condensate pump motor
- 3) Replacement of 45HP motor for PFD –I super clear water pump by 15Hp motor
- 4) Replacement of MV Lamps with Induction lamps
- 5) Debottlenecking / Modification of PM-II steam Condensate system
- 6) PM-I dump chest replaced from 190 m3 to 45 m3 pump
- 7) Replacement of Mixing chest pumps with low capacity
- 8) VFD for hood blower at PD Plant
- 9) Line shaft DC Motor & drive replaced with AC motor & drive
- 10) Reduction of frequency of both 25 & 30 MW TG
- 11) Replacement of motor in case of PM I Hot water with low capacity motor
- 12) Replacement of Delta P/P I with VFD & Spiral cage motor
- 13) Replacement of motor pulleys by smaller size pulleys in IR Heater Blowers.

B) Research & Development:

During the year, the Company has spent Rs. 439 Lacs on Research & Development. 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) Introduction of JK Max 67 gsm, JK Max 72 gsm with improved quality and Color Lok technology.
- 2) Introduction of Pigmented paper JK Cedar Digital 80, 90 & 100 gsm.
- 3) Introduction of Green Shade Maplitho paper.

C) Technology Absorption, Adaptation and Innovation:

- 1) Technology up-gradation for fiber recovery by installing Poly Disc filters.
- 2) Improving throughput by converting 2 cooling cylinders to Dryers.
- 3) Use of oxidized Biocide to get rid of slime and related deposits & machine breaks.
- 4) Adoption of PCC as filler to improve Paper quality and cost saving.
- 5) Use of non ionic surfactant for Steric Stabilization or Surfactant Encapsulation to avoid agglomeration of pitch.
- 6) Introduction of two stages cooking in digester to improve pulp viscosity and strength index.
- 7) Improvement in condensate recovers in digester house by installing individual conductivity meter in digester condensate line.
- 8) Use of basic dye in white paper was replaced by pigment dye to eliminate mottling.
- 9) Usage of anti fluff agent to reduce dusting problem during printing.
- 10) Installation & commissioning of ream shrink wrapping m/c for Copier.
- 11) In house designed system to detect defective board having blotch and Online color marking system in running roll.

D) Foreign Exchange Earnings and Outgo:

Rs. In Cr. (10 Million)

(a)	Foreign Exchange earned	85.27
(b)	Foreign Exchange outgo:	
	- CIF Value of Imports	466.57
	- Others	25.84

PARTICULARS OF CONSERVATION OF ENERGY

Sl.No.	Particulars	Unit	2013-14	2012-13
A	POWER AND FUEL CONSUMPTION			
I	Electricity			
a)	Purchased Power			
	- Units	KwH in lac	356.92	487.73
	- Total Amount	Rs.Lac	2,621.45	2,939.93
	- Rate / Units	Rs/KwH	7.34	6.03
b)	Own Generation			
i)	Through Steam Turbine / Generators			
	- Units	KwH in lac	3,557.93	2,794.61
	- Cost / Units	Rs/KwH	4.15	3.33
ii)	Through Diesel Generator			
	- Units	KwH in lac	2.07	18.80
	- Units per Litre of Diesel Oil	KwH	2.22	5.80
	- Cost / Units	Rs/KwH	32.75	14.80
2	Coal			
	- Quality (Grade)		“D” to “F”	“D” to “F”
	- Where Used		CF Boiler	CF Boiler
	- Quantity *	MT	4,96,874	4,64,974
	- Total Amount	Rs.Lac	16,365.70	13,276.92
	- Average Rate / MT	Rs./T	3,294	2,855
3	Furnace Oil			
	- Quantity	Kilo Ltr	1,874.58	333.00
	- Total Amount	Rs.Lac	834.18	132.49
	- Average Rate / Ltr.	Rs./Ltr	44.50	39.79

*includes Lignite.

B. CONSUMPTION PER UNIT OF PRODUCTION

Product	Year	Electricity Kwh/MT	Coal Kg/MT	Furnace Oil Ltrs./MT
Paper & Board	- 2013-14	1,176	1,510	8.30
	- 2012-13	1,120	1,615	1.80

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

Global economic activity that was on an uptrend in second half of last year, has gained strength with impetus mainly from the developed countries, primarily US. However, the slower pace of recovery has kept unemployment still high and so raises concern over the sustainability. While debt embroiled European nations are still grappling with growth slowdown, core economies of UK and Germany foster better growth. However downside risk still persists in the form of low inflation and/or deflation that would not only result in higher interest rates and higher debt burdens, but also lower investments and weaker growth. Emerging market economies, the growth driver for most of the past decade, have witnessed slowdown, notably in China, where growth has slowed to late 90s level, with concerns over a bulging real estate bubble. On the positive side, it also indicates a transition towards a more balanced growth path that is geared more towards domestic demand than led by exports and capital formation.

Growth slowdown in India however is a cause of concern, as it has recorded growth below 5% for the second consecutive year. As US has embarked on its tapering of monetary stimulus, emerging economies with higher inflation and wider current account deficits, remain vulnerable to currency depreciation and capital flow reversals, and would therefore be forced to maintain monetary policy tightening. This could result in interest rates remaining high and delay in investments. Further many economies, most notably India, would need a new round of structural reforms, including investment in public infrastructure, to improve its competitiveness (to boost exports) and thus revive the faltering manufacturing sector. Therefore the green shoots of recovery that have arrived on the horizon need to be supplemented with appropriate policies and actions to maintain the growth uptrend.

Impact of Global Development on Indian Paper and Board Industry

The global paper industry has been facing a dual impact with economic slowdown on one hand and decrease

in paper consumption in developed markets due to electronic media and digitisation on the other. As a result the global paper industry has witnessed very low single digit growth in past few years with major growth impetus coming from emerging economies. Asian markets are becoming large consumption centres on account of their high consumption base with low penetration, while Latin America is becoming a production centre due to lower cost of raw materials.

India has been the fastest growing Paper and Board market globally at about 6-8% growth in last 10 years, with the exception of last 2 years. The low per capita consumption at 11Kg is an indication of the future potential for the industry. With the global economy showing signs of recovery and similar indicators visible in domestic economy, the Indian Paper & Board industry might return back to its earlier high growth path. The surplus capacities in some countries like China and Indonesia has led to cheaper imports in the country particularly in Coated Paper segment. With imports from ASEAN arriving at zero duty under FTA from 2014, the trend has strengthened further and might pose a threat for domestic producers. The Indian paper companies will have to compete with these large scale mills using latest technology to sustain their position in the market.

Supply and Demand Scenario in Indian Paper & Board Industry

The Indian paper Industry had been operating with supply deficit in most part of the last decade resulting in capacity additions by major players. The capacity additions were also marked by technology upgradation and higher scales for better profitability. This change however led to overcapacity in the industry mostly in the uncoated segment of the market. Eventually this is expected to lead to consolidation for the industry which has been highly fragmented so far. Some capacities at the lower end of technology and scale may face closure with some being acquired in this transition phase. With this shake-up the supply overhang would be absorbed by end of 2014-15 and this would also improve the industry's profitability.

The higher growth rate of the Indian Paper and Board Industry has even attracted global players facing slowdown in their own markets. However considering the raw material situation and capacity overhang they would resort to acquisition of existing capacities, instead of establishing new capacities. In spite of a higher deficit in the Coated Paper segment the capacity additions have not taken place due to large scale dumping by Chinese manufacturers rendering domestic manufacturing unviable. The supply in Packaging Board segment continues to be balanced, however new capacities that are likely to be commissioned in 2015-16 may create some momentary mismatch. In Summary, the Indian Paper & Board industry looks poised to achieve a market size of 20 million by 2020.

MARKET FOR COMPANY'S PRODUCTS

The Company's strategy has always been to develop brands with clearly identified superior deliverables and gain customer loyalty in an industry that is otherwise known for its commodity orientation. With the recent expansion, the Company's products have further levelled up in quality. Most of Company's production today is towards Branded and Value-added papers. The choice of Company's product line is based on long-term expected growth rates, the levels of Returns on Capital Employed and delivering a wholesome experience to the discerning customers. The Company continues to maintain its focus in both direct consumer segments through its Branded Office paper range as well as in Industrial segments through Hi-end Packaging Boards and Coated Papers.

Copier and Office Paper

The economic slowdown has moderated growth in Office Papers for the year under review, although the last quarter has shown some signs of revival. Demand for high quality papers originating from increased use of high-end printing and photocopying devices is on the rise. The Company is placed in a better position because of its passion to always provide the best quality paper to its customers. The recent expansion in the state-of-the art modern and highly automated plant at our unit JKPM with a dedicated capacity to produce international quality Office papers is a testimony towards that. The company will continue to retain and

reinforce its leadership position by producing high quality office papers.

The Company has developed its product portfolio to address different pricing points without sacrificing quality standards. The two distinct brands of Copier Papers viz; 'JK Copier' and 'JK Easy Copier' are targeted at high end customer segments. 'JK Sparkle' is a brand that caters to the middle segment of the market, while JK Copier Plus is positioned to meet the requirements from the Government and PSU sector. The pigmented paper 'JK Cedar' which was being outsourced so far is now being produced from the new machine to target the rising paper demand for digital printing.

During the year, the company also introduced two new copier brands 'JK C MAX' and 'JK MAX' to target the segments that seek value for money in the A & B class cities and Upcountry markets.

Coated Paper

Over the years, the global printing industry has grown, making giant strides through improved equipment (scope, technology and speed). The Indian publishing sector is one of the largest in the world; the country is counted among the top-seven publishing nations. This robust growth in printing and publishing sector leaves immense scope for the Coated Paper category to grow.

The demand for Coated Paper continued to grow during the year though at a slower rate due to impact of economic slowdown. Imports from China and ASEAN continued unabated due to shortfall in domestic capacities leading to pricing pressure in the market. Weakening of Rupee caused a temporary slowdown in imports permitting some price increases, which were absorbed by the market. With no new capacities planned and zero duty on imports from ASEAN, imports will continue to address a major share of the market. In spite of all these challenges the Company continued to grow its Coated paper business with a mix of own manufacturing and outsourcing. The Company is recognised for consistent quality of its Brand JK Cote and superior customer service.

Packaging Board

The year has been mixed for Indian Packaging Board sector, with the growth in Hi-end Packaging Board

segment slackening during the first half and reviving in the second half. The overall growth for the year stood at 12-14%, lower than the preceding years. The slowdown was due to overall growth moderation in FMCG and Pharma sectors thus prompting price cuts by some industry players. The Company's goodwill and superior products "JK Ultima" and "JK Tufcote" alongwith its efficient service levels helped to address this challenging situation. The demand uptick in the second half helped to initiate some price increases which were absorbed in the market.

Outlook for this segment remains promising as the role of packaging in influencing purchasing decisions has been on the rise. The growth in organised retail, changing lifestyles and increasing exports is creating demand for good quality packaging. This trend is likely to strengthen further and benefit the Company, which is second largest by market share in this segment.

Corrugated Board

Last year the Company had entered into a Joint Venture with globally renowned Japanese companies for foraying into this segment. Strong growth in the end use segments, substitution of plastic and wood cases with corrugated containers and growth in exports are some of reasons for higher growth in this segment. The domestic production has been mostly fragmented and dominated by unorganized segment operating manual or semiautomatic plants that lack scale and consistency in product quality. The JV plans to produce hi-end corrugated board to meet the requirements of diverse industries through its manufacturing plant at Neemrana, Rajasthan. The plant is coming up as per schedule and is likely to commence trial production during the second quarter of 2014-15.

Outsourcing

Outsourcing continued to receive increased attention in the company's business strategy. While doing so, care is taken to ensure conformance to JK's quality standards. During the year the company increased its Coated Paper range by adding new SKUs as per market needs. The outsourced volume grew by 27% for the year. Going forward, the Company plans to strengthen this initiative further to increase its market share.

Branding and Distribution

The Company has been the first to market Branded cut-size copier papers as 'JK Copier' in the Indian market in the mid 90s. Since then it has been at the forefront in introducing new varieties and brands to keep pace with changing customer needs thus providing a 'first mover advantage' in many products. The success of the Company's products can be linked to its ability to understand customer's expectations and exceed them.

The long standing relationships with channel partners have helped the Company in understanding the changing market realities and thus respond faster. During the year the Company has been able to further strengthen and expand its reach by adding close to 40 new distributors across India.

Road shows were conducted in major metros and mini metros to launch new brands viz; 'JK CMax' and 'JK Max', which were also supported by customer meets. The company also altered its annual loyalty programme to make it more beneficial and attractive to its customers. The Company had also undertaken various communication initiatives to build awareness about its high quality 'Colorlok' papers.

New Project

The Company has been a market leader in Office Papers segment; however capacity constraints restricted further growth and loss in market share. Since capacity expansion became imperative, the Company embarked on a new project at Unit JKPM. This involved setting up a 2,15,000 TPA pulp mill, a 1,65,000 TPA paper machine and a 55 MW captive power plant along with other necessary utilities. The machinery was sourced from renowned global supply to adopt the most contemporary technology. This expansion is regarded as the largest in Indian paper industry till date.

The project faced initial hurdles which resulted in delayed start of construction activity and subsequent delay in erection of certain sections on account of supplier issues. The project was commissioned in second quarter of 2013-14 with a delay of about 6 months from its planned completion. The commercial production from the new facility was delayed due to initial teething troubles during stabilisation of the pulp

mill and paper machine. This resulted in lower capacity utilisation from the new capacity. In consultation with global experts and in-house knowledge the stabilisation was achieved in due course.

The new capacity has been now running consistently producing high quality Office Papers suitable for advanced printing requirements. The technology adopted for the new project has helped to reduce consumption of raw material, water and energy. With higher throughput and better profit margins the company will be in a position to reap benefits of full capacity in the next financial year.

OPPORTUNITIES AND STRENGTHS OF THE COMPANY

The Company has traditionally operated in value added segments of the market like Copier Paper, Coated Paper and Virgin Fibre Boards. These segments have been experiencing strong growth due to changing lifestyle of Indian consumers. The company being a market leader in Copier and amongst the top 2 players in Coated Paper and Virgin Fibre board segment is likely to benefit from the future potential in these segments. The new facility of Copier Paper places it in a position to take advantage of scale and technology while delivering consistent quality product to its customers. Similarly the Coated Paper and Packaging Board segment which have a demand-supply mismatch may provide opportunities for future expansions for the Company.

The Company has a network of distributors that pan across the country and provide vast reach for the Company's products. This distribution network has been strengthened over the years and now provides a competitive advantage to the Company. The Company has built its loyal customer base by offering products that meet their expectations and established a reputation for the JK Brand that is enjoyed by none in the industry. This customer connect can be leveraged further to develop niche products addressing specific customer needs. The Company also proactively engages with its customers in Coated Papers and Virgin Fibre Board segments to understand and cater to their needs while providing a superior customer service.

The manufacturing plants of the Company are strategically located to benefit from nearness to

domestic raw material sources as well as ports for imported inputs. The locations being nearer to consumption centres also provide easy access to the domestic markets and also to export markets through the ports. The talented employee base of the Company with an ideal blend of domain expertise and business acumen provides the necessary strength to tap the future growth.

MAJOR CONCERNS

Wood is a key input for Pulp and Paper production, An assured long term supply of wood is therefore extremely essential for sustenance of the industry. The diversion of pulpwood by other industries and increase in minimum support prices of alternative crops have put pressure on domestic raw material supply. Consequently the prices of pulpwood have risen sharply in the last 2 years. Though the Company has resorted to social farm forestry within 200 Km of the mill, the supply from these areas would only commence towards the end of financial year 2014-15. The Company has started importing wood and wood chips to meet the deficit in the interim. Furthermore to ensure long term security of raw material the Company is exploring some opportunities outside India for plantations along with an integrated pulp mill. Hardening of raw material prices is impacting competitiveness of the domestic Paper industry at a time when global players are entering the market. Despite numerous representations, the Government policies have not been favourable for promoting large scale industrial plantations in the country.

The continuous shortfall in domestic coal production is likely to have an impact on linkage coal prices. Railway freight may also undergo a similar revision. Besides this, prices of some chemicals required for paper manufacturing may also increase due to supply issues, and so adversely affect the input costs.

The Free Trade Agreement (FTA) with ASEAN has led to zero duty on goods imported from these countries from 1st January 2014. This could result in a sharp increase in paper imports over time and affect domestic pricing. The escalating costs of key inputs, decrease in availability of raw material and rising cost of capital can also force consolidation in the paper industry.

Human resources has been a perennial constraint for the paper industry. The industry faces severe challenges for attracting new talent due to remote location of the mills and higher remuneration offered by other industries. In addition, shortage of qualified and experienced manpower will also pose a challenge for the industry.

RAW MATERIAL AND OTHER PURCHASES

The industry has witnessed one of the sharpest wood price increases in last 2-3 years in its history despite best efforts put in through social farm forestry in its catchment areas. The fundamental issue has been that India remains a wood deficit country due to lack of supporting policies on forestry sector. The sharp increase in minimum support prices of agri commodities in recent past has prompted many farmers to shift from farm forestry to these crops in many pockets of the country. This coupled with drought like conditions in some pockets of North Andhra Pradesh and South Orissa has resulted in reduction in farm forestry acreage and consequently supply shortfall and higher prices. As a result, the company imported pulpwood logs and chips from ASEAN and other countries to tide over the crisis. The company expects that the demand – supply imbalance to even out in next couple of years due to higher farm forestry in previous years and prevailing remunerative wood prices.

During the year, the new social farm forestry development by the Company in the catchment area of mills was 14,877 Ha planting over 80 million plants including eucalyptus clones. This was 32 % higher compared to FY 2012-13. With this the company's efforts have cumulatively resulted in the plantations of over 1,16,000 Ha of low productive wastelands of tribals and farming community in the backward regions of Gujarat, Western Maharashtra, Odisha and North Andhra Pradesh.

There has been increased focus on R&D resulting in release of new high yielding clones and seed varieties of pulpwood trees which would further enhance farm productivity and income to farming community. A qualified team of scientists is continuously evolving new agro-forestry models with intercropping of cotton,

paddy, maize, sugarcane, pulses and oilseed crops. As a result of these efforts, the demand for eucalyptus clones during the year was over 15.5 million plants, approximately 84 % higher than FY 2012-13.

Looking at the success of social farm forestry development over the last two decades, largely led by the Paper Industry, the Government of India has realized that agro forestry is better land use system as compared to pure and monoculture oriented agriculture in India. This has led to the announcement of the National Agro-Forestry Policy 2014. A faster and successful implementation of this policy would be in the interest of the farmers, ecology and wood based industries.

The year 2013-14 posed various challenges specially with respect to procurement of other inputs for the New capacity at Unit JKPM. The commissioning of new facilities caused unpredictability in consumption pattern and required very sharp response in the form of immediate supplies. The year started with relatively high prices in chemical pulp market but prices softened throughout the year by almost 10% due to excess capacity and stagnant demand worldwide. On the contrary, the chemical softwood pulp market remained very strong due to no addition of capacity and stoppage of some plants.

Major chemicals were partially affected by very high US\$/INR rates witnessed during major part of the year. Items using imported inputs were under pressure but the price pressure of such items were contained because of stagnation in overall demand. Logistic costs within the country continue to pose major problems due to steady rise in diesel prices. International shipping rates were depressed for most part of the year and could partially offset impact of appreciating Dollar.

The availability of coal for Eastern India was almost normal. However in the West, extended monsoon lead to supply disruptions. Port closure also resulted in sourcing of imported coal from a distant port causing extra logistics cost and higher prices for a part of the year.

FINANCIAL HIGHLIGHTS

Rs. in Crore (10 Million)

	2013-14	2012-13
Gross Sales	2,025.47	1,721.38
Net Sales	1,721.37	1,453.19
Profit before Finance Cost and Depreciation (PBIDT)	138.51	144.41
Profit before Depreciation and Tax (PBDT) without exceptional items	16.65	94.51
Profit/(Loss) before Tax (PBT)	(122.94)	37.34
Profit/(Loss) after Tax (PAT)	(77.19)	37.70

The Company achieved a production of 3,28,321 tonnes and sales of 3,21,094 tonnes during the year. Operating profit (PBIDT) of the Company during the year declined by 4% and PBDT by 82%. Raw material prices continued to rise resulting in higher input cost for the company. Though the Company increased its selling prices during the year, it was not commensurate with the increase in input costs. As a result the Company had to report a loss of Rs 77.19 Crore for the current year.

Overall inflation in 2013-14 remained higher at 7.2 per cent as against 6.1 per cent in the previous year, due to higher food prices and sharp increase in fuel prices. This compelled RBI to maintain a tight monetary stance to anchor inflationary expectations. Tight liquidity situation and higher interest cost in the banking system for all maturities has resulted in increased interest cost on borrowings. However, the Company could control its funding costs by better negotiation of spread on new loans.

During the year, there was an unprecedented volatility in foreign currency exchange rates with Rupee depreciating by 11 % against the Dollar over the year. In the month of August 2013 it made a peak and depreciated by 27% from March 2013 level which was subsequently recovered later part of the year. The company as a policy does not take any positions based on speculation in foreign exchange market and covers are initiated only for corresponding trade exposures. Hedging of currency exposures is resorted only to manage the overall risk and exposures through a mix of Swaps, Forwards and Options.

The Company has enhanced its working capital limit with the existing member banks to meet the increased

working capital requirement for the new capacity. Working capital utilisation was monitored on regular basis so as to reduce the overall working capital needs for the business. The impact of higher interest cost could be moderated with better mix of short term lines of credit like Buyers credit, Bill discounting, WCDL and dealer financing scheme.

ENVIRONMENT AND NEIGHBOURHOOD

The Company does not believe in achieving growth at the expense of the environment. In this regard, the Company has taken necessary steps for ensuring the safety of environment and surrounding communities in all the locations where it operates. The objective of JK Paper Mills is to move towards greenest and safest operation by optimization of natural resource usage, sustainability measurement, monitoring and safety of all people and assets. The Company tries to protect the interest of all stakeholders while taking key decisions. Both units the Company practice high standards of Health, Safety and Environment. JK Paper Mills strive for inclusive growth of neighbouring communities by providing opportunities for livelihood, healthcare and education.

HUMAN RESOURCE MANAGEMENT

The strategic priorities for the Human Resources function have been aligned to the Business strategy of the Company. This has led to the transformation of Human Resource function from a recruitment and people management role to that of a business partner, providing the infrastructure and policy framework required for success of business teams.

The new project at Unit JKPM mandated a complete review of the Organisational structure to ensure adequate availability of well trained manpower. As such in 2013-14, one of the main priorities for the function was manpower planning and ensuring the right fit for the right job. The team's mission is to ensure a highly talented, motivated and creative workforce that would bring about organisational development. For the achievement of these objectives, a lot of HR initiatives targeted towards attraction, retention and growth of talent have been initiated. They have been periodically reviewed by the management and are progressing satisfactorily.

The HR function in the Company also focuses on building a work culture of meritocracy and high performance and all HR processes are geared to ensure it. The regular communication meetings from the top management is one of the key step towards achieving greater transparency and employee participation. The suggestion scheme is widely used as a means to receive ideas and feedback that will help the Company to progress in its pursuit of excellence.

Employee Satisfaction Survey is conducted every alternate year to gauge engagement levels of employees and also highlight areas of concern. The findings are shared with all the employees to ensure transparency. A detailed action plan is also framed to address key issues affecting employee engagement, which is reviewed periodically by the top management. JK Paper Intranet is being developed as Employee Self Service portal to permit knowledge sharing and cross functional interaction of employees.

INTERNAL CONTROL SYSTEM

The Company continuously updates its systems and procedures to keep it contemporary and to ensure that it is commensurate with size and nature of its business. The internal audit department of the Company reviews the internal control system on a regular basis to improve its effectiveness. Regular internal audits are conducted based on annual internal audit programme as agreed with audit committee of board covering all the offices, factories and key areas of business. The findings are then taken up by audit committee along with management for suitable action. The audit committee also reviews effectiveness of Company's internal controls and regularly monitors implementation of audit recommendations.

The Company has a comprehensive budgetary control system in operation and key performance goals are set for each of the units and product lines. These are monitored and reviewed on a periodic basis and corrective actions as needed are initiated.

RISK MANAGEMENT

The Company has systematic process for analysing and mapping the risks based on discussions with different stakeholders and study of past records. Outside experts are also consulted to provide an external perspective to the risks. The risks so identified are addressed by an appropriate risk mitigation plan.

Each plant has a risk management committee headed by the plant head. This committee meets on a regular basis and reviews the systems and procedures. Suitable modifications are made where necessary after the deliberations, if found necessary. These are further reviewed at the corporate office once on a biannual basis.

Similarly the risks are thoroughly analysed for any new project prior to the implementation. These risks are segregated into market risks, operating risks, financial risks etc. These project risks are taken care off through regular monitoring and taking appropriate action to address them.

Training is also imparted to executives for effective analysis of various risks and formulation of appropriate mitigating strategies.

CAUTIONARY STATEMENT

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

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

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Company's CSR Philosophy and Belief

Driven by the belief that a successful business can be developed only by creating a prosperous society around us, JK Paper through its CSR initiatives continues to focus on inclusive development by reaching out to neighbouring communities and society at large in a number of ways. It aims at touching lives with a vision of better present and a more promising future.

2. Employee Welfare

Fostering a culture of ownership and excellence has been the basic principle of our human resource planning and policy. JK Paper takes pride in providing safe, hygienic and humane workplace environment to all employees. The Company's human relations policy is geared to ensuring equality of opportunities and full access to training and development of necessary skills for career advancements. In line with International norms and practices, the company doesn't allow employment of child or forced labour, directly or indirectly.

3. Respect for Environment

Sustainable development has been a priority of the Company's business operations since its inception. In this respect, the company has been a pioneer in adopting latest environment friendly process and technologies, most notably at unit JKPM, where it has been able to achieve significant resource conservation, particularly water consumption that has come down to 45 m³ per ton of paper from over 70 m³ earlier. Biomass is being used to supplement conventional fuel in power generation. The Company has also successfully diverted part of the treated effluent water for plantation and gardening purpose. Besides, the Company has also been enriching the Green Cover through social farm forestry activities that have been further scaled up around 150 – 200 km of mills area.

4. CSR activities for Social & Inclusive Development

The CSR initiatives are undertaken with a belief in inclusiveness and so are focussed on five key areas such

as Education, Health Care, Skill Development, Livelihood Interventions, and Environment.

4.1 School Education: In our endeavour to reach out to the underserved sections of our society, the Company is operating three schools near its manufacturing units at Odisha and Gujarat. More than half of students enrolled in these schools are from under-privileged sections from the mill vicinity. For overall personality development of tribal students, initiatives like Elocution & Quiz Competition were organized. Tribal Students were provided extra study materials so that they can compete with other students. To promote computer literacy in community, Unit CPM has opened a subsidised "Computer training Center" at JK Shopping complex.

4.2 Adult Education: Both our units are involved in imparting basic education to the tribal women to make them more self reliant through Adult Literacy Programme (ALP). The Adult Education movement around our unit JKPM that started with 2 Adult education centers in 2005 has now reached 25 Centers, enabling 5680 Tribal Adult Illiterate Women to become literate till date. ALP at unit CPM that started in 2004, has also successfully opened 22 centers so far, making 2920 literates over the last 10 years. This program has not only made the tribal women more self dependent but has motivated many other school dropouts to start learning again.

4.3 Nutan Gyanvardhini, A special initiative for the Educational Rehabilitation of the Children With Special Needs (CWSN) has been taken up in collaboration with the district administration, Rayagada. About 30 such children of Rayagada and Kolnara blocks are enrolled in the school. The school has recruited 3 Special Teachers & 3 non teaching staffs for rehabilitation of these children.

Apart from education, sincere effort is also given for the vocational rehabilitation of the mild & moderate children with special needs. Health check up camp is organized twice every month with support from Unit JKPM.

4.4 Skill Development: JK Paper has been instrumental in increasing the employability of tribal youth through organizing different need based Skill Development Program. ITI Ukai at Unit CPM in Gujarat stands testimony to it. From the year 2008 since it was adopted, the Company has introduced 2 new trades of Electrician and Attendant Operator in Chemical Plant. The new trades have also resulted in better employability of the students in the industry more easily. In recognition of its efforts ITI Ukai has been declared as the Center Of Excellence (COE) and recognized as one of the best ITI under PPP mode in Gujarat.

Similar efforts towards skill development are provided at Unit JKPM in Rayagada, Odisha, where a tailoring cum embroidery center has been started exclusively for skill development of SC/ST adolescent girls. Post the training, they have started earning Rs.5000 to 7000 per month through tailoring enterprises in their villages.

4.5 Healthcare: Unit JKPM organized 58 health camps in and around mill benefitting 6580 patients. Special intervention for diarrhea control in 15 villages around Unit JKPM has received acclaim from state administration. Similar efforts were undertaken by organising 74 medical camps through our own mobile dispensaries around Unit CPM benefitting 4438 patients.

Maternal & Child Health is one of the core facets of our CSR activities of the Company. A major milestone has been 100 % immunization of the children leading to reduction of Infant Mortality Rate. Intensive & dedicated counseling by Community Health Facilitators (CHFs) has also resulted in 100% pregnancy registrations in the Anganwadi Centers, resulting in significant reduction in Mother Mortality Rate. The women have benefitted through safe institutional delivery under Government's Janani Suraksha Yojana (JSY) scheme.

4.6 Community Health Interventions:

Adolescent Reproductive & Sexual Health (ARSH) is one of the priority areas which brought significant change in the lives of tribal adolescent girls. The initiative has helped in creating awareness about many issues regarding Adolescent health through comprehensive training to the tribal girls.

4.7 Livelihood Interventions: In order to empower tribal women and improve the standard of living of their families, Unit JKPM has been instrumental in forming women Self-Help Groups (SHGs). There are 45 SHGs consisting of 596 tribal women spread across 45 villages near Unit JKPM. During the year individual members of the SHGs were also supported with special variety of Poultry birds as a backyard initiative which brought dual income to them both from meat & eggs. Detergent making, Ragi & Turmeric powder making, Paper Plate making, Fast Food centers etc. are some of the other IGPs being currently undertaken by the members. Government of Odisha and NABARD are extending marketing support through various forums for scaling up their business & sales.

Workshops on "Enhancing Quality of Life of Tribal Couple" were also organized at Unit JKPM in collaboration with Central Board of Workers Education (CBWE), Government of India.

4.8 Disseminate scientific agricultural practices: Concerted Livelihood activities were also taken up with farming communities around Unit JKPM by promotion of scientific agricultural practices. Farmers were identified and brought under group clusters - 'Farmers Club'. Presently there are 19 Farmers Clubs formed in 19 villages that covers 328 tribal farmers. These clubs have now become a platform for the unorganized farmers to access different government facilities meant for agriculture development. Some industrious and progressive farmers were selected and were given training. Quality Seed Production was taken up with the involvement of 59 such farmers in 45 acres in collaboration with International Crop Research Institute for Semi-Arid Tropics (ICRISAT). 135 quintals of certified Arhar Seeds were produced & shall be purchased by Agro Seeds Corporation, Govt. of Odisha.

5. Summing Up

The Company is eager to play its role as a good Corporate Citizen by actively contributing to the social and economic development of the communities in which it operates. But the work is far from complete and the Company will continuously strive to reach out to the deprived communities.

CORPORATE GOVERNANCE REPORT

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The core values of the Company are :-

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

In a nutshell, the philosophy can be described as observing of business practices with the ultimate aim

of enhancing long-term shareholders' value and remaining committed to high standards of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practised by its entire management cadre.

2. BOARD OF DIRECTORS:

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

Director	Category	No. of Board Meetings attended during 2013-14	Whether attended last A.G.M. (17.08.2013)	No. of other Directorships and Committee Memberships/ Chairmanships		
				Other Directorships\$	Other Committee Memberships**	Other Committee Chairmanships**
Sh. Bharat Hari Singhania, Chairman# (w.e.f. 21.05.2013)	Non-Executive non-Independent	4	No	4	1	-
Sh. Harsh Pati Singhania, Vice Chairman & Managing Director^	Executive	5	Yes	2	2	-
Sh. Arun Bharat Ram	Non-Executive Independent	5	No	6	2	-
Sh. Dharendra Kumar	Non-Executive non-Independent	5	No	5	2	-
Sh. M.H.Dalmia	Non-Executive Independent	3	No	1	-	-
Sh. R. V. Kanoria	Non- Executive Independent	3	No	7	-	-
Sh. Shailendra Swarup (w.e.f. 21.05.2013)	Non-Executive Independent	3	No	4	1	-
Sh. Shailesh Haribhakti	Non-Executive Independent	3	No	11	2	5
Sh. Udayan Bose	Non-Executive Independent	4	Yes	2	1	-
Smt. Vinita Singhania	Non-Executive non-Independent	5	No	4	-	-
Sh. Wilhelmus Johannes Maria Wienk (nominee of FCCB Holders)	Non-Executive non- Independent	3	No	-	-	-
Sh. O. P. Goyal, Whole-time Director	Executive	5	Yes	2	-	-

- # The Board appointed Shri Bharat Hari Singhania as Chairman of the Board of Directors of the Company w.e.f. 21st May 2013.
 - ^ Shri Harsh Pati Singhania, Managing Director, has been appointed as Vice Chairman of the Board of Directors, w.e.f. 21st May 2013. He is now the "Vice Chairman & Managing Director" of the Company.
 - \$ excludes Directorships in Private Ltd Companies, Foreign Companies, memberships of Managing Committees of various Chambers/bodies /Section 25 Companies.
 - ** only covers Memberships/Chairmanships of Audit Committee and Shareholders/Investors Grievance Committee.
- Shri Harsh Pati Singhania, Vice Chairman & Managing Director is a relative of Shri Bharat Hari Singhania, Chairman.

DATE AND NUMBER OF BOARD MEETINGS HELD: -

Five Board Meetings were held during the year 2013–14 i.e., two on 21st May 2013, one each on 19th July 2013, 13th November 2013 and on 13th February 2014.

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

The Company already has a Code of Conduct in position for Management Cadre Staff (including Executive Directors). In terms of the Clause 49 of the Listing Agreement and contemporary practices of good corporate governance, the Board has laid down a code of conduct for all Board Members and Senior Management of the Company and the same is available on the website (www.jkpaper.com). All the Board Members and Senior Management Personnel have affirmed compliance with the code. This report contains a declaration to this effect signed by Vice Chairman & Managing Director.

3. AUDIT COMMITTEE:

As on 31st March 2014, the "Terms of Reference" of the Committee and also the composition were in conformity with the provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement with the Stock Exchanges.

The 'Terms of Reference' of the Committee have since been revised by the Board of Directors at its Meeting held on 21st May 2014, in accordance with the provisions of Section 177 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement.

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

Four meetings of the Audit Committee were held during the year 2013–14 as detailed hereunder:

Dates of meetings	No. of members attended
21 st May 2013	3
19 th July 2013	4
13 th November 2013	3
13 th February 2014	4

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

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

4.1 NOMINATION AND REMUNERATION COMMITTEE:

As at 31st March 2014, the Company had a Remuneration Committee comprising of three Independent Directors, namely Shri Arun Bharat Ram, (Chairman), Shri R.V.Kanoria and Shri Udayan Bose to consider, determine and recommend remuneration to the Executive Director(s) of the Company.

Two meetings of the Remuneration Committee were held during the year 2013–14 as detailed hereunder:

Dates of meetings	No. of members attended
21 st May 2013	2
13 th February 2014	3

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

Name	Status	No. of Meetings attended
Shri Arun Bharat Ram	Chairman	2
Shri R.V.Kanoria	Member	1
Shri Udayan Bose	Member	2

The Board of Directors at its meeting held on 21st May, 2014 has reconstituted the Committee as 'Nomination and Remuneration Committee' and the 'Terms of Reference' of the Committee have also been revised in accordance with the provisions of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement with the Stock Exchanges. The composition of the Committee is in conformity with the provisions of the Companies Act, 2013 and also the Listing Agreement.

4.2 REMUNERATION TO DIRECTORS:

A. Executive Directors

The aggregate value of salary, perquisites and contribution to Provident Fund and Superannuation Fund for the year ended 31st March, 2014 to the Vice Chairman & Managing Director and the Whole-time Director is as follows: Shri Harsh Pati Singhania, Rs. 304.84 lac and Shri O. P. Goyal, Rs. 178.41 lac.

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

B. Non-Executive Directors

The Company has paid sitting fees aggregating to Rs. 7.90 lac to all Non-executive Directors for attending the meetings of the Board and/or Committees of Directors, during the financial year 2013-14.

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

Number of Equity shares of Rs.10/- each of the Company held by the Non-Executive Directors: Smt. Vinita Singhania (87,500 Equity Shares).

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

As at 31st March 2014, the Company had a Shareholders/ Investors Grievance Committee consisting of four Directors out of which two are Non-executive Independent Directors and two are Executive Directors. The Composition of the Committee was in conformity with Clause 49 IV (G) (iii) of the Listing Agreement.

Four meetings of the said Committee were held during the year 2013-14 as detailed hereunder:

Dates of meetings	No. of members attended
21 st May 2013	3
19 th July 2013	4
13 th November 2013	4
13 th February 2014	4

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

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

The Board of Directors at its meeting held on 21st May 2014 has reconstituted the Committee as 'Stakeholders Relationship Committee' and the 'Terms of Reference' of the Committee have also been revised in accordance with the provisions of Section 178 of the Companies Act, 2013 and the revised Clause 49 of the Listing Agreement.

The composition of the committee have also been revised. The Committee now consists of Shri R.V.Kanoria (Chairman), Shri Arun Bharat Ram and Shri O.P. Goyal, Whole-time Director. The

composition of the Committee is in conformity with the provisions of the Companies Act, 2013 and also the revised Listing Agreement.

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

Eleven investor complaints were received during the financial year ended 31st March 2014, which were promptly resolved to the satisfaction of the investor concerned. The Board has delegated the power of share transfer to the Committee of Directors and the share transfer formalities are attended to as required. All valid requests for transfer of shares in physical form were processed in time and there were no pending transfers of shares. During the year ended 31st March 2014, 23 meetings of the said Committee of Directors were held.

6. GENERAL BODY MEETINGS:

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

Year	Location	Date	Time
2010-11	P.O. Central Pulp Mills – 394 660 Fort Songadh, Distt.Tapi,Gujarat	08-08-2011	12.30 P.M.
2011-12	Same as above	13-08-2012	12.00 Noon
2012-13	Same as above	17-08-2013	12.15 P.M.

- (ii) No Special Resolutions were required to be put through postal ballot last year. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.
- (iii) Special Resolutions passed in previous 3 Annual General Meetings:
- (a) At the last Annual General Meeting of the Company held on 17th August 2013, Special Resolution was passed unanimously to amend Clause 134(2) and insert new Clause 130B in the Articles of Association of the Company.
- (b) At the Annual General Meeting of the Company held on 13th August 2012, Special Resolutions were passed unanimously:

- (i) to approve payment of commission to the Directors other than the Managing or Whole-time Directors.
- (ii) to amend sub-clause 3 of Article 101 of the Articles of Association of the Company by substitution of the existing explanation therein by a new explanation.
- (iii) to re-appoint and approve the terms of remuneration of the Chairman and the Managing Director of the Company for a period of 5 years w.e.f. 01.01.2012.
- (iv) to re-appoint and approve the terms of remuneration of the Whole-time Director of the Company for a period of 3 years w.e.f. 07.09.2012.

- (c) At the Annual General Meeting of the Company held on 8th August 2011, Special Resolutions were passed unanimously:

- (i) to insert Article 4B in Articles of Association of the Company, regarding enforceability of Foreign Currency Convertible Bonds Subscription Agreements.
- (ii) to accord consent to Sh. Shrivats Singhania to hold an office or place of profit pursuant to Section 314 of the Companies Act, 1956 w.e.f. 1st September 2011.

7. Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large. None

Suitable disclosure as required by Accounting Standard (AS-18) on Related Party transactions has been made in the Annual Report.

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

The Company has a risk management system and has laid down procedures to inform Board Members about risk assessment and minimization procedures. These

procedures are being periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

8. MEANS OF COMMUNICATION:

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

9. GENERAL SHAREHOLDERS' INFORMATION:

(i) Annual General Meeting (AGM) :-

- (a) Date : Saturday, 27th September 2014
Time : at 12.30 P.M.

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

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

- (ii) **Book Closure** : 18th September 2014 to
27th September 2014
(both days inclusive)

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

- (iv) **Financial Calendar** : Year Ending March 31
Annual General Meeting for the year : Between June and
September 2015
ending March 31, 2015

(v) Listing of Equity Shares (including Stock Code):

The Equity Shares of the Company are listed on National Stock Exchange of India Limited (Stock Code – JK Paper) and BSE Limited (Stock Code – 532162). Listing Fee for the year 2014–15 has been paid to the said Stock Exchanges.

(vi) Stock Market Price Data :

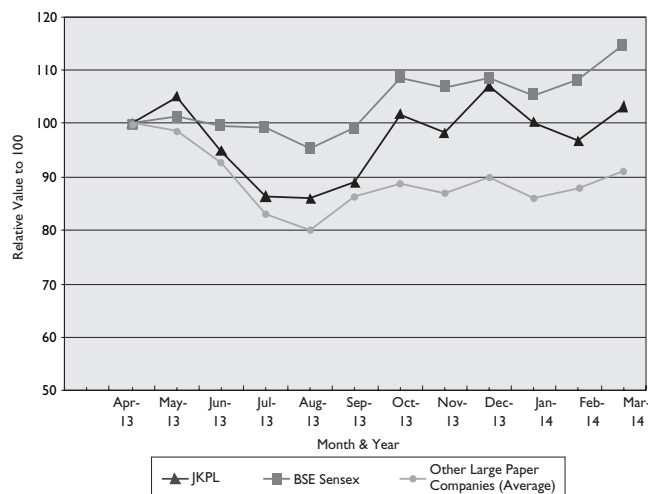
Month	Stock Market Price on BSE Limited (BSE)		Stock Market Price on National Stock Exchange of India Limited (NSE)	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
2013				
April	29.55	27.35	29.80	27.50
May	34.90	28.20	35.00	28.10
June	32.50	23.55	32.40	23.70
July	33.70	24.45	33.85	24.30
August	25.90	23.10	28.50	23.60
September	28.70	23.05	28.80	24.50
October	31.95	25.75	32.00	25.75
November	31.50	27.25	31.40	27.20
December	32.90	28.05	32.40	28.30
2014				
January	33.90	28.70	33.85	28.50
February	31.00	27.75	31.10	27.60
March	32.00	27.80	31.60	28.00

(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 2013 to March 2014]:

JK Paper Ltd.'s Share Performance vs. BSE Sensex & Other Large Paper Companies' Share Performance (Average)



(Source: www.bseindia.com)

(viii) Dematerialisation of shares and liquidity:

The Equity Shares of the Company are presently tradeable in compulsory demat segment. The ISIN No. for Equity Shares of the Company for both the depositories is INE789E01012. As on 31st

March 2014, 95.65% of the Company's Equity Share Capital was in dematerialised form.

In respect of Shares held in electronic form, all the requests for nomination, change of address and rematerialisation etc. are to be made only to the Depository Participant with whom the Shareholders have opened their Demat Account. The Company will not be in a position to process

such requests.

(ix) **Share transfer system :**

The transfer/transmission of shares in physical form is normally processed and completed within 10 days from the date of receipt thereof. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through the respective Depository Participants.

(x) (a) **Distribution of Equity Shareholding (both in physical and electronic form) as on 31st March 2014:**

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	15,778	79.02	25,34,090	1.85
501 to 1,000	1,909	9.56	16,46,241	1.20
1,001 to 5,000	1,707	8.55	39,67,875	2.91
5,001 to 10,000	233	1.17	17,25,219	1.26
Over 10,000	341	1.70	12,67,47,200	92.78
Total	19,968	100.00	13,66,20,625	100.00

(b) **Pattern of Equity Shareholding (both in physical and electronic form) as on 31st March 2014 :**

Category	No. of Equity Shares held	Percentage of Shareholding
Domestic Companies	8,13,03,251	59.51
Resident Individuals & Trusts	3,48,45,667	25.51
FIs, Mutual Funds & Banks	72,67,916	5.32
Foreign Investors/ FIs / NRIs	1,32,03,791	9.66
Total	13,66,20,625	100.00

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

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

converted, they are repayable between 15th May 2016 to 15th May 2018.

(xii) **Plant locations :**

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

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

1. Registrar and Share Transfer Agent (RTA)
M/s MCS 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@mcsdel.com
2. Company Secretary
JK Paper Limited
Gulab Bhawan (Rear Block - 3rd Floor)
6A, Bahadur Shah Zafar Marg
New Delhi-110 002
Ph. 011-30179100 (ext : 560,563, 564)
Fax No. 91-11-23739475

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

In compliance of Clause 47(f) of the Listing Agreement, "sharesjkpaper@jkm.com" is the

e-mail ID exclusively for the purpose of registering complaints by investors.

10. 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 2014.

Harsh Pati Singhania
Vice Chairman & Managing Director

11. CODE FOR PREVENTION OF INSIDER TRADING:

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended, the Board of Directors of the Company has adopted a Code of Conduct for Prevention of Insider Trading in the securities of the Company by its employees in terms of Schedule I to the said Regulations.

AUDITORS' COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of JK Paper Limited

We have examined the compliance of conditions of Corporate Governance by JK Paper Limited for the year ended on 31st March 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

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

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

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

For S.S. KOTHARI MEHTA & CO.
Chartered Accountants
Firm Registration No. 000756N

K.S. MEHTA
Partner
(Membership No. 008883)

Place : New Delhi
Date : 21st May 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of JK PAPER LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of JK Paper Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and Notes to Financial Statements comprising of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the

financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A)

of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by section 227(3) of the Act, we report that:

- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211

of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and

- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956;

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

Chartered Accountants

Firm Reg. No. 000756N

K.S. MEHTA

Partner

Membership No. 008883

Place : New Delhi

Date : 21st May, 2014

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (I) of our Report of even date of JK PAPER LIMITED for the year ended 31st March, 2014)

- 1) (a) The Company has maintained proper records in respect of its fixed assets showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the Management according to the programme of periodical verification in phased manner which in our opinion is reasonable having regard to the size of the Company and the nature of its Fixed Assets. The discrepancies, if any, noticed on such physical verification have been properly dealt with in the books of accounts.
 - (c) As per the records and information and explanations given to us, fixed assets disposed off during the year were not substantial.
- 2) (a) We have been explained by the management that the inventory has been physically verified at reasonable intervals during the year and confirmations are obtained where inventory are lying with third parties.
 - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory. As far as we can ascertain and according to information and explanations given to us by the management, the discrepancies whenever material noticed on such physical verification of inventory as compared to book records were properly dealt within the books of accounts.
- 3) (a) As informed to us, the Company has given unsecured loan to a Company covered in the register maintained under Section 301 of the Companies Act, 1956. The maximum amount involved during the year in respect of said Company is Rs. 20.06 Crores and the year-end balance of such loan is Rs. 12.15 Crores.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms & conditions on which aforesaid loan has been given are not, prima facie, prejudicial to the interest of the Company.
 - (c) In respect of aforesaid loan, the repayment of principal as well as interest is regular.
 - (d) In respect of the loan given by the Company, no amount, principal as well as interest, is overdue and therefore provisions of clause 4(iii) (d) of the Order is not applicable.
 - (e) As informed to us, the Company has not taken any loan, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(iii) (f) and (g) of the Order are not applicable to the Company.
- 4) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature where suitable alternative sources do not exist for obtaining comparable quotations, there is reasonable internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- 5) (i) According to the information and explanations provided by the management and based upon audit procedures performed,

we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section; and

- (ii) In our opinion and according to information and explanations given to us, the transactions, made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Act and exceeding the value of five lacs rupees in respect of each party during the financial year, have been made at prices which are reasonable (read with Para 4 above and Note no. 49 (b) of the accompanying financial statements) having regard to prevailing market price at the relevant time.
- 6) 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 58 A and 58 AA 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 Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- 7) The Company has an internal audit system which is commensurate with the size of the Company and nature of its business.
- 8) We have broadly reviewed the books of account and records maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Act in respect of the Company's products to which the said rules are made applicable and are of the opinion that prima facie, the prescribed accounts and 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 and complete.

- 9) (a) According to the records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Sales Tax, Wealth Tax, Income Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2014.
- (b) According to the records and information and explanations given to us, there are no dues in respect of Wealth Tax, Service Tax and Custom Duty that have not been deposited with the appropriate authorities on account of any dispute and the dues in respect of Sales Tax, Excise Duty, Income Tax and Cess that have not been deposited with the appropriate authority on account of dispute and the forum where the dispute is pending are given below:

Nature of statute	Nature of dues	Period for which amount relates	Amount involved (Rs. in Crores)	Forum where dispute is pending
Sales Tax Act	Sales Tax	1983-84/1987-88	0.05	Sales Tax Department- Delhi Sales Tax Tribunal, Cuttack Deputy Commissioner, Delhi High Court Allahabad Additional Commissioner, Cuttack Sales Tax Tribunal Cuttack High Court Allahabad Joint Commissioner Appeals, Vadodara High Court Allahabad High Court Allahabad Additional Commissioner, Cuttack
		1997-98	0.10	
		2002-2003	0.01	
		2004-2005	0.46	
		2005-2009	1.46	
		2005-2009	0.16	
		2006-2007	1.05	
		2006-2007	2.21	
		2007-2008 & 2008-2009	0.24	
		2009-2010	0.08	
2012-13	5.85			
Central Excise Act	Excise Duty	1981-1982/1982-1983	0.70	Deputy Commissioner Central Excise, Rayagada Supreme Court High Court, Cuttack CESTAT Ahmedabad CESTAT Ahmedabad CESTAT Ahmedabad CESTAT Ahmedabad CESTAT Ahmedabad CESTAT Ahmedabad CESTAT Ahmedabad CESTAT Ahmedabad CESTAT Ahmedabad CESTAT Ahmedabad CESTAT Ahmedabad
		1982-1983	0.41	
		1986-1987 & 1994-1995	1.31	
		2004-2007	0.05	
		2005-2007	0.03	
		2005-2009	0.05	
		2007-2009	0.90	
		2007-2008/2008-2009	0.15	
		2007-2009	2.47	
		2008-2009 & 2009-2010	6.22	
		2009-2010	0.08	
		2010-2011	0.53	
		2011-2012	0.32	
2012-2013	0.02			
Water (PCP) Cess Act, 1977	Cess	2001- 2002 to 2013-14	1.11	Cess Appellate Committee, OSPCB, Bhubaneswar

- 10) The Company does not have accumulated losses and has not incurred cash losses during the current year and in the immediately preceding financial year.
- 11) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of any dues to banks, financial institutions and debenture/bond holders.
- 12) According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13) The Company is not a chit fund or a nidhi /mutual benefit fund /society, therefore, the provisions of clause 4 (xiii) of the Order are not applicable to the Company.
- 14) According to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
- 15) According to the information and explanations given to us, the Company has given an undertaking to IDFC Limited against loan given to JK Enviro-Tech Limited, the current outstanding is Rs. 11.76 Crore, as stated in Note 31(a) of the accompanying financial statements. Further, during the year the Company has agreed with HDFC Limited that on happening of certain events, it will take all steps as may be required to ensure the timely repayment of loan obligations of its Subsidiaries for the loan availed by them from HDFC Limited, the current outstanding is Rs. 36.09 Crore, as stated in Note 31(b) of the accompanying financial statements. In our opinion, the terms and conditions of above are not, prima facie, prejudicial to the interest of the Company.
- 16) In our opinion and on the basis of information and explanations given to us, the term loans were applied for the purposes for which they were obtained.
- 17) According to information and explanations given to us and on an overall examination of the Financial Statements of the Company, no funds raised on short-term basis have been used for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- 19) According to the information and explanations given to us and the records examined by us, the Company has no outstanding secured debentures; however adequate amount is kept in reserve as security in respect of unsecured bonds outstanding at year end.
- 20) The Company has not raised any money by public issues during the year.
- 21) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Chartered Accountants

Firm Reg. No. 000756N

K.S. MEHTA

Partner

Membership No. 008883

Place : New Delhi

Date : 21st May, 2014

BALANCE SHEET

AS AT 31ST MARCH, 2014

	Note	31 ST March, 2014	31 ST March, 2013
Rs. in Crore (10 Million)			
EQUITY AND LIABILITIES:			
Shareholders' Funds			
Share Capital	2	136.62	136.62
Reserves & Surplus	3	661.49	738.87
		<u>798.11</u>	<u>875.49</u>
Non Current Liabilities			
Long Term Borrowings	4	1,688.84	1,478.28
Deferred Tax Liabilities (Net)		73.81	119.97
Other Long Term Liabilities	5	34.91	27.91
Long Term Provisions	6	3.14	3.27
		<u>1,800.70</u>	<u>1,629.43</u>
Current Liabilities			
Short Term Borrowings	7	219.05	123.14
Trade Payables		212.09	137.06
Other Current Liabilities	8	438.97	286.72
Short Term Provisions	9	2.67	12.64
		<u>872.78</u>	<u>559.56</u>
	TOTAL	3,471.59	3,064.48
ASSETS:			
Non Current Assets			
Fixed Assets :			
Tangible Assets	10	2,463.55	770.88
Intangible Assets	11	4.85	0.15
Capital Work-in-Progress		17.15	1,539.27
Intangible assets under development		-	1.57
		<u>2,485.55</u>	<u>2,311.87</u>
Non Current Investment	12	31.79	15.05
Long Term Loans and Advances	13	72.90	130.77
Other Non Current Assets	14	24.25	45.36
		<u>2,614.49</u>	<u>2,503.05</u>
Current Assets			
Current Investments	15	63.79	-
Inventories	16	291.51	216.00
Trade Receivables	17	170.80	119.38
Cash and Bank Balances	18	8.34	33.80
Short Term Loans and Advances	19	182.50	180.87
Other Current Assets	20	140.16	11.38
		<u>857.10</u>	<u>561.43</u>
	TOTAL	3,471.59	3,064.48

Significant Accounting Policies

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

As per our report of even date

For and on behalf of the Board

FOR S. S. KOTHARI MEHTA & CO.

Chartered Accountants
Firm Reg. No. 000756N

K.S. MEHTA

Partner
Membership No. 008883

New Delhi,
the 21st May, 2014

B.H. SINGHANIA

H.P. SINGHANIA
O.P. GOYAL

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

ARUN BHARAT RAM
DHIRENDRA KUMAR
M.H. DALMIA
SHAIENDRA SWARUP

SHAILESH HARIBHAKTI
UDAYAN BOSE
VINITA SINGHANIA
WIM WIENK

Chairman

Vice Chairman & Managing Director
Whole Time Director

Directors

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2014

		Rs. in Crore (10 Million)	
	Note	2013-14	2012-13
REVENUE:			
Sales		2,025.47	1,721.38
Less : Discounts		203.74	184.70
		<u>1,821.73</u>	<u>1,536.68</u>
Less : Excise Duty		100.36	83.49
Net Sales		<u>1,721.37</u>	<u>1,453.19</u>
Other Operating Revenue	21	16.50	5.92
Revenue from Operation		<u>1,737.87</u>	<u>1,459.11</u>
Other Income	22	14.76	11.87
Total Revenue [I]		<u>1,752.63</u>	<u>1,470.98</u>
EXPENSES:			
Cost of Materials Consumed	23	1,079.45	833.12
Purchases of Stock-in-Trade		92.98	84.07
Changes in Inventories of Finished Goods, Work-in-Progress & Stock-in-Trade	24	(58.36)	(12.12)
Employee Benefits Expense	25	158.71	141.74
Other Expenses	26	341.34	279.76
Total [II]		<u>1,614.12</u>	<u>1,326.57</u>
Profit Before Interest, Depreciation & Tax (PBIDT) [I - II]		138.51	144.41
Finance Costs	27	121.86	49.90
Depreciation and Amortization Expenses	28	122.10	72.91
Profit/(Loss) Before Exceptional Items and Tax		(105.45)	21.60
Exceptional Items	38	(17.49)	15.74
Profit/(Loss) Before Tax		(122.94)	37.34
Tax Expense :	48		
Current Tax (MAT)		0.08	7.86
Less : MAT Credit Entitlement		(0.33)	6.37
Net Current Tax		0.41	1.49
Deferred Tax Credit		(46.16)	(1.85)
Profit/(Loss) After Tax		(77.19)	37.70
Earning per Equity Share (Rs.)			
Basic		(5.65)	2.76
Diluted		(5.65)	2.18

Significant Accounting Policies

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

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

For and on behalf of the Board

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

B.H. SINGHANIA
H.P. SINGHANIA
O.P. GOYAL

Chairman
Vice Chairman & Managing Director
Whole Time Director

K.S. MEHTA
Partner
Membership No. 008883

V. KUMARASWAMY
Chief Finance Officer

ARUN BHARAT RAM
DHIRENDRA KUMAR

SHAILESH HARIBHAKTI
UDAYAN BOSE

Directors

New Delhi,
the 21st May, 2014

S.C. GUPTA
Company Secretary

M.H. DALMIA
SHAIENDRA SWARUP

VINITA SINGHANIA
WIM WIENK

Note I

SIGNIFICANT ACCOUNTING POLICIES

- a) Accounts are maintained on accrual basis. Claims/Refunds not ascertainable with reasonable certainty are accounted for on settlement basis.
- b) Cash flows are reported using the indirect method.
- c) Fixed Assets are stated at cost adjusted by revaluation of certain assets.
- d) Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection.
- e)
 - i) Foreign currency transactions are recorded at exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the Balance Sheet date are translated at exchange rate prevailing at the year end. Premium or discount in respect of forward contracts covered under AS 11 (revised 2003) is recognized over the life of contract. Exchange differences arising on actual payments / realizations and year end translations including on forward contracts are dealt with in Statement of Profit and Loss. The foreign exchange loss/gain on reporting of long-term foreign currency monetary items and forward contracts, held as on reporting date to be used for, or actually used for repayment of loan taken for depreciable assets, are capitalized. Non Monetary Foreign Currency items are stated at cost.
 - ii) In accordance with Announcement issued by the Institute of Chartered Accountants of India all outstanding derivatives except covered under AS 11 (revised 2003) are marked to market on Balance Sheet date and loss, if any, is recognized in Statement of Profit & Loss and gains are ignored.
- f) Long term investments are stated at cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary in the opinion of the management. The current investments are stated at lower of cost and quoted / fair value computed category-wise. When investment is made in partly convertible debentures with a view to retain only the convertible portion of the debentures, the excess of the face value of the non-convertible portion over the realisation on sale of such portion is treated as a part of the cost of acquisition of the convertible portion of the debenture. Income in respect of securities with long-term maturities is accounted for as per contractual obligation.
- g) Inventories are valued at the lower of cost and net realisable value (except scrap/waste which are valued at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.
- h)
 - i) Revenue from operation is recognized when significant risk and reward of ownership is passed on to the customer.
 - ii) Interest Income is recognized on time proportion basis.
 - iii) Dividend Income on investment is accounted for when the right to receive the payment is established.
 - iv) Export incentives, Duty drawbacks and other benefits are recognized in the Statement of Profit and Loss. Project subsidy is credited to Capital Reserve.
- i) Revenue expenditure on Research and Development is charged to Statement of Profit and Loss in the year in which it is incurred and capital expenditure is added to Fixed Assets.
- j) Borrowing cost is charged to Statement of Profit and Loss except cost of borrowing for acquisition of qualifying assets which is capitalised till the date of commercial use of the asset.
- k)
 - i) Depreciation on Buildings, Plant & Machinery, Railway Siding and Other Assets of all Units is provided as per straight line method considering the rates in force at the time of respective additions of the assets made before 02.04.1987 and on additions thereafter at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Continuous Process Plants as defined in Schedule XIV have been considered on technical evaluation. Depreciation on additions due to exchange rate fluctuation is provided

on the basis of residual life of the assets. Depreciation on assets costing up to Rs.5000/- and on Temporary Sheds is provided in full during the year of additions. Intangible Assets are being depreciated @ 20% p.a. on Straight Line Method.

- ii) Depreciation on the increased amount of assets due to revaluation is computed on the basis of the residual life of the assets as estimated by the valuers on straight-line method.
- iii) Leasehold Land is being amortised over the lease period.
- l) An asset is treated as impaired when the carrying cost of assets exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss when an asset is identified as impaired. Reversal of impairment loss recognised in prior periods is recorded when there is an indication that the impairment losses recognised for the assets no longer exist or have decreased. Post impairment, depreciation is provided on the revised carrying value of the asset over its remaining useful life.
- m) Employee Benefits:
 - i) Defined Contribution Plan
Employee benefit in the form of Superannuation Fund is considered as defined contribution plan and charged to the Statement of Profit and Loss in the year when the contribution to the respective fund is due.
 - ii) Defined Benefit Plan
Retirement benefits in the form of Gratuity is considered as defined benefit obligation and provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance Sheet.
The Provident Fund Contribution is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. Shortfall, if any, shall be made good by the Company.
 - iii) Other long-term benefits
Long term compensated absences are provided for on the basis of an actuarial valuation, using the projected unit credit method, as at the date of Balance Sheet.
Actuarial gain/losses, if any, are immediately recognized in the Statement of Profit and Loss.
- n) Lease rentals in respect of assets taken on finance lease are accounted for in reference to lease terms.
- o) Expenditure incurred against which benefit is expected to flow into future periods, are treated as Deferred Revenue Expenditure and charged to Revenue Account over the expected duration of benefit. Share issue expense is charged to Securities Premium Reserve in the year of issue. ECA Premium on loans is to be amortised over the tenure of loan.
- p) Intangible Assets are being recognised if the future economic benefits attributable to the asset are expected to flow to the company and the cost of the asset can be measured reliably. The same are being amortised over the expected duration of benefits.
- q) Current tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred tax assets and liabilities are recognised in respect of current year and prospective years. Deferred Tax Assets are recognised on the basis of reasonable certainty / virtual certainty as the case may be, that sufficient future taxable income will be available against which the same can be realised.
- r) Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes.
- s) Premium on redemption of preference shares is accounted for in the year of redemption.

Rs. in Crore (10 Million)
31st March, 2014 31st March, 2013

Note 2

Share Capital

Authorised:

Equity Shares – 20,00,00,000	200.00	200.00
(Previous year – 20,00,00,000) of Rs.10 each		
Redeemable Preference Shares – 3,00,00,000	300.00	300.00
(Previous Year – 3,00,00,000) of Rs.100 each		
	500.00	500.00

Issued, Subscribed and Paid-up:

Equity Shares – 13,66,20,625 (Previous year 13,66,20,625) of Rs.10 each fully paid up	136.62	136.62
	136.62	136.62

Notes:

(a) (i) Reconciliation of Equity Share Capital (In numbers)		
Shares outstanding at the beginning of the year	13,66,20,625	13,66,20,625
Add : Shares issued during the year	-	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	13,66,20,625	13,66,20,625
(ii) Reconciliation of Preference Share Capital (In numbers)		
Shares outstanding at the beginning of the year	-	3,000
Add : Shares issued during the year	-	-
Less : Shares redeemed during the year	-	3,000
Shares outstanding at the end of the year	-	-

(b) Equity Shares:

The equity shareholders have:-

- The right to receive dividend out of balance of net profits remaining after payment of dividend to the preference shareholders. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing general meeting.
- The Company has only one class of Equity Shares having face value of Rs. 10/- each and each shareholder is entitled to one vote per share.
- In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their individual shareholding in the paid up equity capital of the Company.

(c) List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers) :

	31st March, 2014	31 st March, 2013
Bengal & Assam Company Limited	3,28,43,299	2,83,01,332
JK Fenner (India) Limited	2,54,57,500	2,54,57,500
JK Paper Employees Welfare Trust	1,24,30,362	1,35,85,362
Florence Investech Limited (formerly JK Agri Genetics Limited)	1,16,81,684	1,16,81,684
International Finance Corporation	76,90,000	76,90,000

Rs. in Crore (10 Million)

Note 3

	As at 1st April, 2013	Additions	Transfers	As at 31st March, 2014
RESERVES AND SURPLUS				
Capital Reserve	29.92	-	-	29.92
Capital Redemption Reserve	3.00	-	-	3.00
Securities Premium Reserve	355.08	-	-	355.08
Debenture Redemption Reserve	1.48	-	-	1.48
Revaluation Reserve	3.40	-	0.19 (b)	3.21
General Reserve	45.57	-	-	45.57
Surplus in Statement of Profit & Loss (c)	300.42	(77.19)	-	223.23
	<u>738.87</u>	<u>(77.19)</u>	<u>0.19</u>	<u>661.49</u>
Previous Year	714.81	29.71	5.65	738.87

Notes :

- (a) Adjusted Premium on Redemption of Preference Shares Rs. Nil (Previous year Rs. 5.46 Crore).
- (b) Rs. 0.19 Crore to Statement of Profit and Loss towards Additional Depreciation arising out of revaluation of Fixed Assets (Previous year Rs. 0.19 Crore).
- (c) Details of surplus in Statement of Profit and Loss from Previous year :

	As at 31st March, 2014	As at 31st March, 2013
Surplus in Statement of Profit and Loss from Previous year	300.42	271.56
Net Profit/ (Loss) for the Current year	(77.19)	37.70
Transfer to Debenture Redemption Reserve	-	(0.82)
Transfer to Capital Redemption Reserve	-	(0.03)
Dividend	-	(6.83)
Corporate Dividend Tax	-	(1.16)
Surplus in Statement of Profit and Loss carried to Balance Sheet	<u>223.23</u>	<u>300.42</u>

Rs. in Crore (10 Million)
31st March, 2014 31st March, 2013

Note 4

LONG TERM BORROWINGS

SECURED

Term Loans

– From Banks	1,634.60	1,312.53
– From Financial Institutions	32.45	48.84

UNSECURED

Foreign Currency Term Loans from Bank	–	1.29
Foreign Currency Convertible Bonds (FCCB's)	289.02	243.40
Public Deposits	13.01	15.33
Finance Lease obligation	1.15	1.51

1,970.23		1,622.90
Less : Current maturities of Long Term Borrowings		
Term Loans from Banks (Secured)	263.16	118.11
Term Loan from Financial Institutions (Secured)	14.22	18.35
Foreign Currency Term Loans from Banks (Unsecured)	–	1.29
Public Deposits (Unsecured)	3.62	6.52
Finance Lease obligation (Unsecured)	0.39	0.35
	281.39	144.62
Total	1,688.84	1,478.28

Notes:

- A Term Loans of Rs 172.30 Crore (Fls – Rs 32.45 Crore and Banks Rs 139.85 Crore) are secured by means of first pari passu mortgage/charge on the fixed assets of the Company. Out of the above Term Loan Rs. 34.25 Crore (Fls – Rs. 32.45 Crore and Banks Rs. 1.80 Crore) are further secured by second charge on the current assets of the Company. These Term Loans are/shall repayable as under :-
- 1 Term Loans aggregating to Rs. 6.36 Crore are repayable in 1 annual instalment in June-2014,
 - 2 Term Loans aggregating to Rs. 34.86 Crore are repayable in total 7 half-yearly instalments from June-2014 to June-2016,
 - 3 Term Loans aggregating to Rs. 36.78 Crore are repayable in total 12 equal half-yearly instalments from June-2014 to June-2018,
 - 4 Term Loans aggregating to Rs. 92.50 Crore are repayable in total 27 equal quarterly instalments from June-2014 to March-2018,
 - 5 Term Loan of Rs. 1.80 Crore is repayable in 2 equal monthly instalments from April-2014 to May-2014.
- B Term Loans of Rs 1289.59 Crore (Fls – Rs Nil and Banks Rs 1289.59 Crore) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit JKPM of the company. These Term Loans are/shall repayable as under :-
- 1 Term Loans aggregating to Rs. 680.00 Crore are repayable in total 120 equal quarterly instalments from September-2014 to June-2021,
 - 2 Term Loans aggregating to Rs. 609.59 Crore are repayable in total 74 equal half-yearly instalments from May-2014 to August-2023.
- C Terms Loans of Rs 205.16 Crore (Fls – Rs Nil and Banks Rs 205.16 Crore) is secured by means of first pari passu mortgage/charge to be created on the fixed assets, both present and future, of Unit CPM of the company. These Term Loans are repayable in total 52 equal quarterly instalments from April-2014 to January-2021.
- D Certain charges are in the process of satisfaction. Secured Terms Loans from Financial Institutions and Banks include Rs. 662.48 Crore foreign currency loans.
- E Finance Lease of Rs. 1.15 Crore is repayable in 11 equal quarterly instalments from June-2014 to December-2016.
- F FCCB's of EURO 35 Million @ 6.455% issued on 30th May, 2011 are convertible into equity shares of the company at an initial conversion price of Rs. 65 per share, subject to price adjustment as per agreement, after 3 years and 6 months from the date of issue. If not converted then the FCCBs will be redeemed at par between 15th May 2016 to 15th May 2018 in 5 half yearly instalments.
- G Public deposits are due for repayment in 2014-15, 2015-16 & 2016-17.



Rs. in Crore (10 Million)

31st March, 2014 31st March, 2013

Note 5

OTHER LONG TERM LIABILITIES

Trade Deposits	34.38	27.08
Interest accrued but not due on Public Deposits	0.53	0.83
	<u>34.91</u>	<u>27.91</u>

Note 6

LONG TERM PROVISIONS

Provision for Employee Benefits	3.14	3.27
	<u>3.14</u>	<u>3.27</u>

Note 7

SHORT TERM BORROWINGS

SECURED

Working Capital Borrowings from Bank	118.17	64.40
--------------------------------------	--------	-------

UNSECURED

Vendor Bill discounting	72.69	15.78
Buyer's Credit facilities from Bank	27.33	41.82
Public Deposits	0.86	1.14
	<u>219.05</u>	<u>123.14</u>

Note :

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts. The same are further secured by a second charge on the movable and immovable assets of the Company.

Note 8

OTHER CURRENT LIABILITIES

Current maturities of Long Term Borrowings	281.39	144.62
Interest accrued but not due on Borrowings	15.57	11.27
Unclaimed Dividends #	0.21	0.21
Unclaimed Matured Deposits #	0.59	0.72
Unclaimed interest on Unclaimed Matured Deposits #	0.06	0.08
Advance from Customers	6.37	4.51
Statutory Dues	14.78	11.02
Derivative Financial Instruments	0.28	-
Capital Creditors	58.79	78.74
Other Payables	60.93	35.55
	<u>438.97</u>	<u>286.72</u>

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

Note 9

SHORT TERM PROVISIONS

Provision for Employee Benefits	2.67	4.65
Proposed Dividend	-	6.83
Tax on Proposed Dividend	-	1.16
	<u>2.67</u>	<u>12.64</u>

Note 10

TANGIBLE ASSETS

Rs. in Crore (10 Million)

Description	GROSS BLOCK (b)			DEPRECIATION			NET BLOCK		
	As at 1 st April, 2013	Additions/ Adjustments	Sales/ Adjustments	As at 31 st March, 2014	Upto 31 st March, 2013	For the year	On Sales/ Adjustments	As at 31 st March, 2014	As at 31 st March, 2013
Land – Freehold (a)	4.90	-	-	4.90	-	-	-	4.90	4.90
– Leasehold	0.17	-	-	0.17	0.03	♦0.00	-	0.14	0.14
Building	125.35	204.96	-	330.31	41.44	7.43	-	281.44	83.91
Plant & Equipment (c)	1,339.65	1,744.94	425.78	2,658.81	680.93	110.46	287.07	2,154.49	658.72
Furniture and Fixture	4.75	0.62	0.10	5.27	2.41	0.28	0.04	2.62	2.34
Office Equipment	15.49	1.79	0.09	17.19	7.64	1.32	0.03	8.26	7.85
Vehicles & Locomotive	16.64	1.95	2.73	15.86	5.58	1.44	1.12	9.96	11.06
Railway Siding	4.64	-	-	4.64	2.68	0.22	-	1.74	1.96
Total	1,511.59	1,954.26	428.70	3,037.15	740.71	121.15	288.26	2,463.55	770.88
Previous year	1,475.29	38.32	2.02	1,511.59	668.61	72.87	0.77	770.88	

♦Rs. 21,405/-

Notes:

- Includes cost of 4.67 acres land given on lease to Employees State Insurance Corporation for construction of Hospital for Employees and cost of 34.72 acres land for which title is yet to be transferred in name of the Company.
- Gross Block includes amount of revaluation { Note no. 34 (a)}.
- During the year addition to the Plant & Equipment due to Foreign Exchange Fluctuation (Net) is Rs. 154.49 Crore (Previous year Rs. 0.10 Crore) .

Note 11

INTANGIBLE ASSETS

Rs. in Crore (10 Million)

Description	GROSS BLOCK			AMORTISATION			NET BLOCK		
	As at 1 st April, 2013	Additions/ Adjustments	Sales/ Adjustments	As at 31 st March, 2014	Upto 31 st March, 2013	For the year	On Sales/ Adjustments	As at 31 st March, 2014	As at 31 st March, 2013
Computer Software	7.51	5.84	-	13.35	7.36	1.14	-	4.85	0.15
Total	7.51	5.84	-	13.35	7.36	1.14	-	4.85	0.15
Previous year	7.51	-	-	7.51	7.13	0.23	-	0.15	



Rs. in Crore (10 Million)

Note 12	Face Value Rs./Share	31 st March, 2014		31 st March, 2013	
		Nos.	Book Value	Nos.	Book Value
NON CURRENT INVESTMENTS					
Long Term Investments (At cost, other than trade)					
-	Quoted Equity Shares (fully paid up)				
	JK Lakshmi Cement Limited	5/-	2,16,000	0.52	2,16,000 0.52
	Udaipur Cement Works Limited	4/-	50,00,000	5.00	50,00,000 5.00
	Bengal & Assam Company Limited	10/-	4,677	0.06	4,677 0.06
-	Unquoted Equity Shares (fully paid up)				
	JK Enviro-Tech Limited (Subsidiary) #	10/-	49,00,000	6.71	17,00,000 1.70
	JK Paper Mills Employees' Co-operative Stores Limited	10/-	250	◆0.00	250 ◆0.00
	Songadh Infrastructure & Housing Limited (Wholly Owned Subsidiary)	10/-	49,50,600	4.95	49,50,600 4.95
	Jaykaypur Infrastructure & Housing Limited (Wholly Owned Subsidiary)	10/-	49,50,600	4.95	49,50,600 4.95
	Oji JK Packaging Private Limited (Joint Venture)	10/-	96,00,000	9.60	24,00,000 2.40
-	Others			▲0.00	▲0.00
			31.79		19.58
	Less : Provision for diminution in value of Investments		-		4.53
			31.79		15.05
	Aggregate book value of quoted investments		5.58		1.05
	Aggregate book value of unquoted investments		26.21		14.00
	Aggregate market value of quoted investments		6.64		2.70

Equity Shares pledged with IDFC Limited for a Loan availed by JK Enviro-Tech Limited.

◆ Rs. 2,500/-

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

Rs. in Crore (10 Million)

31st March, 2014 31st March, 2013

Note 13

LONG TERM LOANS AND ADVANCES

(Unsecured, Considered good)

Capital Advances	8.42	74.70
Deposits with Government Authorities and Others	10.82	11.90
Loans and advances to related parties :		
JK Enviro-Tech Limited (Subsidiary)	4.24	12.15
Jaykaypur Infrastructure & Housing Limited (Wholly Owned Subsidiary)	2.00	3.00
Songadh Infrastructure & Housing Limited (Wholly Owned Subsidiary)	0.50	0.75
Other Loans & Advances :		
MAT Credit Entitlement	27.94	28.27
Others	18.98	-
	72.90	130.77

Rs. in Crore (10 Million)

31st March, 2014 **31st March, 2013**

Note 14

OTHER NON CURRENT ASSETS

Others

Un-amortised ECA Premium on Loan	22.87		27.95
Derivative Financial Instruments	1.38		17.41
	<u>24.25</u>		<u>45.36</u>

Note 15

CURRENT INVESTMENTS

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

ICICI Prudential Banking and PSU Debt Fund

Regular Plan-Growth	2,50,67,503	35.00	-	-
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Baroda Pioneer Liquid Fund Plan A – Growth	1,97,123	28.79	-	-
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	<u>63.79</u>		<u>-</u>	<u>-</u>
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Aggregate book value of quoted investments	63.79		-	-
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Aggregate book value of unquoted investments	-		-	-
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Aggregate market value of quoted investments	64.25		-	-
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Note 16

INVENTORIES

(As certified by the Management)

Raw Materials #	133.75		117.24	
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Work-in-Progress @	34.27		16.81	
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Finished Goods	75.81		22.12	
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Stock-in-Trade	4.24		14.71	
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Stores & Spares #	43.44		45.12	
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	<u>291.51</u>		<u>216.00</u>	
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Includes Raw Materials in transit Rs. 22.21 Crore (Previous year Rs. Nil) and Stores & Spares in transit Rs. 1.17 Crore (Previous year Rs. 0.20 Crore).

@ Includes Pulp in process Rs. 5.36 Crore (Previous year Rs. 1.19 Crore) and Semi Finished Goods Rs. 28.91 Crore (Previous year Rs. 15.62 Crore).



Rs. in Crore (10 Million)

31st March, 2014 31st March, 2013

Note 17

TRADE RECEIVABLES

UNSECURED

Exceeding six months (from due date):

Considered Good	9.59	12.78
Considered Doubtful	14.13	13.09
Others		
Considered Good	161.21	106.60
	<u>184.93</u>	<u>132.47</u>
Less: Provision for Doubtful Debts	14.13	13.09
	<u>170.80</u>	<u>119.38</u>

Note 18

CASH & BANK BALANCES

Cash & Cash Equivalents

Balance with Banks :

Current Accounts	3.92	28.00
Cash on Hand	0.30	0.26

Other Bank Balances

Bank Deposits with original maturity of 12 months or more #	1.84	3.34
Unclaimed Dividend Accounts	0.21	0.21
Margin Money Deposits	2.07	1.99
	<u>8.34</u>	<u>33.80</u>

Includes Rs. 1.34 Crore pledged with Government Authorities.

Note 19

SHORT TERM LOAN AND ADVANCES

(Unsecured, Considered Good)

Loans and advances to related parties

JK Enviro-Tech Limited (Subsidiary)	26.95	22.97
Jaykaypur Infrastructure & Housing Limited (Wholly Owned Subsidiary)	3.07	2.04
Songadh Infrastructure & Housing Limited (Wholly Owned Subsidiary)	0.54	0.53

Others

Advances recoverable in cash or in kind or for value to be received	35.59	40.58
Interest accrued but not due	1.02	1.17
Advances to Employees	0.96	1.41
Advances to Suppliers	23.11	32.55
CENVAT Recoverable	82.05	69.54
Advance Income Tax/Tax deducted at source (Net of Provision)	3.91	5.80
Other Deposits	5.30	4.28

Doubtful

Doubtful advances/loans	0.49	0.49
Less : Provision for doubtful advances/loans	0.49	0.49
	<u>182.50</u>	<u>180.87</u>

Rs. in Crore (10 Million)
31st March, 2014 31st March, 2013

Note 20

OTHER CURRENT ASSETS

Others

Assets held for Sale	134.15	–
Un-amortised ECA Premium	3.20	3.49
Derivative Financial Instruments	–	6.33
Deferred Premium on Forwards	2.81	1.56
	140.16	11.38

2013-14

2012-13

Note 21

OTHER OPERATING REVENUE

Insurance charges recovered	1.28	1.28
Provisions of earlier years no longer required	–	0.94
Miscellaneous Income	15.22	3.70
	16.50	5.92

Note 22

OTHER INCOME

Interest Income	5.69	8.81
Dividend Income	0.06	0.30
Profit on sale of Fixed Assets	–	0.10
Net Gain on sale of Current Investments	3.82	2.62
Foreign Exchange Fluctuation	5.19	0.04
	14.76	11.87

Note 23

COST OF MATERIALS CONSUMED

Bamboo	33.28	32.22
Hardwood	404.08	256.17
Pulp	322.86	243.90
Chemicals	252.05	247.14
Packing Material	67.18	53.69
	1,079.45	833.12

Note 24

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

OPENING STOCK

Finished Goods	22.12	14.13
Stock-In-Trade	14.71	12.38
Stock-in-Process	16.81	14.51
	53.64	41.02

CLOSING STOCK

Finished Goods	75.81	22.12
Stock-In-Trade	4.24	14.71
Stock-in-Process	34.27	16.81
	114.32	53.64

Add : Excise Duty on Variation of Stock	2.32	0.50
(Increase)/ Decrease in Stock	(58.36)	(12.12)

	Rs. in Crore (10 Million)	
	2013-14	2012-13
Note 25		
EMPLOYEE BENEFITS EXPENSE		
Salaries, Wages, Allowances, etc.	130.70	112.75
Contribution to Provident and Other Funds	9.52	10.81
Staff Welfare Expenses	18.49	18.18
	158.71	141.74
Note 26		
OTHER EXPENSES		
Consumption of Stores and Spares	64.08	27.38
Power, Fuel and Water	199.64	184.97
Repairs to Building	4.10	2.96
Repairs to Machinery	8.64	6.96
Rent (Net)	12.69	10.66
Insurance Premium	1.89	1.49
Rates and Taxes	0.81	0.39
Commission on Sales	1.86	1.89
Directors' fees	0.08	0.06
Directors' Commission	-	0.42
Premium on Forward Exchange Contracts	8.36	3.32
Loss on Sale of Assets	0.23	-
Asset Written off	0.27	0.01
Deferred Revenue Expenditure Written off	-	0.13
Bad Debts	-	0.13
Provision for Doubtful Debts	1.04	1.20
Travelling and Other Misc. Expenses	37.65	37.79
	341.34	279.76
Note 27		
FINANCE COSTS		
Interest on :		
Term Loan and Public Deposits	94.73	33.76
Others	18.75	12.58
Other Borrowing Costs:		
Financial Charges	4.32	0.45
Premium on Forward Exchange Contracts	2.87	2.04
Lease rent on Machinery	0.20	0.24
Net Loss on Foreign currency transactions and translation	0.99	0.83
	121.86	49.90
Note 28		
DEPRECIATION & AMORTISATION EXPENSE		
Depreciation on Tangible Assets	121.15	72.87
Transfer from Revaluation Reserve	(0.19)	(0.19)
Amortisation of Intangible Assets	1.14	0.23
	122.10	72.91

29. Estimated amount of (i) contracts remaining to be executed on capital account (Net of Advances) Rs. 27.19 Crore (Previous year Rs. 63.96 Crore), (ii) Investment Rs. 5.40 Crore (Previous year Rs. 12.60 Crore) and, (iii) Export commitments against import of capital goods under EPCG scheme Rs. 864.90 Crore (Previous year Rs. 809.82 Crore).

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

	Rs. in Crore (10 million)	
	31 st March, 2014	31 st March, 2013
a) Excise duty liability in respect of matters in appeals	12.69	12.63
b) Sales tax liability in respect of matters in appeals	2.82	2.82
c) Other Matters	9.99	10.82

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

31. a) The Company has entered into a Take or Pay agreement for the purpose of sourcing lime from JK Enviro-Tech Limited. The Company has given an undertaking that on the happening of certain events, it will takeover the Loan taken by JK Enviro-Tech Limited from IDFC Limited. The current outstanding is Rs 11.76 Crore (including principal and interest) as on 31st March, 2014.
- b) The Company has agreed with HDFC Limited that on happening of certain events, it will take all steps as may be required to ensure the timely repayment of the loan obligations of the Housing Subsidiaries for the loan availed from HDFC Limited. The current outstanding is Rs 36.09 Crore (including principal and interest) as on 31st March, 2014.
32. In respect of levy of Octroi pertaining to Unit – CPM by Songadh Group Gram Panchayat, the Company has paid Rs.1.25 Crore till 31st March 1997 under protest and also created a liability for the similar amount. As the matter is still pending in the court of law, the necessary adjustment, if any, would be made after its disposal.
33. The Company has only one business segment i.e. Paper and Boards and geographical reportable segment i.e. Operations mainly within India, hence Segment Reporting as defined in Accounting Standard (AS – 17) is not required.
34. a) Land, Roads, Buildings and Pulp Mill Plant & Machinery of Unit – CPM were revalued as on 30.09.1976. The revaluation in respect of these assets (other than Land and Roads) were updated and Plant & Machinery of Paper Machine I & II and Railway Sidings were revalued as on 31.03.1994 based on current replacement cost by the approved valuers appointed for the purpose. As a result, the book value of such assets has been increased by Rs. 42.27 Crore, which has been transferred to Revaluation Reserve during the year ended 31.03.1994.
- b) The Assets of Rs.134.15 Crore held for Sale, disclosed under the heading of "Other Current Assets" in Note No. 20, consists of Old Pulp Mill, Recovery Island and Power Block (Coal Fired Boilers & TG Sets) based on lower of Written Down Value and estimated Net Realisable Value. The Management intends to use these assets in various projects under consideration.
35. a) Long Term Loans and Advances includes concessional loan of Rs.18.98 Crore (previous year Rs. Nil) and Short Term Loans and Advances includes Rs. 2.00 Crore (Previous year Rs. 20.98 Crore including concessional loan of Rs. 18.98 Crore) to JK Paper Employees' Welfare Trust, a shareholder of the Company and loan to employees of Rs. 0.40 Crore (Previous year Rs. 0.45 Crore) in the ordinary course of business and as per service rules of the Company.
- b) The Company entered in to an arrangement with JK Enviro-Tech Limited to process its Lime sludge and convert it to Lime on a cost plus basis to meet the pollution control norms under CREP. Loans and Advances include Rs. 19.04 Crore (Previous year Rs. 15.06 Crore) against future supplies.
- c) Advances recoverable in cash or in kind or for value to be received under "Short Term Loan and Advances" in Note No.19, includes Rs. 7.77 Crore (Previous Year Rs. 5.22 Crore) payments made for various development projects being undertaken by the Company including in Vietnam and Myanmar .The same will be adjusted once these projects are finalised .
36. a) Sales include export incentives of Rs. 3.14 Crore (Previous year Rs. 3.91 Crore).
- b) Discount includes Trade Discount Rs 55.05 Crore (Previous year Rs. 54.19 Crore).

37. Employee Defined Benefits:

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

Rs. in Crore (10 million)

Sl. No.	Nature of Transactions	2013-14		2012-13	
		Gratuity (Funded)	Long Term Compensated Absences (Non Funded)	Gratuity (Funded)	Long Term Compensated Absences (Non Funded)
I	Expenses recognized in the Statement of Profit & Loss				
1	Current Service Cost	1.61	0.97	2.33	1.01
2	Interest Cost	2.98	0.42	2.82	0.44
3	Expected return on plan assets	(2.90)	-	(2.83)	-
4	Actuarial (gains)/losses	(0.30)	0.66	0.78	(0.14)
5	Past Service Cost	-	-	-	-
6	Total expense	1.39	2.05	3.10	1.31
II	Net Assets/(Liability) recognized in the Balance Sheet				
1	Present Value of Defined Benefit Obligation	30.97	4.41	36.11	5.11
2	Fair Value of plan assets	29.58	-	33.30	-
3	Funded status [Surplus/(Deficit)]	(1.39)	(4.41)	(2.81)	(5.11)
4	Net Assets/(Liability) recognized	(1.39)	(4.41)	(2.81)	(5.11)
III	Change in obligation during the period				
1	Present Value of Defined Benefit Obligation at the beginning of the period	36.11	5.11	32.86	5.15
2	Current Service Cost	1.61	0.97	2.33	1.01
3	Interest Cost	2.98	0.42	2.82	0.44
4	Actuarial (gains)/losses	(0.97)	0.66	1.60	(0.14)
5	Past Service Cost	-	-	-	-
6	Benefits Paid	(8.76)	(2.75)	(3.50)	(1.35)
7	Present Value of Defined Benefit Obligation at the end of the period	30.97	4.41	36.11	5.11
IV	Change in Assets during the period				
1	Fair Value of plan assets at the beginning of the period	33.30	-	32.91	-
2	Expected return on plan assets	2.90	-	2.83	-
3	Contribution by employer	2.81	-	0.24	-
4	Actual benefits paid	(8.76)	-	(3.50)	-
5	Actuarial gains/(losses)	(0.67)	-	0.82	-
6	Fair value of plan assets at the end of the period	29.58	-	33.30	-
7	Actual return on plan assets	2.23	-	3.65	-
V	The major categories of plan assets as % of total plan				
	Mutual Funds	59%	-	67%	-
VI	Actuarial Assumptions:				
1	Discount Rate	9.33%	9.33%	8.25%	8.25%
2	Expected rate of return on plan assets	8.70%	-	8.70%	-
3	Mortality	Indian Assured Lives Mortality (2006-08) Ultimate		Indian Assured Lives Mortality (2006-08) Ultimate	
4	Turnover rate	Age upto 30-3%, upto 44-2%, above 44-1%		Age upto 30-3%, upto 44-2%, above 44-1%	
5	Salary Escalation	5.00%		5.50%	

Particulars	Gratuity					Leave Encashment				
	2013-14	2012-13	2011-12	2010-11	2009-10	2013-14	2012-13	2011-12	2010-11	2009-10
Present Value of Defined Benefit Obligation	30.97	36.11	32.86	31.49	29.81	4.41	5.11	5.15	5.58	4.81
Fair Value of plan assets	29.58	33.30	32.91	30.37	27.11	-	-	-	-	-
Surplus/(Deficit)	(1.39)	(2.81)	0.05	(1.12)	(2.71)	(4.41)	(5.11)	(5.15)	(5.58)	(4.81)
Experience adjustments on Plan Liabilities (Gain)/Loss	2.69	0.26	0.59	0.40	4.96	1.24	(0.18)	(0.28)	0.72	0.12
Experience adjustments on Plan Assets (Gain)/Loss	0.67	(0.82)	(0.11)	0.42	(1.27)	-	-	-	-	-

- b) Defined Benefit Plans –
Gratuity Expense Rs. 1.39 Crore (Previous year Rs. 3.10 Crore) has been recognized in "Salaries, Wages, Bonus and Gratuity etc." under Note 25.
Amount recognized as an expense and included in Note 25 & Note 47 below, Item "Contribution to Provident and Other Funds" Rs. 7.35 Crore (Previous year Rs. 5.88 Crore).
- c) Defined Contribution Plans –
Amount recognized as an expense and included in Note 25 Item "Contribution to Provident and Other Funds" Rs. 1.12 Crore (Previous year Rs. 2.14 Crore) for Superannuation Fund.
- d) Other long-term benefits –
Amount recognized as an expense and included in Note 25 Item "Salaries, Wages, Allowances etc." Rs. 2.05 Crore (Previous year Rs. 1.31 Crore) for long term compensated Absences.
- e) The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risk of assets management, historical results on plan assets and the policy for plan assets management.
- f) The estimates of future salary increase, considered in actuarial valuation, after taking account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
38. Exceptional Items for the year ended 31st March, 2014 represent gain on Derivative transactions Rs.13.30 Crore, write back of provisions for diminution in the value of investments Rs.4.53 Crore and losses due to adverse operating parameters during stabilization period at Unit –JKPM Rs.35.32 Crore.
39. Interest Income includes Rs. 0.28 Crore (Previous year Rs 1.03 Crore) on Deposits with banks, Rs. 0.10 Crore (Previous year Rs. 0.06 Crore) on Income Tax refund and Rs. 5.31 Crore (Previous year Rs. 7.72 Crore) on others.
40. Capital Work-in-progress includes machinery, building under construction and the following expenses pending allocation/capitalization.

	Rs. in Crore (10 million)	
	31 st March, 2014	31 st March, 2013
Salaries & Wages	4.70	11.20
Contribution to PF & Other Funds	0.20	0.32
Staff Welfare & Other benefits	0.13	0.32
Power, Fuel and Water	2.25	3.17
Travelling and Other Misc. Expenses	3.12	5.58
Interest on Loan & FCCB's	43.53	59.06
Foreign Exchange Fluctuation (Net)	213.37	12.62
Other Borrowing Cost (Commitment charges, Management Fees, Advisory Fees, Processing Fees etc.)	39.74	8.49
Income on Deployment of Funds – Fixed Deposit	(0.51)	(0.68)
– Mutual Funds	-	(0.11)
Add: Expenditure up to previous year	178.60	78.63
	485.13	178.60
Less : Allocated to Fixed Assets	485.13	-
Total	-	178.60

41. a) Future minimum lease payments under non-cancelable operating leases as on 31st March, 2014 are Rs. Nil, Rs. Nil within one year and Rs. Nil later than one year but not later than five years (Previous year Rs. 0.04 Crore, Rs. 0.04 Crore within one year and Rs. Nil later than one year but not later than five years).
- b) Future minimum lease payments under non-cancelable Finance leases as on 31st March, 2014 are Rs. 1.29 Crore, Rs. 0.47 Crore within one year and Rs. 0.82 Crore later than one year but not later than five years (Previous year Rs. 1.64 Crore, Rs. 0.47 Crore within one year and Rs. 1.17 Crore later than one year but not later than five years) and their present value as on 31st March, 2014 are Rs. 1.14 Crore, Rs. 0.39 Crore within one year and Rs.0.75 Crore later than one year but not later than five year (Previous year Rs.1.39 Crore, Rs. 0.35 Crore within one year and Rs.1.04 Crore later than one year but not later than five year).
42. Based on information so far available in respect of MSME (as defined in 'The Micro Small & Medium Enterprises Developments Act, 2006) there is no delay in payment of dues to such enterprises during the year and there is no such dues payable at the end of the period.
43. Consumption of Stores, Spares is net off scrap sale of Rs. 6.46 Crore (Previous year Rs. 5.29 Crore).
44. a) In accordance with Announcement issued by the Institute of Chartered Accountants of India all outstanding derivatives except covered under AS 11 (revised 2003) are marked to market on Balance Sheet date and there is gain of Rs. 0.55 Crore – reversal of previously recognised MTM Losses (Previous year gain of Rs. 0.18 Crore – reversal of previously recognised MTM Losses) which has been recognized in Statement of Profit and Loss.
- b) Forward contract outstanding for purpose of hedging as at Balance Sheet date:

Sl. No.	Foreign Currency	31 st March, 2014		31 st March, 2013	
		FC in Million	Rs. in Crore	FC in Million	Rs. in Crore
(i)	US Dollar	21.12	126.93	20.32	110.53
(ii)	Euro	2.77	22.89	–	–

- c) Nominal amounts of Currency and Interest Rate Swaps for hedging entered into by the Company and outstanding at end of the year is Rs. 14.42 Crore (Previous year Rs.198.12 Crore)
- d) Foreign currency exposure not hedged as at Balance Sheet date:

Sl. No.	Foreign Currency	31 st March, 2014		31 st March, 2013	
		FC in Million	Rs. in Crore	FC in Million	Rs. in Crore
(i)	US Dollar*	39.90	239.77	35.54	193.29
(ii)	Euro	85.70	707.70	75.66	526.16
(iii)	GBP *	(0.04)	(0.32)	(0.079)	(0.65)
(iv)	SEK	0.07	0.06	–	–

*Net of Receivables USD 2.32 Million – Rs. 13.93 Crore (Previous year USD 1.76 Million – Rs. 9.60 Crore) and GBP 0.04 Million – Rs. 0.32 Crore (Previous year GBP Nil –Rs. Nil).

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

	Rs. in Crore (10 million)	
	2013-14	2012-13
i) Revenue Expenditure*:		
Employee Cost	2.50	1.51
Cost of Materials	0.28	0.63
Other Expenses	1.58	1.12
Sub total (i)	4.36	3.26
ii) Capital Expenditure	0.03	0.17
Total (i+ii)	4.39	3.43

* Included in respective revenue accounts.

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

	Rs. in Crore (10 million)	
	2013-14	2012-13
(i) Statutory Auditors :		
Audit Fee	0.12	0.12
Tax Audit Fee	0.02	0.02
Other Services	0.11	0.02
Reimbursement of expenses (PY Rs. 13,223/-)	-	0.00
	0.25	0.16
i) Cost Auditors :		
Audit Fee	0.01	0.01
Reimbursement of expenses (CY Rs. 8,909/- & PY Rs. 4,719/-)	0.00	0.00
	0.01	0.01

47. Expenses included under other heads of account:

	Rs. in Crore (10 million)	
	2013-14	2012-13
Salaries, Wages and Allowances etc.	2.06	7.84
Contribution to Provident and Other Funds	0.34	0.31
Employees' Welfare and Other benefits	0.72	0.82
Consumption of Stores and Spares	0.14	0.13
Power, Fuel and Water (CY Rs. 15,212/- & PY Rs. 18,540/-)	0.00	0.00
Rent	0.16	0.13
Insurance	0.05	0.02
Rates and Taxes (PY Rs. 4,369/-)	0.01	0.00
Royalty for Bamboo	1.30	1.06
Miscellaneous Expenses	5.34	5.49
	10.12	15.80

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

Rs. in Crore (10 million)

	31 st March, 2014	31 st March, 2013
i) Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	(323.99)	(131.03)
ii) Tax on carry forward unabsorbed Depreciation	238.30	–
iii) Tax on Others	11.88	11.06
	(73.81)	(119.97)

- b) Based on the past performance and current plans, the Company expects to continue to generate taxable income which will enable it to utilise MAT credit entitlement.
- c) During the current year the Company has provided Current Tax Rs. 0.08 Crore (Previous year Rs. 0.02 Crore) and also reversed MAT credit Entitlement of Rs. 0.33 Crore (previous year recognized MAT credit entitlement of Rs.1.80 Crore) related to earlier years.
49. Disclosure as required under 'Related Party Disclosures' (AS 18) issued by The Institute of Chartered Accountants of India are as below:

a. List of Related Parties

- i. Subsidiaries (Wholly Owned)
 - Songadh Infrastructure & Housing Limited
 - Jaykaypur Infrastructure & Housing Limited
- ii. Subsidiary
 - JK Enviro–Tech Limited
- iii. Joint Venture
 - Oji JK Packaging Private Limited
- iv. Enterprise over which KMP's have significant influence
 - Habras International Limited
- v. Key Management Personnel (KMP)
 - Shri Harsh Pati Singhania – Vice Chairman & Managing Director
 - Shri Om Prakash Goyal – Whole-time Director

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

Rs. in Crore (10 million)

Sl. No.	Nature of Transactions	Subsidiaries (Wholly Owned)	
		2013-14	2012-13
(i)	Reimbursement of Expenses – Paid	0.02	–
(ii)	Reimbursement of Expenses – Received	0.96	1.61
(iii)	Sale of Assets	0.01	0.04
(iv)	Rent Paid	11.19	9.18
(v)	Interest received	0.40	1.38
(vi)	Loans given	–	5.00
(vii)	Loan installment received	1.25	42.30
(viii)	Outstanding at end of the period – Receivable	6.11	6.32

Rs. in Crore (10 million)

Sl. No.	Nature of Transactions	Subsidiary	
		2013-14	2012-13
(i)	Reimbursement of Expenses – Received	0.02	2.01
(ii)	Purchase of Goods	22.54	36.44
(iii)	Reimbursement of Expenses – Paid	3.42	2.35
(iv)	Interest received	1.78	2.23
(v)	Sale of Goods	0.16	0.23
(vi)	Loans given	-	0.70
(vii)	Loan installment received	7.91	3.67
(viii)	Outstanding at end of the year – Receivable	31.19	35.12

Sl. No.	Nature of Transactions	Joint Venture	
		2013-14	2012-13
(i)	Equity Contribution	7.20	2.40
(ii)	Reimbursement of Expenses – Received	0.18	0.01
(iii)	Outstanding at end of the period – Receivable	0.19	0.01

Sl. No.	Nature of Transactions	Enterprise over which KMP's have significant influence	
		2013-14	2012-13
(i)	Sale of Goods	8.11	9.76
(ii)	Commission on Purchase/Sales	0.40	0.42
(iii)	Outstanding at end of the period – Receivable	1.77	0.26

Key Management Personnel (KMP):

The remuneration paid to Vice Chairman & Managing Director Rs. 3.05 Crore (Previous year Rs. 2.90 Crore) and Whole Time Director Rs. 1.78 Crore (Previous year Rs. 1.58 Crore). The remuneration paid to the Managerial Personnel by way of minimum remuneration, in terms of the appointment, exceeds the limit prescribed under Section 309(3) of the Companies Act, 1956, by Rs. 3.52 Crore, and is subject to requisite approvals from the Central Government of India. Remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

50. Earnings Per Share:

	Rs. in Crore (10 million)	
	31 st March, 2014	31 st March, 2013
a) Profit/(Loss) after tax	(77.19)	37.70
Less : Preference Dividend (including tax on Dividend – PY Rs. 8,716/-)	-	0.00
Profit/(Loss) for Basic/Diluted Earnings Per Share	(77.19)	37.70
Add : Interest on Foreign Currency Convertible Bonds (Net of Tax)	7.85	-
Profit/(Loss) for Diluted Earnings per Share	(69.34)	37.70
b) Weighted average No. of Ordinary Shares		
– Basic	13,66,20,625	13,66,20,625
– Effect of Conversion Option	3,63,16,875	3,63,16,875
– Diluted	17,29,37,500	17,29,37,500
c) Nominal Value of Ordinary Share (Rs.)	10.00	10.00
d) Earnings per Ordinary Share (Rs.)		
– Basic	(5.65)	2.76
– Diluted (as anti dilutive)	(5.65)	2.18

51. Other Particulars:

	Rs. in Crore (10 million)	
	2013-14	2012-13
a) Earnings in Foreign Exchange:		
i) Export of goods at FOB Value	85.27	75.05
b) CIF Value of Imports :		
i) Raw Materials	339.29	246.68
ii) Stores and Spares	40.23	22.62
iii) Capital Goods	6.33	583.68
iv) Others – Paper	80.72	68.78
	466.57	921.76
c) Expenditure in Foreign Currency on account of:		
i) Interest Expenses	20.98	4.30
ii) Consultancy	1.04	0.55
iii) Royalty	1.80	1.60
iv) Others	2.02	0.83
	25.84	7.28
d) Remittance in foreign currency during Current year on account of Final Dividend for the year 2012–13, Previous year on account of Final Dividend for the year 2011–12		
– Number of Non–resident Shareholders (No.)	1	1
– Number of Equity Shares held by them (No.)	25,00,000	25,00,000
– Amount of Dividend remitted	0.13	0.38

	2013-14		2012-13	
e) Raw Materials, Stores and Spares consumed:	Rs. in Crore (10 million)	% of Total	Rs. in Crore (10 million)	% of Total
i) Raw Materials				
– Imported	362.69	33.60	250.56	30.07
– Indigenous	716.76	66.40	582.56	69.93
	<u>1,079.45</u>	<u>100.00</u>	<u>833.12</u>	<u>100.00</u>
ii) Stores and Spares:				
– Imported	6.52	9.22	12.60	38.43
– Indigenous	64.16	90.78	20.20	61.57
	<u># 70.68</u>	<u>100.00</u>	<u># 32.80</u>	<u>100.00</u>

includes Rs. 6.46 Crore Scrap sale (Previous Year Rs. 5.29 Crore) and Rs. 0.14 Crore grouped under Note No. 47 in other heads of account (Previous Year Rs. 0.13 Crore).

52. During the year, JK Enviro-Tech Limited has become a Subsidiary of the Company. The Stock Exchanges have conveyed their "no-objection" to the proposed Scheme of Arrangement for transfer of Lime Kiln Undertaking of the Subsidiary w.e.f. 1st April 2013, to the Company. The Company will now file the said Scheme before the High Court of Gujarat for its approval. Pending approval, no impact has been considered in the standalone accounts of the Company in the current financial year.

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

As per our report of even date

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

K.S. MEHTA
Partner
Membership No. 008883

New Delhi,
the 21st May, 2014

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

B.H. SINGHANIA
H.P. SINGHANIA
O.P. GOYAL

ARUN BHARAT RAM
DHIRENDRA KUMAR
M.H. DALMIA
SHAILENDRA SWARUP

SHAILESH HARIBHAKTI
UDAYAN BOSE
VINITA SINGHANIA
WIM WIENK

For and on behalf of the Board

Chairman
Vice Chairman & Managing Director
Whole Time Director

Directors

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2014

Rs. in Crore (10 Million)

	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit/(Loss) before Tax and Extra-ordinary Items	(122.94)	37.34
Adjustments for :		
Depreciation	122.10	72.91
Income from Investments	(3.82)	(2.62)
(Profit)/ Loss on Sale of Assets (Net)	0.23	(0.10)
Dividend Income	(0.06)	(0.30)
Finance Cost	121.86	49.90
Interest Income	(5.69)	(8.81)
Foreign Exchange Fluctuation	(5.19)	(0.04)
Premium on Forward Exchange Contracts	8.36	3.32
Assets Written off	0.27	0.01
Bad Debts	-	0.13
Provision for Doubtful Debts	1.04	1.20
Miscellaneous Expenditure Written off	-	0.13
Provision for earlier years no longer required	-	(0.94)
Operating Profit before Working Capital Changes	<u>116.16</u>	<u>152.13</u>
Adjustments for Working Capital Changes:		
Trade and Other Receivables	(23.62)	33.29
Inventories	(75.51)	(51.81)
Trade and Other Payables	111.38	3.72
Cash generated from Operations	<u>128.41</u>	<u>137.33</u>
Taxes paid	1.82	(13.61)
Net Cash from Operating Activities	130.23	123.72
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(266.98)	(863.58)
Sale of Fixed Assets	5.78	1.35
Sale/(Purchase) of Investments (Net)	(76.71)	60.53
Dividend Income	0.06	0.30
Interest Received	5.84	9.74
Net Cash from Investing Activities	(332.01)	(791.66)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2014

Rs. in Crore (10 Million)

	2013-14	2012-13
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Redemption of Preference Share Capital including Premium	-	(5.49)
Proceeds of Long-Term Borrowings	372.26	774.42
Repayment of Long-Term Borrowings	(162.81)	(129.06)
Proceeds/(Repayment) from Short-Term Borrowings (Net)	95.91	(7.48)
Interest and Financial Charges	(121.05)	(54.50)
Dividend (including Dividend Tax)	(7.99)	(23.84)
Net cash from Financing Activities	176.32	554.05
D. Increase/(Decrease) in Cash and Cash Equivalents		
– Cash & Bank Balance	(25.46)	(113.89)
E. Cash and Cash Equivalents as at the beginning of the year		
– Cash & Bank Balances (Note No. 18)	33.80	147.69
F. Cash and Cash Equivalents as at the close of the year		
– Cash & Bank Balances (Note No. 18)	8.34	33.80

Notes:

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

As per our report of even date

For and on behalf of the Board

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

K.S. MEHTA
Partner
Membership No. 008883

New Delhi,
the 21st May, 2014

B.H. SINGHANIA
H.P. SINGHANIA
O.P. GOYAL

ARUN BHARAT RAM
DHIRENDRA KUMAR
M.H. DALMIA
SHAILENDRA SWARUP

SHAILESH HARIBHAKTI
UDAYAN BOSE
VINITA SINGHANIA
WIM WIENK

Chairman
Vice Chairman & Managing Director
Whole Time Director

Directors

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Rs. in Crore (10 Million)

Sl.No.	Name of the Subsidiary Company	Financial Year of the Subsidiary ended on	Holding Company's Interest in Equity Capital	Net Aggregate of Profit or Losses of the Subsidiary Companies as far as it concern the members of the Holding Company @	
				Not Dealt with in the Holding Company's Account	
				for the Financial Year/Period of the Subsidiary	for the Previous Financial Year/Period since it became the Subsidiary
1	Jaykaypur Infrastructure & Housing Limited	31 st March, 2014	100%	1.40	0.30
2	Songadh Infrastructure & Housing Limited	31 st March, 2014	100%	0.67	0.15
3	JK Enviro-Tech Limited	31 st March, 2014	98.98%	0.58	-

@ Profit & Loss of none of the subsidiary companies has been dealt with in the Holding Company's account.

For and on behalf of the Board

B.H. SINGHANIA
H.P. SINGHANIA
O.P. GOYAL

Chairman
Vice Chairman & Managing Director
Whole Time Director

V. KUMARASWAMY
Chief Finance Officer

S.C. GUPTA
Company Secretary

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SHAILENDRA SWARUP

SHAILESH HARIBHAKTI
UDAYAN BOSE
VINITA SINGHANIA
WIM WIENK

} *Directors*

New Delhi,
the 21st May, 2014

INFORMATION PERTAINING TO SUBSIDIARY COMPANIES U/S 212 (8) OF THE COMPANIES ACT, 1956

Rs. in Crore (10 Million)

Sl. No	Particulars	Jaykaypur Infrastructure & Housing Limited	Songadh Infrastructure & Housing Limited	JK Enviro-Tech Limited
1	Share Capital	4.95	4.95	4.95
2	Reserve & Surplus/ (Accumulated Losses)	0.13	0.70	3.38
3	Total Assets	38.45	14.99	56.25
4	Total Liabilities	38.45	14.99	56.25
5	Details of Investments (Other than investment in Subsidiary Companies)	-	-	-
6	Total Turnover	8.15	2.85	24.94
7	Profit/ (Loss) before tax	1.83	0.94	1.23
8	Income Tax	0.44	0.27	0.65
9	Profit/ (Loss) after tax	1.40	0.67	0.58
10	Proposed Dividend	-	-	-

Note : The Ministry of Corporate Affairs, Government of India, New Delhi vide its General Circular No. 2/2011 dated 8th February 2011, issued under Section 212 (8) of the Companies Act, 1956 has granted a general exemption from attaching the Accounts of Subsidiaries Companies. However, Annual Accounts of the Subsidiary Companies and the related detailed information shall be made available to the Shareholders of the Holding and Subsidiary Companies seeking such information at any point of the time. The Annual Accounts of the Subsidiary Companies are also available for inspection by any Shareholder at the Registered and Head Offices of the Company and that of the Subsidiary Companies concerned.

INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS, JK PAPER LIMITED

We have audited the accompanying consolidated financial statements of JK Paper Limited ("the Company"), its subsidiaries and its interest in Joint Venture (collectively referred to as 'Group'), which comprise the consolidated Balance Sheet as at March 31, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and Notes to Consolidated Financial Statements comprising of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the

consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and its interest in Joint Venture as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the loss of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.



Other Matters

We did not audit the financial statements of subsidiaries namely - Songadh Infrastructure & Housing Limited, Jaykaypur Infrastructure & Housing Limited and JK Enviro-Tech Limited, whose financial statements reflect total assets (net) of Rs. 109.70 Crores as at March 31, 2014, total revenues of Rs. 35.94 Crore and net cash outflows amounting to Rs. 0.14 Crores for the year then ended and a Joint Venture, namely Oji JK Packaging Private Limited whose Financial Statement reflect total assets of Rs. 105.08 Crore as at 31st March, 2014, total revenue of Rs. 0.18 Crore and net cash inflows amounting to Rs. 11.99 Crore for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished

to us by the Management, and our opinion is solely on the reports of the other auditors.

Our opinion is not qualified in respect of Other Matters.

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

Chartered Accountants

Firm Reg. No. 000756N

K.S. MEHTA

Partner

Membership No. 008883

Place: New Delhi

Date: 21st May, 2014

CONSOLIDATED BALANCE SHEET

AS AT 31ST MARCH, 2014

	Note	31 ST March, 2014	31 ST March, 2013
Rs. in Crore (10 Million)			
EQUITY AND LIABILITIES:			
Shareholders' Funds			
Share Capital	1	136.62	136.62
Reserves & Surplus	2	663.57	738.71
		<u>800.19</u>	<u>875.33</u>
Minority Interest			
		0.09	-
Non Current Liabilities			
Long Term Borrowings	3	1,739.31	1,514.04
Deferred Tax Liabilities (Net)		77.34	119.97
Other Long Term Liabilities	4	34.91	27.91
Long Term Provisions	5	3.14	3.27
		<u>1,854.70</u>	<u>1,665.19</u>
Current Liabilities			
Short Term Borrowings	6	219.05	123.14
Trade Payables		213.35	137.23
Other Current Liabilities	7	448.34	289.49
Short Term Provisions	8	2.67	12.64
		<u>883.41</u>	<u>562.50</u>
	TOTAL	<u>3,538.39</u>	<u>3,103.02</u>
ASSETS:			
Non Current Assets			
Fixed Assets			
Tangible Assets	9	2,571.82	823.67
Intangible Assets	10	4.85	0.15
Capital Work-in-Progress		22.74	1,539.41
Intangible assets under development		-	1.57
		<u>2,599.41</u>	<u>2,364.80</u>
Non Current Investment	11	5.58	6.22
Long Term Loans and Advances	12	76.30	127.02
Other Non Current Assets	13	24.25	45.36
		<u>2,705.54</u>	<u>2,543.40</u>
Current Assets			
Current Investments	14	63.79	-
Inventories	15	292.59	216.00
Trade Receivables	16	170.80	119.38
Cash and Bank Balances	17	12.05	33.92
Short Term Loans and Advances	18	153.46	178.94
Other Current Assets	19	140.16	11.38
		<u>832.85</u>	<u>559.62</u>
	TOTAL	<u>3,538.39</u>	<u>3,103.02</u>

The accompanying Notes are an integral part of the Financial Statements.
As per our report of even date

For and on behalf of the Board

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

K.S. MEHTA
Partner
Membership No. 008883
New Delhi,
the 21st May, 2014

V. KUMARASWAMY
Chief Finance Officer
S.C. GUPTA
Company Secretary

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VINITA SINGHANIA
WIM WIENK

Chairman
Vice Chairman & Managing Director
Whole Time Director

Directors



CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31ST MARCH, 2014

		Rs. in Crore (10 Million)	
	Note	2013-14	2012-13
REVENUE:			
Sales		2,025.47	1,721.38
Less : Discounts		203.74	184.70
		1,821.73	1,536.68
Less : Excise Duty		100.36	83.49
Net Sales		1,721.37	1,453.19
Other Operating Revenue	20	16.56	5.92
Revenue from Operation		1,737.93	1,459.11
Other Income	21	12.64	10.49
Total Revenue [I]		1,750.57	1,469.60
EXPENSES:			
Cost of Materials Consumed	22	1,055.69	833.12
Purchases of Stock-in-Trade		92.98	84.07
Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	23	(58.36)	(12.12)
Employee Benefits Expense	24	159.91	141.83
Other Expenses	25	346.92	272.79
Total [II]		1,597.14	1,319.69
Profit Before Interest, Depreciation & Tax (PBIDT) [I - II]		153.43	149.91
Finance Costs	26	128.53	53.76
Depreciation and Amortization Expenses	27	126.52	73.77
Profit /(Loss) Before Exceptional Items and Tax		(101.62)	22.38
Exceptional Items	36	(17.49)	15.74
Profit /(Loss) Before Tax		(119.11)	38.12
Tax Expense :	37		
Current Tax (MAT)		1.09	8.19
Less : MAT Credit Entitlement		(0.33)	6.37
Net Current Tax		1.42	1.82
Deferred Tax Credit		(45.82)	(1.85)
Profit /(Loss) After Tax Before Share in Profit of Associates		(74.71)	38.15
Less : Minority Interest		0.01	-
Add : Share in Profit of Associate		-	(0.16)
Profit /(Loss) for the year		(74.72)	37.99
Earning per Equity Share (Rs.)			
Basic		(5.47)	2.78
Diluted		(5.47)	2.20

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

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

For and on behalf of the Board

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

B.H. SINGHANIA
H.P. SINGHANIA
O.P. GOYAL

Chairman
Vice Chairman & Managing Director
Whole Time Director

K.S. MEHTA
Partner
Membership No. 008883
New Delhi,
the 21st May, 2014

V. KUMARASWAMY
Chief Finance Officer
S.C. GUPTA
Company Secretary

ARUN BHARAT RAM
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SHAIENDRA SWARUP

SHAILESH HARIBHAKTI
UDAYAN BOSE
VINITA SINGHANIA
WIM WIENK

Directors

Rs. in Crore (10 Million)
31st March, 2014 31st March, 2013

Note I

Share Capital

Authorised:

Equity Shares – 20,00,00,000 (Previous year – 20,00,00,000) of Rs.10 each	200.00	200.00
Redeemable Preference Shares – 3,00,00,000 (Previous Year – 3,00,00,000) of Rs.100 each	300.00	300.00
	500.00	500.00

Issued, Subscribed and Paid-up:

Equity Shares – 13,66,20,625 (Previous year 13,66,20,625) of Rs.10 each fully paid up	136.62	136.62
	136.62	136.62

Notes:

(a) (i) Reconciliation of Equity Share Capital (In numbers)		
Shares outstanding at the beginning of the year	13,66,20,625	13,66,20,625
Add : Shares issued during the year	-	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	13,66,20,625	13,66,20,625
(ii) Reconciliation of Preference Share Capital (In numbers)		
Shares outstanding at the beginning of the year	-	3,000
Add : Shares issued during the year	-	-
Less : Shares redeemed during the year	-	3,000
Shares outstanding at the end of the year	-	-

(b) Equity Shares:

The equity shareholders have:-

- The right to receive dividend out of balance of net profits remaining after payment of dividend to the preference shareholders. The dividend proposed by Board of Directors is subject to approval of shareholders in the ensuing general meeting.
- The Company has only one class of Equity Shares having face value of Rs. 10/- each and each shareholder is entitled to one vote per share.
- In the event of winding up, the equity shareholders will be entitled to receive the remaining balance of assets if any, after preferential payments and to have a share in surplus assets of the Company, proportionate to their individual shareholding in the paid up equity capital of the Company.

(c) List of shareholders holding more than 5% of the Equity Share Capital of the Company (In numbers)

	31st March, 2014	31 st March, 2013
Bengal & Assam Company Limited	3,28,43,299	2,83,01,332
JK Fenner (India) Limited	2,54,57,500	2,54,57,500
JK Paper Employees Welfare Trust	1,24,30,362	1,35,85,362
Florence Investech Limited (formerly JK Agri Genetics Limited)	1,16,81,684	1,16,81,684
International Finance Corporation	76,90,000	76,90,000

Rs. in Crore (10 Million)

Note 2	As at 1 st April, 2013	Additions	Transfers	As at 31 st March, 2014
RESERVES AND SURPLUS				
Capital Reserve	29.92	-	-	29.92
Capital Redemption Reserve	3.00	-	-	3.00
Securities Premium Reserve	355.08	-	- (a)	355.08
Debenture Redemption Reserve	1.48	-	-	1.48
Revaluation Reserve	3.40	-	0.19 (b)	3.21
General Reserve	45.57	-	-	45.57
Surplus in Statement of Profit & Loss (c)	300.26	(74.95)	-	225.31
	738.71	(74.95)	0.19	663.57
Previous Year	714.36	30.00	5.65	738.71

Notes:

- (a) Adjusted Premium on Redemption of Preference Shares Rs. Nil (Previous year Rs. 5.46 Crore).
- (b) Rs. 0.19 Crore to Statement of Profit and Loss towards Additional Depreciation arising out of revaluation of Fixed Assets (Previous year Rs. 0.19 Crore).
- (c) Details of surplus in Statement of Profit and Loss from Previous year :

	As at 31 st March, 2014	As at 31 st March, 2013
Surplus in Statement of Profit and Loss from Previous year	300.26	271.11
Net Profit/(Loss) for the Current year	(74.72)	37.99
Adjustment related to earlier years #	(0.23)	-
Transfer to Debenture Redemption Reserve	-	(0.82)
Transfer to Capital Redemption Reserve	-	(0.03)
Dividend	-	(6.83)
Corporate Dividend Tax	-	(1.16)
Surplus in Statement of Profit and Loss carried to Balance Sheet	225.31	300.26

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

	Rs. in Crore (10 Million)	
Note 3	31st March, 2014	31 st March, 2013
LONG TERM BORROWINGS		
SECURED		
Term Loans		
– From Banks	1,634.60	1,312.53
– From Financial Institutions	80.02	87.04
UNSECURED		
Foreign Currency Term Loans from Bank	–	1.29
Foreign Currency Convertible Bonds (FCCB's)	289.02	243.40
Public Deposits	13.01	15.33
Finance Lease obligation	1.15	1.51
	2,017.80	1,661.10
Share of Joint Venture	10.82	–
	2,028.62	1,661.10
Less : Current maturities of Long Term Borrowings		
Term Loans from Banks (Secured)	263.16	118.11
Term Loan from Financial Institutions (Secured)	22.14	20.79
Foreign Currency Term Loans from Banks (Unsecured)	–	1.29
Public Deposits (Unsecured)	3.62	6.52
Finance Lease obligation (Unsecured)	0.39	0.35
	289.31	147.06
Total	1,739.31	1,514.04

Notes :

A Term Loans of Rs. 219.87 Crore (FIs – Rs. 80.02 Crore and Banks Rs. 139.85 Crore) are secured by means of first pari passu mortgage/charge on the fixed assets of the Company. Out of the above Term Loan Rs. 34.25 Crore (FIs – Rs. 32.45 Crore and Banks Rs. 1.80 Crore) are further secured by second charge on the current assets of the Company. These Term Loans are/shall repayable as under :-

- 1 Term Loans aggregating to Rs. 6.36 Crore are repayable in 1 annual instalment in June-2014,
- 2 Term Loans aggregating to Rs. 34.86 Crore are repayable in total 7 half-yearly instalments from June-2014 to June-2016,
- 3 Term Loans aggregating to Rs. 36.78 Crore are repayable in total 12 equal half-yearly instalments from June-2014 to June-2018,
- 4 Term Loans aggregating to Rs. 92.50 Crore are repayable in total 27 equal quarterly instalments from June-2014 to March-2018,

- 5 Term Loan of Rs. 1.80 Crore is repayable in 2 equal monthly instalments from April-2014 to May-2014,
 - 6 Term Loan of Rs. 35.89 Crore is repayable in 99 equal monthly instalments from April-2014 to June-2022,
 - 7 Term Loan of Rs. 11.68 Crore is repayable in 26 equal monthly instalments from April-2014 to May-2016.
- B** Term Loans of Rs. 1,289.59 Crore (Fls – Rs. Nil and Banks Rs. 1,289.59 Crore) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit JKPM of the company. These Term Loans are/shall repayable as under :-
- 1 Term Loans aggregating to Rs. 680.00 Crore are repayable in total 120 equal quarterly instalments from September-2014 to June-2021,
 - 2 Term Loans aggregating to Rs. 609.59 Crore are repayable in total 74 equal half-yearly instalments from May-2014 to August-2023.
- C** Terms Loans of Rs. 205.16 Crore(Fls – Rs. Nil and Banks Rs. 205.16 Crore) is secured by means of first pari passu mortgage/charge to be created on the fixed assets, both present and future, of Unit CPM of the company. These Term Loans are repayable in total 52 equal quarterly instalments from April-2014 to January-2021.
- D** Certain charges are in the process of satisfaction. Secured Terms Loans from Financial Institutions and Banks include Rs. 662.48 Crore foreign currency loans.
- E** Finance Lease of Rs. 1.15 Crore is repayable in 11 equal quarterly instalments from June-2014 to December-2016.
- F** FCCB's of EURO 35 Million @ 6.455% issued on 30th May, 2011 are convertible into equity shares of the company at an initial conversion price of Rs. 65 per share, subject to price adjustment as per agreement, after 3 years and 6 months from the date of issue. If not converted then the FCCBs will be redeemed at par between 15th May 2016 to 15th May 2018 in 5 half yearly instalments.
- G** Public deposits are due for repayment in 2014-15, 2015-16 & 2016-17.

Rs. in Crore (10 Million)
31st March, 2014 31st March, 2013

Note 4

OTHER LONG TERM LIABILITIES

Trade Deposits	34.38	27.08
Interest accrued but not due on Public Deposits	0.53	0.83
	34.91	27.91

Note 5

LONG TERM PROVISIONS

Provision for Employee Benefits	3.14	3.27
	3.14	3.27

Rs. in Crore (10 Million)
31st March, 2014 31st March, 2013

Note 6

SHORT TERM BORROWINGS

SECURED

Working Capital Borrowings from Bank	118.17	64.40
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UNSECURED

Vendor Bill discounting	72.69	15.78
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Buyer's Credit facilities from Bank	27.33	41.82
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Public Deposits	0.86	1.14
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	219.05	123.14
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Note :

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts. The same are further secured by a second charge on the movable and immovable assets of the Company.

Note 7

OTHER CURRENT LIABILITIES

Current maturities of Long Term Borrowings	289.31	147.06
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Interest accrued but not due on Borrowings	15.85	11.47
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Unclaimed Dividends #	0.21	0.21
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Unclaimed Matured Deposits #	0.59	0.72
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Unclaimed interest on Unclaimed Matured Deposits #	0.06	0.08
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Advance from Customers	6.37	4.51
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Statutory Dues	14.91	11.12
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Derivative Financial Instruments	0.28	-
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Capital Creditors	58.79	78.74
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Other Payables	61.20	35.58
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	447.57	289.49
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Share of Joint Venture	0.77	-
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	448.34	289.49
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Investor Education and Protection Fund will be credited as & when due.

Note 8

SHORT TERM PROVISIONS

Provision for Employee Benefits	2.67	4.65
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Proposed Dividend	-	6.83
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Tax on Proposed Dividend	-	1.16
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	2.67	12.64
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Share of Joint Venture (Current year Rs. 36,365/-)	0.00	-
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	2.67	12.64
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Note 9

TANGIBLE ASSETS

Description	Rs. in Crore (10 Million)									
	GROSS BLOCK (b)			DEPRECIATION				NET BLOCK		
	As at 1 st April, 2013	Additions/ Adjustments (d)	Sales/ Adjustments	As at 31 st March, 2014	Upto 31 st March, 2013	For the year (e)	On Sales/ Adjustments	As at 31 st March, 2014	As at 31 st March, 2014	As at 31 st March, 2013
Land – Freehold (a)	11.88	–	–	11.88	–	–	–	–	11.88	11.88
– Leasehold	12.18	–	–	12.18	0.71	0.17	–	0.88	11.30	11.47
Building	160.78	215.20	–	375.98	43.59	9.56	–	53.15	322.83	117.19
Plant & Equipment (c)	1,339.65	1,806.51	425.78	2,720.38	680.93	125.93	287.06	519.80	2,200.58	658.72
Furniture and Fixture	5.75	0.78	0.11	6.42	2.64	0.37	0.04	2.97	3.45	3.11
Office Equipment	16.02	1.86	0.12	17.76	7.74	1.35	0.04	9.05	8.71	8.28
Vehicles & Locomotive	16.64	1.96	2.73	15.87	5.58	1.44	1.12	5.90	9.97	11.06
Railway Siding	4.64	–	–	4.64	2.68	0.22	–	2.90	1.74	1.96
Share of Joint Venture	1,567.54	2,026.31	428.74	3,165.11	743.87	139.04	288.26	594.65	2,570.46	823.67
	–	1.37	–	1.37	–	0.01	–	0.01	1.36	–
Previous year	1,567.54	2,027.68	428.74	3,166.48	743.87	139.05	288.26	594.66	2,571.82	823.67
	1,528.62	40.96	2.04	1,567.54	670.90	73.73	0.76	743.87	823.67	–

Notes:

- Includes cost of 4.67 acres land given on lease to Employees State Insurance Corporation for construction of Hospital for Employees and cost of 34.72 acres land for which title is yet to be transferred in name of the Company.
- Gross Block includes amount of revaluation {Note no. 34 (a)}.
- During the year addition to the Plant & Equipment due to Foreign Exchange Fluctuation (Net) is Rs. 154.49 Crore (Previous year Rs. 0.10 Crore) .
- Includes Fixed Assets of Rs. 72.73 Crore on acquisition of subsidiary and Joint Venture during the year.
- Includes Accumulated depreciation of Rs. 13.48 Crore on acquisition of subsidiary and Joint Venture during the year.

Note 10

INTANGIBLE ASSETS

Description	Rs. in Crore (10 Million)									
	GROSS BLOCK			AMORTISATION				NET BLOCK		
	As at 1 st April, 2013	Additions/ Adjustments	Sales/ Adjustments	As at 31 st March, 2014	Upto 31 st March, 2013	For the year	On Sales/ Adjustments	As at 31 st March, 2014	As at 31 st March, 2014	As at 31 st March, 2013
Computer Software	7.51	5.84	–	13.35	7.36	1.14	–	8.50	4.85	0.15
Total	7.51	5.84	–	13.35	7.36	1.14	–	8.50	4.85	0.15
Previous year	7.51	–	–	7.51	7.13	0.23	–	7.36	0.15	–

Note 11	Face Value Rs./Share	Rs. in Crore (10 Million)				
		31 st March, 2014		31 st March, 2013		
		Nos.	Book Value	Nos.	Book Value	
NON CURRENT INVESTMENTS						
Long Term Investments (At cost, other than trade)						
-	Quoted Equity Shares (fully paid up)					
	JK Lakshmi Cement Limited	5/-	2,16,000	0.52	2,16,000	0.52
	Udaipur Cement Works Limited	4/-	50,00,000	5.00	50,00,000	5.00
	Bengal & Assam Company Limited	10/-	4,677	0.06	4,677	0.06
-	Unquoted Equity Shares (fully paid up)					
	JK Enviro-Tech Limited (Subsidiary) #	10/-		-	17,00,000	2.77
	JK Paper Mills Employees' Co-operative Stores Limited	10/-	250	◆0.00	250	◆0.00
	Oji JK Packaging Private Limited (Joint Venture)	10/-		-	24,00,000	2.40
-	Others			▲0.00		▲0.00
				5.58		10.75
	Less : Provision for diminution in value of Investments			-		4.53
				5.58		6.22
	Aggregate book value of quoted investments			5.58		1.05
	Aggregate book value of unquoted investments			*0.00		5.17
	Aggregate market value of quoted investments			6.64		2.70

Equity Shares pledged with IDFC Limited for a Loan availed by JK Enviro-Tech Limited.

◆ Rs. 2,500/-

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

* Rs. 5,500/-

Note 12	Rs. in Crore (10 Million)	
	31 st March, 2014	31 st March, 2013
LONG TERM LOANS AND ADVANCES		
(Unsecured, Considered good)		
Capital Advances	8.42	74.70
Deposits with Government Authorities and Others	10.82	11.90
Loans and advances to related parties :		
JK Enviro-Tech Limited (Subsidiary)	-	12.15
Other Loans & Advances :		
MAT Credit Entitlement	27.94	28.27
Others	18.98	-
	66.16	127.02
Share of Joint Venture	10.14	-
	76.30	127.02

Note 13

OTHER NON CURRENT ASSETS

Others

Un-amortised ECA Premium on Loan	22.87	27.95
Derivative Financial Instruments	1.38	17.41
	24.25	45.36

Rs. in Crore (10 Million)

	31 st March, 2014		31 st March, 2013	
	Nos.	Book Value	Nos.	Book Value
Note 14				
CURRENT INVESTMENTS				
Investments in Mutual Funds (Lower of Cost and quoted /fair value)				
ICICI Prudential Banking and PSU Debt Fund				
Regular Plan– Growth	2,50,67,503	35.00	–	–
Baroda Pioneer Liquid Fund Plan A – Growth	1,97,123	28.79	–	–
		<u>63.79</u>		<u>–</u>
Aggregate book value of quoted investments		63.79		–
Aggregate book value of unquoted investments		–		–
Aggregate market value of quoted investments		64.25		–

Note 15

INVENTORIES

(As certified by the Management)

Raw Materials #		134.47		117.24
Work-in-Progress @		34.27		16.81
Finished Goods		75.81		22.12
Stock-in-Trade		4.24		14.71
Stores & Spares #		43.80		45.12
		<u>292.59</u>		<u>216.00</u>

Includes Raw Materials in transit Rs. 22.21 Crore (Previous year Rs. Nil) and Stores & Spares in transit Rs. 1.17 Crore (Previous year Rs. 0.20 Crore).

@ Includes Pulp in process Rs. 5.36 Crore (Previous year Rs. 1.19 Crore) and Semi Finished Goods Rs. 28.91 Crore (Previous year Rs. 15.62 Crore).

Note 16

TRADERECEIVABLES

UNSECURED

Exceeding six months (from due date)

Considered Good		9.59		12.78
Considered Doubtful		14.13		13.09

Others

Considered Good		161.21		106.60
		<u>184.93</u>		<u>132.47</u>
Less: Provision for Doubtful Debts		14.13		13.09
		<u>170.80</u>		<u>119.38</u>

Rs. in Crore (10 Million)
31st March, 2014 31st March, 2013

Note 17

CASH & BANK BALANCES

Cash & Cash Equivalents

Balance with Banks :

Current Accounts	4.17	28.12
Cash on Hand	0.30	0.26

Other Bank Balances

Bank Deposits with original maturity of 12 months or more #	1.84	3.34
Unclaimed Dividend Accounts	0.21	0.21
Margin Money Deposits	2.07	1.99
	8.59	33.92
Share of Joint Venture	3.46	-
	12.05	33.92

Includes Rs. 1.34 Crore pledged with Government Authorities

Note 18

SHORT TERM LOAN AND ADVANCES

(Unsecured, Considered Good)

Loans and advances to related parties

JK Enviro-Tech Limited (Subsidiary)	-	22.97
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Others

Advances recoverable in cash or in kind or for value to be received	35.60	40.58
Interest accrued but not due	0.76	0.83
Advances to Employees	0.96	1.41
Advances to Suppliers	23.16	32.55
CENVAT Recoverable	82.13	69.54
Advance Income Tax/Tax deducted at source (Net of Provision)	5.22	6.78
Other Deposits	5.30	4.28
Doubtful		
Doubtful advances/loans	0.49	0.49
Less : Provision for doubtful advances/loans	0.49	0.49
	153.13	178.94
Share of Joint Venture	0.33	-
	153.46	178.94

Note 19

OTHER CURRENT ASSETS

Others

Assets held for Sale	134.15	-
Un-amortised ECA Premium	3.20	3.49
Derivative Financial Instruments	-	6.33
Deferred Premium on Forwards	2.81	1.56
	140.16	11.38



Rs. in Crore (10 Million)

2013-14 2012-13

Note 20

OTHER OPERATING REVENUE

Insurance charges recovered	1.28	1.28
Provisions of earlier years no longer required	-	0.94
Miscellaneous Income	15.28	3.70
	<u>16.56</u>	<u>5.92</u>

Note 21

OTHER INCOME

Interest Income	3.53	7.44
Dividend Income	0.06	0.30
Profit on sale of Fixed Assets	-	0.09
Net Gain on sale of Current Investments	3.82	2.62
Foreign Exchange Fluctuation	5.19	0.04
	<u>12.60</u>	<u>10.49</u>
Share of Joint Venture	0.04	-
	<u>12.64</u>	<u>10.49</u>

Note 22

COST OF MATERIALS CONSUMED

Bamboo	33.28	32.22
Hardwood	404.08	256.17
Pulp	322.86	243.90
Chemicals	228.29	247.14
Packing Material	67.18	53.69
	<u>1,055.69</u>	<u>833.12</u>

Note 23

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

OPENING STOCK

Finished Goods	22.12	14.13
Stock-In-Trade	14.71	12.38
Stock-in-Process	16.81	14.51
	<u>53.64</u>	<u>41.02</u>

CLOSING STOCK

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

Add : Excise Duty on Variation of Stock	2.32	0.50
(Increase) / Decrease in Stock	(58.36)	(12.12)

Note 24

EMPLOYEE BENEFITS EXPENSE

Salaries, Wages, Allowances, etc.	131.77	112.83
Contribution to Provident and Other Funds	9.57	10.82
Staff Welfare Expenses	18.51	18.18
	<u>159.85</u>	<u>141.83</u>
Share of Joint Venture	0.06	-
	<u>159.91</u>	<u>141.83</u>

Rs. in Crore (10 Million)

	2013-14	2012-13
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Note 25

OTHER EXPENSES

Consumption of Stores and Spares	64.96	27.38
Power, Fuel and Water	212.68	184.97
Repairs to Building	6.05	5.05
Repairs to Machinery	9.06	6.96
Rent (Net)	1.72	1.47
Insurance Premium	1.94	1.49
Rates and Taxes	0.82	0.46
Commission on Sales	1.86	1.89
Directors' fees	0.09	0.06
Directors' Commission	-	0.42
Premium on Forward Exchange Contracts	8.36	3.32
Loss on Sale of Assets	0.25	-
Asset Written off	0.27	0.01
Deferred Revenue Expenditure Written off	-	0.13
Bad Debts	-	0.13
Provision for Doubtful Debts	1.04	1.20
Travelling and Other Misc. Expenses	37.68	37.85
	346.78	272.79
Share of Joint Venture	0.14	-
	346.92	272.79

Note 26

FINANCE COSTS

Interest on :		
Term Loan and Public Deposits	101.39	37.62
Others	18.75	12.58
Other Borrowing Costs:		
Financial Charges	4.32	0.45
Premium on Forward Exchange Contracts	2.87	2.04
Lease rent on Machinery	0.20	0.24
Net Loss on Foreign currency transactions and translation	0.99	0.83
	128.52	53.76
Share of Joint Venture	0.01	-
	128.53	53.76

Note 27

DEPRECIATION & AMORTISATION EXPENSE

Depreciation on Tangible Assets	125.57	73.73
Transfer from Revaluation Reserve	(0.19)	(0.19)
Amortisation of Intangible Assets	1.14	0.23
	126.52	73.77

28 Principles of Consolidation:

- a) The Consolidated Financial Statements comprise of the financial statements of JK Paper Limited (Parent Company) and the following as on 31st March, 2014;

i) Subsidiaries:

Name	Proportion of ownership interest	Financial Statements as on	Status
Jaykaypur Infrastructure & Housing Limited, India	100%	31 st March, 2014	Audited
Songadh Infrastructure & Housing Limited, India	100%	31 st March, 2014	Audited
JK Enviro-Tech Limited, India	98.98%	31 st March, 2014	Audited

ii) Joint Venture :

Name	Proportion of ownership interest	Financial Statements as on	Status
Oji JK Packaging Private Limited, India	20%	31 st March, 2014	Audited

- b) The Financial Statements of the Parent Company and its Subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions.

JK Enviro-Tech Limited has become a subsidiary of the Company and consolidated during the current year, hence the figure of current year are not comparable with the previous year.

- c) In case of Joint Venture, Company has adopted the proportionate consolidation method in accordance with Accounting Standard (AS-27) – "Financial Reporting of Interest in Joint Ventures".
- d) The Accounting Policies of the Parent Company, its Subsidiaries and Joint Venture are largely similar, hence not be re-produced.
- e) Significant Accounting Policies and Notes on Accounts of the Financial Statements of the Company and its Subsidiaries are stated in their respective Financial Statements.

29 Trade Payable includes Rs. 0.07 Crore, Capital work in progress includes Rs. 5.60 Crore, Current Tax (MAT) includes Rs. 0.05 Crore and Deferred Tax Credit includes Rs. 0.06 Crore for share of Joint Venture.

30 Estimated amount of (i) contracts remaining to be executed on capital account (Net of Advances) Rs. 30.56 Crore (Previous year Rs. 63.96 Crore) including share of Joint Venture Rs. 3.37 Crore (Previous year Rs. Nil), (ii) Investment Rs. 5.40 Crore (Previous year Rs. 12.60 Crore) and, (iii) Export commitments against import of capital goods under EPCG scheme Rs. 864.90 Crore (Previous year Rs. 809.82 Crore).

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

	Rs. in Crore (10 million)	
	31 st March, 2014	31 st March, 2013
a) Excise duty liability in respect of matters in appeals	12.69	12.63
b) Sales tax liability in respect of matters in appeals	2.82	2.82
c) Other Matters	9.99	10.82

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

- 32 a) The Company has entered into a Take or Pay agreement for the purpose of sourcing lime from JK Enviro-Tech Limited. The Company has given an undertaking that on the happening of certain events, it will takeover the Loan taken by JK Enviro-Tech Limited from IDFC Limited. The current outstanding is Rs. 11.76 Crore (including principal and interest) as on 31st March, 2014.
- b) The Company has agreed with HDFC Limited that on happening of certain events, it will take all steps as may be required to ensure the timely repayment of the loan obligations of the Housing Subsidiaries for the loan availed from HDFC Limited. The current outstanding is Rs. 36.09 Crore (including principal and interest) as on 31st March, 2014.

33 Segment Reporting

The Company has identified business segment as the primary segment, after considering all the relevant factors. The Company's manufactured products are sold primarily within India hence there is no reportable geographical segment.

The Company's operation predominantly relates to manufacture of Paper & Boards. Other Business Segment comprises activities for providing housing facilities to the employees engaged in Paper & Board manufacturing business and manufacturing of Lime for JK Paper Limited. These operations are insignificant in the context of total turnover, hence same has been shown as "Others".

Rs. in Crore (10 million)

Sl. No.	Particulars	For the year ended 31 st March 2014			For the year ended 31 st March 2013		
		Paper & Board	Others	Total	Paper & Board	Others	Total
A	Segment Revenue						
	External Revenue	1,737.87	0.06	1,737.97	1,459.11	-	1,459.11
	Inter- segment Revenue	-	32.44	32.44	-	9.18	9.18
	Total Revenue	1,737.87	32.50	1,770.37	1,459.11	9.18	1,468.29
B	Segment Results						
	Segment Results (PBIT excluding Expenstional items)	1.65	12.62	14.27	59.63	6.02	65.65
	Less : (i) Interest & Financial Charges (Net)			128.53			53.76
	(ii) Expenstional items			17.49			(15.74)
	(ii) Other Un-allocable Expenditure (Net off Un-allocable Income)			(12.64)			(10.49)
	Total Profit/ (Loss) before Tax (PBT)			(119.11)			38.12
C	Other Information						
	Segment Assets	3,471.59	66.80	3,538.39	3,064.48	38.54	3,103.02
	Segment Liabilities	2,673.48	64.63	2,738.11	2,188.99	38.70	2,227.69
	Capital Expenditure (Excluding Rs. 72.73 Crore relating to acquisition of subsidiary and Joint Venture during the current year)	1,960.10	0.69	1,960.79	38.32	2.64	40.96
	Depreciation & Amortisation	122.10	4.42	126.52	72.91	0.86	73.77
	Non Cash Expenses other than Depreciation	-	-	-	-	-	-

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

- b) The Assets of Rs.134.15 Crore held for Sale, disclosed under the heading of "Other Current Assets" in Note No.20, consists of Old Pulp Mill, Recovery Island and Power Block (Coal Fired Boilers & TG Sets) based on lower of Written Down Value and estimated Net Realisable Value. The Management intends to use these assets in various projects under consideration.
- 35 a) Long Term Loans and Advances includes concessional loan of Rs.18.98 Crore (previous year Rs. Nil) and Short Term Loans and Advances includes Rs. 2.00 Crore (Previous year Rs. 20.98 Crore including concessional loan of Rs. 18.98 Crore) to JK Paper Employees' Welfare Trust, a shareholder of the Company and loan to employees of Rs. 0.40 Crore (Previous year Rs. 0.45 Crore) in the ordinary course of business and as per service rules of the Company.
- b) Advances recoverable in cash or in kind or for value to be received under "Short Term Loan and Advances" in Note No.19 ,includes Rs.7.77 Crore (Previous Year Rs.5.22 Crore) payments made for various development projects being undertaken by the Company including in Vietnam and Myanmar .The same will be adjusted once these projects are finalised .
36. Exceptional Items for the year ended 31st March, 2014 represent gain on Derivative transactions Rs.13.30 Crore, write back of provisions for diminution in the value of investments Rs.4.53 Crore. and losses due to adverse operating parameters during stabilization period at Unit –JKPM Rs.35.32 Crore.
37. a) Pursuant to the Accounting Standard (AS 22) – 'Accounting for Taxes on Income', deferred tax (liability)/ asset at Balance Sheet date is:

	Rs. in Crore (10 million)	
	31 st March, 2014	31 st March, 2013
i) Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	(333.20)	(131.03)
ii) Tax on carry forward unabsorbed Depreciation	243.88	–
iii) Tax on Others	11.88	11.06
	(77.44)	(119.97)
iv) Share of Joint Venture	0.10	–
	(77.34)	(119.97)

- b) Based on the past performance and current plans, the Company expects to continue to generate taxable income which will enable it to utilise MAT credit entitlement.
- c) During the current year the Company has provided Current Tax Rs. 0.08 Crore (Previous year Rs. 0.02 Crore) and also reversed MAT credit Entitlement of Rs. 0.33 Crore (previous year recognized MAT credit entitlement of Rs.1.80 Crore) related to earlier years.
38. Disclosure as required under 'Related Party Disclosures' (AS 18) issued by The Institute of Chartered Accountants of India are as below:
- a) List of Related Parties
- i. Enterprise over which KMP's have significant influence
 - Habras International Limited
 - ii. Key Management Personnel (KMP)
 - Shri Harsh Pati Singhania – Vice Chairman & Managing Director
 - Shri Om Prakash Goyal – Whole-time Director

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

Sl. No.	Nature of Transactions	Rs. in Crore (10 million)	
		Enterprise over which KMP's have significant influence	
		2013-14	2012-13
(i)	Sale of Goods	8.11	9.76
(ii)	Commission on Purchase/Sales	0.40	0.42
(iii)	Outstanding at end of the period – Receivable	1.77	0.26

Key Management Personnel (KMP) :

The remuneration paid to Vice Chairman & Managing Director Rs. 3.05 Crore (Previous year Rs. 2.90 Crore) and Whole Time Director Rs. 1.78 Crore (Previous year Rs. 1.58 Crore). The remuneration paid to the Managerial Personnel by way of minimum remuneration, in terms of the appointment, exceeds the limit prescribed under Section 309(3) of the Companies Act, 1956, by Rs. 3.52 Crore, and is subject to requisite approvals from the Central Government of India. Remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

39. Earnings Per Share:

	Rs. in Crore (10 million)	
	31 st March, 2014	31 st March, 2013
a) Profit/(Loss) after tax	(74.72)	37.99
Less : Preference Dividend (including tax on Dividend– PY Rs. 8,716/-)	-	0.00
Profit/(Loss) for Basic Earnings Per Share	(74.72)	37.99
Add : Interest on Foreign Currency Convertible Bonds (Net of Tax)	7.85	-
Profit/(Loss) for Diluted Earnings per Share	(66.87)	37.99
b) Weighted average No. of Ordinary Shares		
– Basic	13,66,20,625	13,66,20,625
– Effect of Conversion Option	3,63,16,875	3,63,16,875
– Diluted	17,29,37,500	17,29,37,500
c) Nominal Value of Ordinary Share (Rs.)	10.00	10.00
d) Earnings per Ordinary Share (Rs.)		
– Basic	(5.47)	2.78
– Diluted (as anti dilutive)	(5.47)	2.20

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

For and on behalf of the Board

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

B.H. SINGHANIA
H.P. SINGHANIA
O.P. GOYAL

Chairman
Vice Chairman & Managing Director
Whole Time Director

K.S. MEHTA
Partner
Membership No. 008883
New Delhi,
the 21st May, 2014

V. KUMARASWAMY
Chief Finance Officer
S.C. GUPTA
Company Secretary

ARUN BHARAT RAM
DHIRENDRA KUMAR
M.H. DALMIA
SHAIENDRA SWARUP

SHAILESH HARIBHAKTI
UDAYAN BOSE
VINITA SINGHANIA
WIM WIENK

Directors

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST MARCH, 2014

Rs. in Crore (10 Million)

	2013-14	2012-13
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit/(Loss) before Tax and Extra-ordinary Items	(119.11)	38.12
Adjustments for :		
Depreciation	126.52	73.77
Income from Investments	(3.82)	(2.62)
(Profit)/ Loss on sale of Assets (Net)	0.25	(0.09)
Dividend Income	(0.06)	(0.30)
Finance Cost	128.53	53.76
Interest Income	(3.57)	(7.45)
Foreign Exchange Fluctuation	(5.19)	(0.04)
Premium on Forward Exchange Contracts	8.36	3.32
Assets Written off	0.27	0.01
Bad Debts	-	0.13
Provision for Doubtful Debts	1.04	1.20
Miscellaneous Expenditure Written off	-	0.13
Provision for earlier years no longer required	-	(0.94)
Operating Profit before Working Capital Changes	133.22	159.00
Adjustments for Working Capital Changes:		
Trade and Other Receivables	(37.33)	(3.94)
Inventories	(72.50)	(51.81)
Trade and Other Payables	112.94	2.27
Cash generated from Operations	136.33	105.52
Taxes paid	1.04	(14.37)
Net Cash from Operating Activities	137.37	91.15
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	(273.11)	(864.50)
Sale of Fixed Assets	5.81	1.36
Sale/(Purchase) of Investments (Net)	(68.38)	60.53
Dividend Income	0.06	0.30
Interest Received	3.50	8.68
Net Cash from Investing Activities	(332.12)	(793.63)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31st MARCH, 2014

Rs. in Crore (10 Million)

	2013-14	2012-13
C. CASH FLOW FROM FINANCING ACTIVITIES :		
Redemption of Preference Share Capital including Premium	-	(5.49)
Proceeds of Long-Term Borrowings	383.08	814.42
Repayment of Long-Term Borrowings	(170.52)	(130.87)
Proceeds/(Repayment) from Short-Term Borrowings (Net)	95.91	(7.48)
Interest and Financial Charges	(127.60)	(58.16)
Dividend (including Dividend Tax)	(7.99)	(23.84)
Net cash from Financing Activities	172.88	588.58
D. Increase/(Decrease) in Cash and Cash Equivalents		
– Cash & Bank Balance	(21.87)	(113.90)
E. Cash and Cash Equivalents as at the beginning of the year		
– Cash & Bank Balances (Note No. 17)	33.92	147.82
F. Cash and Cash Equivalents as at the close of the year		
– Cash & Bank Balances (Note No. 17)	12.05	33.92

Notes:

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

As per our report of even date

For and on behalf of the Board

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

K.S. MEHTA
Partner
Membership No. 008883

New Delhi,
the 21st May, 2014

B.H. SINGHANIA
H.P. SINGHANIA
O.P. GOYAL

ARUN BHARAT RAM
DHIRENDRA KUMAR
M.H. DALMIA
SHAIENDRA SWARUP

SHAILESH HARIBHAKTI
UDAYAN BOSE
VINITA SINGHANIA
WIM WIENK

Chairman
Vice Chairman & Managing Director
Whole Time Director

Directors



Enriching Communities. Enabling Inclusion.

Driven by the belief that a successful business can be developed only by creating prosperous communities around us, JK Paper has chosen to work in diverse areas from Education, Health, Livelihood to Women's Empowerment and Children with special needs.

These interventions are a result of an assessment of the community needs in the chosen locations. Over the years some of the interventions have become full-fledged and sustainable programmes, greatly benefitting the community.

Our CSR activities strive to aggregate development funds and projects that are available in the district development plans and acts as a catalyst in their implementation. We have successfully partnered with the local administration in skill development and job creation programmes for tribal youth.

'Nutan Gyanavardhini' is a notable example of our collaboration with the district administration, whereby children with special needs have been rehabilitated in schools. Formation of 45 SHGs through our livelihood initiatives led to creation of 596 tribal women micro-entrepreneurs. These women today are confident people with steady monthly income that goes a long way in creating happier homes with healthy children.

A major milestone has been 100 % immunization of the children leading to reduction of Infant Mortality Rate. Intensive & dedicated counselling by Community Health Facilitators (CHFs) has also resulted in 100% pregnancy registrations in the Anganwadi Centres, resulting in significant reduction in Mother Mortality Rate. The women have benefitted through safe institutional delivery and under Government's Janani Suraksha Yojana (JSY) scheme.

The Company's Adolescent Reproductive & Sexual Health (ARSH) initiative has helped in creating awareness about many issues regarding Adolescent health through comprehensive training to the tribal girls.





JK PAPER LTD.

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www.jkpaper.com

JK PAPER LIMITED



CIN: L21010GJ1960PLC018099 Website: www.jkpaper.com

Regd. Office: P.O. Central Pulp Mills - 394 660, Fort Songadh, Distt. Tapi, Gujarat

Admn. Office: Nehru House, 4 Bahdur Shah Zafar Marg, New Delhi-110 002

Phone: 011-33001132, 23311112-5 Fax: 011-23739475 E mail ID: sharesjkpaper@jkmil.com

NOTICE

NOTICE is hereby given that the Fifty Third Annual General Meeting of the Members of JK Paper Limited will be held at the Registered Office of the Company at P.O. Central Pulp Mills - 394 660, Fort Songadh, Distt. Tapi, Gujarat, on Saturday, the 27th September, 2014 at 12.30 P.M. to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2014 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration and in connection therewith to pass, with or without modification(s), the following as Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Section 139 of the Companies Act 2013 and Companies (Audit and Auditors) Rules, 2014, Messrs. S.S. Kothari Mehta & Co., Chartered Accountants, New Delhi, (Registration No. 000756N) be and are hereby appointed as Auditors of the Company for a term of three consecutive years, from the conclusion of the 53rd Annual General Meeting (AGM) till the conclusion of its 56th AGM (subject to ratification of the appointment by the members at every AGM held after this AGM) on a remuneration of Rs. 12,00,000/- p.a. (Rupees Twelve Lacs only) for the first year, excluding Service Tax as applicable and reimbursement of travelling and other out-of-pocket expenses actually incurred by the said Auditors in connection with the audit.

RESOLVED further that the Board of Directors of the Company be and is hereby authorised to fix remuneration of the said Auditors for the subsequent two years thereafter, based on the recommendations of the Audit Committee of Directors of the Company in consultation with the said Auditors and to do all acts, deeds and things as may be deemed necessary or expedient in connection therewith and incidental thereto.”

As Special Business

3. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Udayan Bose, Director of the Company (DIN: 00004533), who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 58th Annual General Meeting of the Company in the year 2019.”
4. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri M.H. Dalmia, Director of the Company (DIN: 00009529), who retires by rotation at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 58th Annual General Meeting of the Company in the year 2019.”
5. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment

thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri R.V. Kanoria, Director of the Company (DIN: 00003792), whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 58th Annual General Meeting of the Company in the year 2019.”

6. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Shailendra Swarup, Director of the Company (DIN: 00167799), whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 58th Annual General Meeting of the Company in the year 2019.”
7. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Arun Bharat Ram, Director of the Company (DIN: 00694766), whose period of office is liable to determination by retirement of directors by rotation, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 58th Annual General Meeting of the Company in the year 2019.”
8. To consider and if thought fit to pass, with or without modification(s), the following as Ordinary Resolution:
“RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri Sandip Somany, (DIN: 00053597), whose appointment as Additional Director on the Board determines on the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from the date of his appointment at this Annual General Meeting, upto the conclusion of 58th Annual General Meeting of the Company in the year 2019”.
9. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:
“RESOLVED that in supersession of the resolution passed by the Company with respect to the borrowing powers of the Board of Directors at the Extra-ordinary General Meeting held on 1st December 2010, consent of the Company be and is hereby accorded pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the “Act”), or any statutory modifications or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as “the Board”) for borrowing moneys (apart from temporary loans from time to time obtained from the Company’s Bankers in the ordinary course of business) in excess of the aggregate of paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, as the Board may, from time to time, deem necessary and/or expedient for the purpose of the Company, provided that the sum or sums so borrowed and remaining outstanding at any one time on account of principal shall not exceed in the aggregate Rs. 3,500 Crores (Rupees Three Thousand Five Hundred Crores).”
10. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:
“RESOLVED that in supersession of the resolution passed by the Company with respect to mortgaging and/or charging by the Board of Directors at the Extra-ordinary General Meeting held on 1st December 2010, consent of the Company be and is hereby accorded in terms of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act 2013 (hereinafter referred to as the “Act”), or any statutory modifications or re-enactment thereof, to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as “the Board”) to mortgage and/or charge (by way of first, second or other subservient charge as may be agreed to between the Company and the lenders and/or Debenture Trustees), all the immovable and movable properties,

present and future, pertaining to any one or more of the Company's Units and any other undertaking of the Company wheresoever situate and the whole or substantially the whole of any one or more of the said undertakings of the Company, to or in favour of any Financial Institutions, Banks and other lending Institutions or Funds, Trustees for Debentures, to secure their respective Rupee and Foreign Currency Loans or other Financial assistance lent, granted and advanced or agreed to be lent, granted and advanced to the Company or the Debentures, Bonds or other financial instruments issued and allotted or as may be issued by the Company and subscribed to or agreed to be subscribed to by such Institutions/Banks/Funds, or any other persons, of such amount or amounts not exceeding Rs. 3,500 Crores (Rupees Three Thousand Five Hundred Crores) in the aggregate on account of principal, together with interest thereon at the respective agreed rates, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the Trustees, costs, charges and other moneys payable by the Company to the respective Financial Institutions, Banks and other lending institutions and Debenture holders and/or Trustees under the Loan/Subscription Agreement(s) entered into/to be entered into by the Company in respect of the said Term Loans, Debentures or other financial instruments or assistance.

RESOLVED further that the Board be and is hereby authorized to finalise the terms and conditions with the Financial Institutions, Banks and other lending Institutions or Debenture Trustees and the documents for creating mortgage(s) and/or charge(s) as aforesaid and to do all acts, deeds and things in connection therewith and incidental thereto”.

11. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 73 & 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (the Act) and other applicable provisions, if any, of the Act or any statutory modifications or re-enactment thereof and subject to such conditions, approvals, permissions, as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company including a Committee thereof (hereinafter referred to as “the Board”) to continue to invite/ accept/ renew from time to time unsecured/ secured deposits from public and/ or Members of the Company upto permissible limits as prescribed under Rule 3(4) of the Companies (Acceptance of Deposits) Rules, 2014.

RESOLVED further that the Board be and is hereby authorised to do all such acts, deeds and things as they deem necessary and expedient in connection therewith and incidental thereto.”

12. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

“RESOLVED that pursuant to the provisions of Sections 197 and 198 read with Schedule V and the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the “Act”), as amended from time to time and subject to the approval of the Central Government and subject to such conditions and modifications as may be prescribed or imposed by the Central Government while granting such approval, the approval of the Members be and is hereby accorded to the payment of the following remuneration comprising salary, perquisites, allowances and benefits and performance linked incentive as specified in paras A, B & C below, alongwith entitlement to perquisites mentioned in paras D, E & F below, as Minimum Remuneration to Sh. Harsh Pati Singhanian, Vice Chairman and Managing Director of the Company in case of no profits or inadequacy of profits in any financial year or years, during the residual tenure of his appointment from 1st April 2014 to 31st December 2016:

- A. Salary: Rs.17 lacs p.m. with such increments as may be decided by the Board from time to time in the salary range of Rs. 15 lacs p.m. to Rs. 30 lacs p.m.
- B. Perquisites, allowances and benefits: Free furnished residential accommodation or house rent allowance in lieu thereof together with furnishings, with gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of medical expenses incurred in India or abroad including hospitalisation and surgical charges for self and family and travel relating thereto; and other perquisites, allowances and benefits including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family, fees of clubs, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the Income-tax Rules, as applicable.

C. Performance linked incentive, as may be decided by the Board from time to time.

The term "Board" as mentioned above shall include any Committee of Directors authorised by the Board.

D. Contribution to Provident Fund and Superannuation Fund or Annuity Fund, as per rules of the Company.

E. Gratuity at the rate of 15 days salary for each completed year of service.

F. Encashment of unavailed leave.

RESOLVED further that the Board of Directors of the Company including a Committee thereof as may be authorised by the Board from time to time be and is hereby authorised to take such steps as may be necessary for obtaining necessary approvals, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

13. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 197 and 198 read with Schedule V and the Rules framed thereunder and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as the "Act"), as amended from time to time and subject to the approval of the Central Government and subject to such conditions and modifications as may be prescribed or imposed by the Central Government while granting such approval, the approval of the Members be and is hereby accorded to the payment of the following remuneration comprising salary, perquisites, allowances and benefits and performance linked incentive as specified in paras A, B & C below, alongwith entitlement to perquisites mentioned in paras D, E & F below, as Minimum Remuneration to Sh. O.P. Goyal, Whole-time Director of the Company in case of no profits or inadequacy of profits in any financial year or years, during the residual tenure of his appointment from 1st April 2014 to 6th September 2015:

A. Salary : Rs.6.00 lac per month in the salary range of Rs.5.00 lac to Rs.8.00 lac per month with such increments as may be decided by the Chairman/ Vice Chairman and Managing Director of the Company from time to time.

B. Perquisites, allowances and benefits : Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car(s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman/ Vice Chairman and Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the Rules of the Company as applicable from time to time subject to any change as may be decided by the Chairman/Vice Chairman and Managing Director of the Company.

C. Performance linked incentive, as may be determined by the Chairman/Vice Chairman and Managing Director of the Company from time to time.

D. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Rules of the Company.

E. Gratuity at the rate of 15 days salary for each completed year of service.

F. Encashment of unavailed leave as per Rules of the Company.

RESOLVED further that the Board of Directors of the Company including a Committee thereof as may be authorised by the Board from time to time be and is hereby authorised to take such steps as may be necessary for obtaining necessary approvals, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

14. To consider and if thought fit to pass, with or without modification(s), the following as Special Resolution:
- “RESOLVED that pursuant to the applicable provisions of Section 188 and any other provisions of the Companies Act, 2013 and rules framed thereunder and in terms of the revised Clause 49 of the Listing Agreement with Stock Exchange (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to Sh. Shrivats Singhania, Executive, a related party, being a relative of Smt. Vinita Singhania, Director, to continue to hold an office or place of profit in the services of the Company, on being redesignated as Vice President (Market Development) of the Company on remuneration mentioned below with effect from 1st October 2014:
- A. Salary: Rs. 1.30 lac p.m. in the salary range of Rs. 1.25 lac to Rs. 4.25 lac p.m. with such increments as may be decided by the Chairman/Vice Chairman & Managing Director of the Company from time to time and with proportionate increases in all benefits related thereto.
 - B. Performance Linked Incentive as per Company’s Business Performance Linked Incentive Scheme applicable to Executives of the Company.
 - C. Free furnished residential accommodation/house rent allowance, car with driver, reimbursement of medical expenses including hospitalisation charges for self and family and travel relating thereto; and other perquisites, benefits and allowances, including telephone at residence, leave travel including foreign travel, fees of clubs, personal accident insurance, etc. as per the Rules of the Company. The perquisites shall be evaluated as per the actual cost or the Income-tax Rules, as applicable.
 - D. Contribution to provident fund and superannuation fund as per rules of the Company.
 - E. Gratuity and encashment of unavailed leave as per rules of the Company.

RESOLVED further that the Board of Directors of the Company including a Committee thereof as may be authorised by the Board from time to time, be and is hereby authorised to suitably revise his designation and the remuneration including salary range, whenever it may deem appropriate and to do all such acts, deeds and things as it may deem necessary and expedient in connection therewith and incidental thereto.”

Regd. Office:

P.O. Central Pulp Mills-394 660,
Fort Songadh, Distt. Tapi (Gujarat)
11th August 2014

By Order of the Board

Suresh Chander Gupta
Company Secretary

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.

A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. Statement pursuant to Section 102(1) of the Companies Act 2013 is annexed.
3. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
4. The Registers of Members of the Company will remain closed from 18th September 2014 to 27th September 2014 (both days inclusive).
5. In furtherance of the Go Green Initiative of the Government, electronic copy of the Annual Report for 2013-14 is being sent to all the members whose email IDs are registered with the Company/Depository Participants. Physical copy of the Annual Report for 2013-14 may be sent on request by any Member.

6. Electronic copy of the Notice of the 53rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Admission Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participants.
7. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
8. Voting through electronic means

In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Clause 35B of the Listing Agreement with the Stock Exchanges, the Company is pleased to provide members, facility to exercise their right to vote at the 53rd Annual General Meeting by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL). E-voting is optional.

The instructions for members for voting electronically are as under:-

- (i) Log on to the e-voting website www.evotingindia.com during 20th September 2014 (10.00 a.m.) to 22nd September 2014 (5.30 p.m.).
- (ii) Click on “Shareholders” tab.
- (iii) Shareholders maintaining their holding in Demat form should enter their user ID (For CDSL 16 digit beneficiary ID, For NSDL 8 character DPID followed by 8 digit Client ID). Members holding shares in Physical Form should enter Folio Number registered with the Company then enter the Characters as displayed and Click on Login.
- (iv) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted earlier for any Company, then your existing password is to be used.
- (v) If you are a first time user, follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department</p> <ul style="list-style-type: none"> • Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's after the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA12340000 in the PAN field. • Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is RA00001234.
Date of Birth or Dividend Bank Details or Number of Shares	<ul style="list-style-type: none"> • Please enter the Date of Birth or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the number of shares held by you as on 14th August 2014 in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on “**SUBMIT**” tab.
- (vii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the JK Paper Limited. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (x) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xi) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take printout of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xiv) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- (xv) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xvi) The e-voting period commences on 20th September 2014 (10.00 a.m.) and ends on 22nd September 2014 (5.30 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialize form, as on the cut off date: 14th August 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- (xvii) The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date of 14th August 2014.
- (xviii) Mr. Namo Narain Agarwal, Practising Company Secretary (Membership No. FCS-234) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (xix) The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witness not in the employment of the Company and make a Scrutinizer Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- (xx) The Results shall be declared after the AGM of the Company. The results declared along with the Scrutinizer’s Report shall be placed on the Company’s website www.jkpaper.com and on the website of CDSL within two days of passing of the resolutions at the AGM of the Company.

FOR ATTENTION OF THE SHAREHOLDERS

1. For prompt attention, requests for transfer of Equity Shares and related correspondence should be addressed to the **Company's Registrar & Share Transfer Agent (RTA): M/s MCS Ltd, F-65, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi 110 020**. For other matters, kindly write to the **Secretarial Department of the Company at Gulab Bhawan (Rear Block) 3rd Floor, 6-A, Bahadur Shah Zafar Marg, New Delhi- 110002**.
2. Please check the address including the Pin code in the address slip pasted on the envelope and advise correction, if any, therein. Also please do indicate the Pin Code number of your delivery post office while notifying change in your address to RTA.
3. Unclaimed dividends - Transfer to Investor Education and Protection Fund: Pursuant to Section 125 of the Companies Act, 2013, (Section 205 of the erstwhile Companies Act 1956), the unclaimed dividend for the financial year ended 30th June 2007 will become due for transfer to the Investor Education and Protection Fund on 12th December 2014.

Members who have not encashed their Dividend Warrants for the said financial year and subsequent years are requested to send the same for revalidation to the Secretarial Department of the Company at New Delhi.
4. Nomination: Pursuant to Section 72 of the Companies Act, 2013, individual Shareholders holding Equity Shares of the Company either singly or jointly may nominate an individual to whom all the rights in the Shares in the Company shall vest in the event of death of the sole/all joint Shareholders.
5. Dematerialisation of Shares and Liquidity: Members may in their own interest consider dematerialisation of their shareholding in the Company held in physical form. Dematerialisation facility is available both on NSDL and CDSL. Company's ISIN No. is INE789E01012.
6. Pursuant to Section 101 of the Companies Act 2013 and the Rules made thereunder, the Company is permitted to send various notices/ documents under the Companies Act 2013, to its shareholders, through electronic mode. We request the Members to support this initiative and register their E-mail addresses in respect of shares held in: (1) dematerialised mode, with their Depository Participants; and (2) physical mode with MCS Ltd. (RTA). Please quote the following particulars in the E-mail Registration Request: Folio No./ DP ID- Client ID, PAN, Name(s) of Registered Holder(s), Address, Telephone and E-mail Address (to be registered for sending future communications through E-mail) and send the same under your signature(s).
7. Shareholders may also refer to the "General Shareholders' Information" contained in the "Corporate Governance Report" forming part of the Annual Report 2013-2014.

STATEMENT UNDER SECTION 102 (1) OF THE COMPANIES ACT, 2013

Item No. 3

Shri Udayan Bose was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 21st November 2006. Shri Udayan Bose retires by rotation at this AGM. The Board of Directors of the Company has recommended appointment of Shri Udayan Bose as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Sh. Udayan Bose, aged 65 years, is a science graduate. He is a Fellow of the Chartered Institute of Bankers, U.K. and has done Advanced Management at Harvard Business School, USA. In 1985, he set up India's first Investment Bank - Creditcapital, which eventually was bought out by Lazard LLC. He was the Chairman of Creditcapital/ Lazard India (1985 - 2005) and became MD & General Partner of Lazard LLC (2001-2005). He was Advisor to the Union Bank of Switzerland (1986 - 1997). He has also served on the Advisory Board of The Economic Intelligence Unit of the Economist. Currently, Mr. Bose is also the founder Chairman of India's first Buy Out Fund, formed to control underperforming Indian cos. Recently, he joined Dubai Holding LLC.

Sh. Udayan Bose is a Director of Pritish Nandy Communications Ltd. and Creditcapital Finance Ltd. He is a Member of Audit Committee of Pritish Nandy Communications Ltd.

Shri Udayan Bose does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Udayan Bose has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri Udayan Bose is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri Udayan Bose fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter of appointment of Shri Udayan Bose as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The resolution is accordingly recommended for approval of the shareholders.

Except Shri Udayan Bose, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No. 4

Shri M.H. Dalmia was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 3rd August 2009. Shri M.H. Dalmia retires by rotation at this AGM. The Board of Directors of the Company has recommended appointment of Shri M.H. Dalmia as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Sh. M.H. Dalmia, aged 72 years, is a leading Indian businessman, from a prominent business family. He leads a number of companies with diversified interests, including cement, industrial ceramics, mechanical engineering, mining. He has held leadership positions in various Indian business associations.

He is Bachelor of Chemical Engineering from Jadavpur University (1961), Calcutta & was awarded gold medal for top rank.

Sh. Dalmia is a Director of First Capital India Ltd.. He is also the President of OCL India Ltd., a leading cement and industrial ceramics Company.

He has been past President of Indian Refractories Manufacturer's Association, Cement Manufacturer's Association (1987-89), IRMA Past President of National Council for Cement and Building Materials (1986-89), Past Chairman of Expert Committee on Direct Taxes, Associated Chambers of Commerce and Industry for almost a decade and served as arbitrator in the national level dispute between cement manufacturers and the labour unions (1987-88).

He is presently, member of the Managing Committee of the Associated Chambers of Commerce and Industry and Federation of Indian Chambers of Commerce & Industry, and member of Governing body of Dalmia Institute of Scientific and Industrial Research and permanent invitee to Mg Committee of Cement Manufacturer's Association.

Shri M.H. Dalmia does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri M.H. Dalmia has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri M.H. Dalmia is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri M.H. Dalmia fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter of appointment of Shri M.H. Dalmia as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The resolution is accordingly recommended for approval of the shareholders.

Except Shri M.H. Dalmia, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No. 5

Shri R.V. Kanoria was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 12th December 2007.

The Board of Directors of the Company has recommended appointment of Shri R.V. Kanoria as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Sh. R.V. Kanoria, aged 59 years, with an MBA (Honours) from IMD, Switzerland, and Advanced Management Programme from Wharton, USA, has four decades of experience in the fields of chemicals, textiles, jute industries and renewable energies. He was a part of the official Indian Government delegation for the WTO Inter Ministerial Meetings in Seattle and Hong Kong. He is past President of FICCI and the International Chamber of Commerce-India. He is also past Chairman of the Indian Jute Mills' Association and Confederation of Indian Textile Industry.

Sh. R.V. Kanoria is a Director of Kanoria Chemicals & industries Ltd., Kirtivardhan Finvest Services Ltd., KPL International Ltd., Ludlow Jute & Specialities Ltd., R V Investment & Dealers Ltd., Nestle India Ltd., Vardhan Limited and National Skill Development Corporation. He is a Member of Audit Committee and Stakeholders Relationship Committee of Nestle India Ltd.

Shri R.V. Kanoria does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri R.V. Kanoria has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri R.V. Kanoria is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri R.V. Kanoria fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter of appointment of Shri R.V. Kanoria as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The resolution is accordingly recommended for approval of the shareholders.

Except Shri R.V. Kanoria, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No. 6

Shri Shailendra Swarup was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 17th August 2013.

The Board of Directors of the Company has recommended appointment of Shri Shailendra Swarup as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Sh. Shailendra Swarup, aged 69 years, holds a bachelors degree in arts and is also a law graduate. He has been practicing as an Advocate in the Delhi High Court and the Supreme Court for over 40 years.

Sh. Shailendra Swarup is a Director of Gujarat Fluorochemicals Ltd., India Thermit Corporation Ltd., Subros Ltd., Bengal & Assam Company Ltd., Eros Energy Pvt. Ltd., Vis Legis Consult Pvt. Ltd., Xerox India Enterprises Pvt. Ltd., Kangaroo Properties Pvt. Ltd. and Dev Valley Devcon Pvt. Ltd. He is a Member of Audit Committee of Gujarat Fluorochemicals Ltd.

Shri Shailendra Swarup does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Shailendra Swarup has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri Shailendra Swarup is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri Shailendra Swarup fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter of appointment of Shri Shailendra Swarup as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The resolution is accordingly recommended for approval of the shareholders.

Except Shri Shailendra Swarup, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No. 7

Shri Arun Bharat Ram was appointed by the Shareholders as Director liable to retire by rotation at the Annual General Meeting (AGM) of Company held on 21st November 2006.

The Board of Directors of the Company has recommended appointment of Shri Arun Bharat Ram as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Sh. Arun Bharat Ram, aged 73 years and is an alumni of University of Michigan, USA.

He was elected President of Confederation of Indian Industry (CII) during 2000-2001 and has continued to play an important role as Chair and Member of various council of CII. He is also the Indian Co-Chairman of the Indo German Consultative Group (IGCG) which consists of eminent citizens from both the countries.

He is on the governing body of SPIC Macay, a society for the promotion of the Indian Classical Music. He has won many awards and accolades, The Jamshedji Tata Award and the Officer's Cross of the Order of Merit.

He is the Chairman of SRF Limited and a Director of DCM Shriram Ltd., SRF Holiday Home Ltd., SRF Fluorochemicals Ltd., SRF Energy Ltd. and Shri Educare Ltd. He is also Member of Shareholders/Investors Grievance Committee of SRF Ltd. and Audit Committee of DCM Shriram Ltd.

Shri Arun Bharat Ram does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Arun Bharat Ram has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri Arun Bharat Ram is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri Arun Bharat Ram fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter of appointment of Shri Arun Bharat Ram as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The resolution is accordingly recommended for approval of the shareholders.

Except Shri Arun Bharat Ram, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No. 8

Shri Sandip Somany was appointed as additional Director on the Board of the Company on 11th August 2014 and holds office upto the date of forthcoming Annual General Meeting of the Company.

The Board of Directors of the Company has recommended appointment of Shri Sandip Somany as an Independent Director for a term of 5 consecutive years from this AGM in terms of Section 149 of the Companies Act, 2013 (the Act), as mentioned in the Resolution.

Sh. Sandip Somany, aged 50 years, is the Joint Managing Director of HSIL Limited. He is graduate in Commerce from Delhi University. He has also studied Ceramic Manufacturing Technology from the University of California, USA.

Sh. Somany is the Past President of PHD Chamber of Commerce and Industry, a member of the National Executive Committee, Federation of Indian Chamber of Commerce and Industry (FICCI) and Managing Committee member of ASSOCHAM. He has been a member in various Committees of the Bureau of Indian Standards. He was also a member of the Governing Body of All India Organization of Employers.

He is member of Delhi Chapter of the Young Presidents Organization and Delhi Achievers Round Table, which are worldwide organizations.

Shri Sandip Somany does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

Shri Sandip Somany has given requisite declaration that he meets the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Act and Clause 49 of the Listing Agreement and has given his consent to act as Independent Director of the Company. Shri Sandip Somany is also not disqualified from being appointed as Director in terms of Section 164 of the Act.

In the opinion of the Board, Shri Sandip Somany fulfils the conditions specified in the Act in respect of his appointment as an Independent Director of the Company and is independent of the management.

Copy of the draft letter of appointment of Shri Sandip Somany as an Independent Director setting out the terms and conditions would be available for inspection by the Members at the Registered Office of the Company during normal business hours on any working day upto the date of AGM.

The resolution is accordingly recommended for approval of the shareholders.

Except Shri Sandip Somany, being the appointee, none of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution. This Statement may also be regarded as a disclosure under Clause 49 of the Listing agreement with the Stock Exchanges.

Item No. 9

The Company at its Extra Ordinary General Meeting held on 1st December 2010 had authorised the Board of Directors of the Company by an Ordinary Resolution passed under Section 293 (1) (d) of the Companies Act, 1956, to borrow moneys in excess of the paid-up capital of the Company and its free reserves upto an amount not exceeding Rs.2,500 Crores at any point of time.

The activities of the Company have increased significantly. To meet the increasing requirement of funds, it is considered necessary to increase the said borrowing limits to Rs.3,500 Crores. Pursuant to Section 180(1)(c) of the Companies Act 2013, the Board can exercise borrowing powers, in excess of the paid-up capital and free reserves of the Company, with the approval of Members of the Company by way of Special Resolution.

The resolution is accordingly recommended for approval of the Shareholders as a special resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item No. 10

The Company at its Extra Ordinary General Meeting held on 1st December 2010 had authorised the Board of Directors of the Company by an Ordinary Resolution passed under Section 293 (1) (a) of the Companies Act, 1956, to create mortgage and/or charge on the immovable and movable properties of the Company in favour of

lenders to secure their financial assistance not exceeding Rs.2500 Crores, in the aggregate on the account of principal, together with the interest thereon.

The activities of the Company have increased significantly. To meet the increasing requirement of funds, the Company will have to resort to further borrowings from financial and other lending institutions upto a limit of Rs.3500 Crore. As security for such borrowings, the immovable and movable properties of the Company will have to be mortgaged/charged in favour of financial and other lending institutions.

Pursuant to section 180(1)(a) of the Companies Act 2013 the Board can exercise power to create mortgage and/or charge on the immovable and movable properties of the Company, with the approval of Members of the Company by way of Special Resolution.

The resolution is accordingly recommended for approval of the Shareholders as a special resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item No. 11

The Company has been accepting public deposits as permissible under the provisions of Companies Act, 1956.

However, pursuant to the provisions of Sections 73 & 76 of the Companies Act, 2013 (the Act) read with Companies (Acceptance of deposits) Rules, 2014 applicable w.e.f. 1st April 2014, the Company is required to obtain approval of Members for inviting/accepting/ renewing deposits from the Public from that date.

The Company upon obtaining approval of the Members will comply with the said provisions of the Act including credit rating, deposit insurance etc., before inviting/accepting/renewing any deposits.

The resolution is accordingly recommended for approval of the shareholders as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company, and/or their relatives may be deemed to be concerned or interested in the proposed resolution.

Item No. 12

Shri Harsh Pati Singhania was re-appointed as Managing Director of the Company for a period of 5 years from 1st January 2012 to 31st December 2016, and his terms of remuneration were approved, by means of a Special Resolution of the Shareholders at the Annual General Meeting held on 13th August 2012, for a period of five years w.e.f. 1st January 2012 to 31st December 2016, which provided that in the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act, 1956, in any financial year or years, the remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved therein, be paid as minimum remuneration to him for a period not exceeding three years in the aggregate subject to requisite approvals under the Companies Act, 1956.

The Company has paid to him minimum remuneration for the three Financial Years ended March 2012, March 2013 & March 2014, after obtaining approvals of the Central Government for Financial Years ended March 2012 & March 2013 and has submitted its application to Central Government for Financial Year ended March 2014 in this regard.

He became Vice Chairman & Managing Director of the Company w.e.f. 21st May 2013.

Pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 (the Act), in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration upto the ceiling limits as specified in Schedule V and the Members' approval by way of a special resolution has been passed for payment of remuneration for a period not exceeding 3 years. Any remuneration paid/to be paid to the Executive Directors in excess of the prescribed limits shall be subject to the approval of the Central Government.

It is now proposed to obtain Members approval by way of Special Resolution for the payment of minimum remuneration, if the Company has no profits or its profits are inadequate, to Sh. Harsh Pati Singhania, Vice Chairman & Managing Director of the Company, during the residual tenure of his appointment from 1st April 2014 to 31st December 2016.

The Board of Directors at its meeting held on August 11, 2014, on the recommendation of Nomination and Remuneration Committee of Directors at its meeting held on August 11, 2014, accorded its approval to the above and in the interest of the Company, has recommended the aforesaid special resolution as set out in this Notice for approval of the Members.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

I. General Information

- (i) Nature of Industry: Paper
- (ii) Date or expected date of commencement of commercial production : The Commercial production of Pulp in the Company (formerly the Central Pulp Mills Ltd) was started on 1st October 1968.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable.
- (iv) Financial performance based on given indicators :

Particulars for the financial year ended 31 st March 2014	Rs. In Crore
Total Revenue	1752.63
Profit before Interest, Depreciation and Tax (PBITD)	138.51
Profit/(Loss) before tax	(122.94)
Profit/(Loss) after Tax	(77.19)

- (v) Foreign investments or collaborations, if any: Not Applicable

II. Information about the appointee

(i) Background Details

- 1.1 Shri Harsh Pati Singhania (aged 52 years), a commerce graduate from the Calcutta University, holds an MBA degree from the University of Massachusetts, USA (1986) and is an alumnus of the Harvard Business School, USA. Shri Singhania worked in Jute, Office Products and Polyester businesses before joining JK Corp Ltd. (now JK Lakshmi Cement Ltd.) as Senior Executive in 1989. In 1992, he was appointed as Whole-time Director and in 1997 as Dy. Managing Director of the said Company. He was looking after the overall operations of JK Paper Mills besides being involved in corporate activities of this Company. With his endeavours, JK Paper Mills (which is now a unit of JK Paper Limited) was the first Paper Mill in the country to have received ISO 9001 and ISO 14001 certifications. JK Paper Mill was also adjudged as the greenest Paper Mill in 1999 in the country.
- 1.2 Sh. Singhania was the Managing Director of JK Paper Ltd. since January 2002 and became Vice Chairman & Managing Director of the Company w.e.f. 21st May 2013. He also oversees group's Dairy business and other corporate activities. He is also Director of J.K. Fenner (India) Limited, Bhopal Udyog Ltd and other companies.
- 2. Shri Singhania was the first and the youngest ever President of the "Indian Paper Manufacturers Association". He also served on several statutory bodies relating to Pulp and Paper Industry at the national level. Sh. Singhania was President of FICCI and ICC India (International Chamber of Commerce- India).He is currently serving as a Member/ Managing Committee Member of FICCI, ICC (India), Indian Paper Manufacturers Association, UK-India Business Leaders Climate Group, Indo-French CEO Forum, Indian Government-Industry Task Force, Central Pulp & Paper Research Institute, Board of Governors of International Management Institute, Board of Management - JK Lakshmi Pat University and Pushpawati Singhania Research Institute for Liver, Renal & Digestive Diseases (PSRI), Chairman for Development Council for Pulp & Paper Industry (Govt. of India) (2001-02; 2010-11, 2012-13), India Pakistan Joint Business Forum, India Myanmar Joint Trade & Investment Forum and India-China CEOs Forum.

(ii) Past Remuneration (for last three years):

From	To	Salary (in Rs.)	Perquisites and allowances (in Rs.)	Other and including retirals (in Rs.)	Total (in Rs.)
01/04/2013	31/03/2014	2,04,00,000	45,76,132	55,08,000	3,04,84,132
01/04/2012	31/03/2013	1,95,00,000	42,31,351	52,65,000	2,89,96,351
01/04/2011	31/03/2012	1,74,00,000	44,58,467	46,98,000	2,65,56,467

(iii) **Recognition or Awards**

Under the dynamic leadership of Vice-Chairman and Managing Director, the Company was awarded the undermentioned awards at various esteemed forums:

Unit - JKPM has been awarded the following:

- Green Manufacturing Excellence Award-2013 from Frost & Sullivan.
- National Safety Award-2011 for outstanding performance in industrial safety.
- Golden Peacock Environment Management-2013.
- Greentech Award-2013 for outstanding achievement in Safety.
- Appreciation for Good practices in Quality Systems by FICCI.

Unit - CPM has been awarded the following:

- Greentech Safety Gold Award-2013.
- Greentech HR Silver Award-2013 for outstanding achievement in paper sector.
- World CSR Congress Best Sustainability Award-2013.
- IPMA Award-2013 for Energy Conservation.
- Greentech Environment Gold Award- 2013.

(iv) **Job Profile and his suitability** : Shri Harsh Pati Singhania, Vice Chairman and Managing Director of the Company is vested with substantial powers of management subject to the control, direction and superintendence of the Board of Directors of the Company.

He is also involved in strategy, long term development and overseeing operations of the Company, besides Corporate Governance.

(v) **Remuneration proposed** : The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 11th August 2014 have recommended, subject to requisite approvals, the payment of the following remuneration comprising salary, perquisites, allowances and benefits and performance linked incentive as specified in paras A, B & C below, alongwith entitlement to perquisites mentioned in paras D, E & F below, as Minimum Remuneration to Sh. Harsh Pati Singhania, Vice Chairman and Managing Director of the Company in case of no profits or inadequacy of profits in any financial year or years, during the residual tenure of his appointment from 1st April 2014 to 31st December 2016 : -

- A. Salary: Rs.17 lacs p.m. with such increments as may be decided by the Board from time to time in the salary range of Rs. 15 lacs p.m. to Rs. 30 lacs p.m.
- B. Perquisites, allowances and benefits: Free furnished residential accommodation or house rent allowance in lieu thereof together with furnishings, with gas, electricity, water and other amenities, car(s) with driver(s), reimbursement of medical expenses incurred in India or abroad including hospitalisation and surgical charges for self and family and travel relating thereto; and other perquisites, allowances and benefits

including but not restricted to reimbursement of expenses on servants, telephones, leave travel including foreign travel for self and family, fees of clubs, personal accident insurance, etc. and any other perquisites, allowances and benefits as may be sanctioned by the Board from time to time. The perquisites shall be evaluated as per actual cost or the Income-tax Rules, as applicable.

C. Performance linked incentive, as may be decided by the Board from time to time.

The term "Board" as mentioned above shall include any Committee of Directors authorised by the Board.

D. Contribution to Provident Fund and Superannuation Fund or Annuity Fund, as per rules of the Company.

E. Gratuity at the rate of 15 days salary for each completed year of service.

F. Encashment of unavailed leave.

(vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The Remuneration Committee of Directors (now reconstituted as Nomination and Remuneration Committee of Directors) of the Company had, while recommending the said minimum remuneration of Shri Harsh Pati Singhania took into the account the financial position of the Company and the trends in industry, position of paper industry and the Company, qualification, experience, responsibilities, past performance, past remuneration etc. and remuneration drawn by managerial persons in the industry.

(vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Shri Harsh Pati Singhania does not have any pecuniary relationship with the Company or with the managerial personnel.

III. **Other Information:**

(i) Reasons of loss or inadequate profits: The prolonged slowdown in economic activity, excess supply, higher wood cost and rupee depreciation have impacted the operating profit margin of all the players in the paper industry including the Company. This has resulted in substantial fall in the profitability in the Company primarily on account of extraneous factors on which the Company does not have much control.

(ii & iii) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms : The Company continued its growth journey through expansions and setting up of new projects during the last several years. The Company set up a packaging board plant at Unit CPM, which was commissioned in October 2007, with an installed capacity of 60,000 t.p.a., which now has been increased to 90,000 t.p.a., and is equipped with contemporary technology sourced from global leaders in the paper board machinery sector.

The recent expansion at Unit JKPM by setting up of new pulp mill of 2,15,000 TPA, 1,65,000 TPA paper machine and a 55 MW captive power plant along with other necessary utilities which has enhanced the Company's annual capacity from the current 2,90,000 tonnes to 4,55,000 tonnes per annum was commenced on 30th August 2013 with a capital investment of Rs. 1,775 crore (excluding notional losses on forex loans). This will lead to substantial volume growth & operational efficiencies.

The Company has undertaken several initiatives like improvement of efficiency parameters, cost reduction and building a formidable branding position, which is likely to hold the Company in good stead for coming many years.

Sh. Harsh Pati Singhania is holding 1,31,250 equity shares of the Company.

The Resolution is accordingly recommended for approval of the Shareholders as a Special Resolution.

None of the Directors except Shri Harsh Pati Singhania and Shri Bharat Hari Singhania, Chairman, being his relative, Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the proposed Resolution.

Item No. 13

Shri O.P.Goyal was re-appointed as Whole-time Director of the Company for a period of 3 years from 7th September 2012 to 6th September 2015, and his terms of remuneration were approved, by means of a Special Resolution of the Shareholders at the Annual General Meeting held on 13th August 2012, which provided that in the event of inadequacy or absence of profits under Sections 349 and 350 of the Companies Act, 1956, in any financial year or years, the

remuneration comprising salary, performance linked incentive, perquisites, allowances and benefits, as approved therein, be paid as minimum remuneration to him subject to requisite approvals under the Companies Act, 1956.

The Company has paid minimum remuneration for the three Financial Years ended March 2012, March 2013 & March 2014, after obtaining approvals of the Central Government for Financial Years ended March 2012 & March 2013 and has submitted its application to Central Government for Financial Year ended March 2014 in this regard.

Pursuant to the provisions of Section 197 read with Schedule V of the Companies Act, 2013 (the Act), in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of the Act, the Company may pay such remuneration upto the ceiling limits as specified in Schedule V and the Members' approval by way of a special resolution has been passed for payment of remuneration for a period not exceeding 3 years. Any remuneration paid/to be paid to the Executive Directors in excess of the prescribed limits shall be subject to the approval of the Central Government.

It is now proposed to obtain Members approval by way of Special Resolution for the payment of minimum remuneration, where the Company has no profits or its profits are inadequate to Sh. O.P.Goyal, Whole-time Director, during the residual tenure of his appointment from 1st April 2014 to 6th September 2015.

The Board of Directors at its meeting held on August 11, 2014 on the recommendation of Nomination and Remuneration Committee of Directors at its meeting held on August 11, 2014, accorded its approval to the above and in the interest of the Company has recommended the aforesaid special resolution as set out in this Notice for approval of the Members.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

I. General Information

- (i) Nature of Industry: Paper
- (ii) Date or expected date of commencement of commercial production : The Commercial production of Pulp in the Company (formerly the Central Pulp Mills Ltd) was started on 1st October 1968.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not applicable.
- (iv) Financial performance based on given indicators :

Particulars for the financial year ended 31 st March 2014	Rs. In Crore
Total Revenue	1752.63
Profit before Interest, Depreciation and Tax (PBIDT)	138.51
Profit/(Loss) before tax	(122.94)
Profit/(Loss) after Tax	(77.19)

- (v) Foreign investments or collaborations, if any: Not Applicable

II. Information about the appointee

(i) Background Details

- I.1 Shri O.P. Goyal (aged 71 years), a Chartered Accountant was re-appointed as Whole-time Director of the Company for a period of 3 years from 7th September 2012, with due approvals of the Remuneration Committee (now reconstituted as Nomination and Remuneration Committee w.e.f. 21st May 2014), Board of Directors and of the Shareholders at the Annual General Meeting held on 13th August 2012. Sh. Goyal has almost five decades of wide-ranging professional experience in paper and cement industry, spanning various functional areas as Senior Executive/Director of companies, including 17 years in Kesoram Industries Ltd. and Century Textiles & Industries Ltd. Sh. Goyal joined JK Paper division of Straw Products Ltd. (now JK Lakshmi Cement Ltd.) as General Manager in the year 1987. After holding various senior positions in the Company, Mr. Goyal was elevated to the position of Whole-time Director of JK Paper Ltd. in September 2001.

1.2 He has been instrumental in turning around the erstwhile The Central Pulp Mills Ltd. (now Unit-CPM of JK Paper Ltd.) which was taken over as a sick Company through BIFR by JK Group Companies in 1992. He is presently responsible for matters relating to overall strategy, fund raising and growth plans of the Company. He has recently successfully implemented the new Expansion Project of the Company with an project cost of Rs.1775 crore (excluding notional losses on forex loans) at Unit JKPM, Orissa, which has increased the Company's annual capacity from 2.90 lac tpa to 4.55 lac tpa.

Shri Goyal is also Director of Shiva Cement Ltd., JK Enviro-Tech Ltd. and other companies.

(ii) **Past Remuneration** (for last three years):

From	To	Salary (in Rs.)	Perquisites and allowances (in Rs.)	Other including retirals (in Rs.)	Total (in Rs.)
01/04/2013	31/03/2014	72,00,000	86,97,269	19,44,000	1,78,41,269
01/04/2012	31/03/2013	68,10,000	71,02,572	18,38,700	1,57,51,272
01/04/2011	31/03/2012	56,50,000	71,43,838	15,25,500	1,43,19,338

(iii) **Recognition or Awards**

Under the dynamic leadership of the Whole Time Director, the Company was awarded the undermentioned awards at various esteemed forums:

Unit - JKPM has been awarded the following;

- Green Manufacturing Excellence Award-2013 from Frost & Sullivan.
- National Safety Award-2011 for outstanding performance in industrial safety.
- Golden Peacock Environment Management-2013.
- Greentech Award-2013 for outstanding achievement in Safety.
- Appreciation for Good practices in Quality Systems by FICCI.

Unit - CPM has been awarded the following;

- Greentech Safety Gold Award-2013.
- Greentech HR Silver Award-2013 for outstanding achievement in paper sector.
- World CSR Congress Best Sustainability Award-2013.
- IPMA Award-2013 for Energy Conservation.
- Greentech Environment Gold Award- 2013.

(iv) **Job Profile and his suitability:** Shri O.P. Goyal, Whole-time Director of the Company is vested with powers of management subject to the control, direction and superintendence of the Board of Directors, the Chairman and the Vice Chairman and Managing Director of the Company.

The Company has grown manifold during the last decade and his responsibilities have increased substantially with the growth of the Company

(v) **Remuneration proposed :** The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 11th August 2014 have recommended, subject to requisite approvals, the payment of the following remuneration comprising salary, perquisites, allowances and benefits and performance linked incentive as specified in paras A, B & C below, alongwith entitlement to perquisites mentioned in paras D, E & F below, as Minimum Remuneration to Sh. O.P.Goyal, Whole-time Director of the Company in case of no profits or inadequacy of profits in any financial year or years, during the residual tenure of his appointment from 1st April 2014 to 6th September 2015 : -

- A. Salary : Rs.6.00 lac per month in the salary range of Rs.5.00 lac to Rs.8.00 lac per month with such increments as may be decided by the Chairman/ Vice Chairman and Managing Director of the Company from time to time.

- B. Perquisites, allowances and benefits : Perquisites comprising provision of residential accommodation or house rent allowance in lieu thereof together with furnishings, reimbursement of medical expenses incurred including hospitalization and surgical charges for self and family and travel relating thereto and leave travel including foreign travel for self and family, club fees, premium on personal accident insurance, car(s) with driver, telephone etc., and such other perquisites, benefits and allowances as may be decided by the Chairman/Vice Chairman and Managing Director of the Company. The perquisites shall be evaluated as per the actual cost or Income-tax Rules, as applicable.

The above perquisites, allowances and benefits will be as per the schemes, policies and the Rules of the Company as applicable from time to time subject to any change as may be decided by the Chairman/Vice Chairman and Managing Director of the Company.

- C. Performance linked incentive, as may be determined by the Chairman/Vice Chairman and Managing Director of the Company from time to time.
- D. Contribution to Provident Fund, Superannuation Fund or Annuity Fund as per Rules of the Company.
- E. Gratuity at the rate of 15 days salary for each completed year of service.
- F. Encashment of unavailed leave as per Rules of the Company.
- (vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The Remuneration Committee of Directors (now reconstituted as Nomination and Remuneration Committee of Directors) of the Company had, while recommending the said minimum remuneration of Shri O.P.Goyal took into the account the financial position of the Company and the trends in industry, position of paper industry and the Company, qualification, experience, responsibilities, past performance, past remuneration etc. and remuneration drawn by managerial persons in the industry.
- (vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Shri O.P.Goyal does not have any pecuniary relationship with the Company or with the managerial personnel.

III. **Other Information:**

(i) Reasons of loss or inadequate profits: The prolonged slowdown in economic activity, excess supply, higher wood cost and rupee depreciation have impacted the operating profit margin of all the players in the paper industry including the Company. This has resulted in substantial fall in the profitability in the Company primarily on account of extraneous factors on which the Company does not have much control.

(ii & iii) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms: The Company continued its growth journey through expansions and setting up of new projects during the last several years. The Company set up a packaging board plant at Unit CPM, which was commissioned in October 2007, with an installed capacity of 60,000 t.p.a., which now has been increased to 90,000 t.p.a. and is equipped with contemporary technology sourced from global leaders in the paper board machinery sector.

The recent expansion at Unit JKPM by setting up of new pulp mill of 2,15,000 TPA, 1,65,000 TPA paper machine and a 55 MW captive power plant along with other necessary utilities which has enhanced the Company's annual capacity from the current 2,90,000 tonnes to 4,55,000 tonnes per annum was commenced on 30th August 2013 with a capital investment of Rs. 1,775 crore (excluding notional losses on forex loans). This will lead to substantial volume growth & operational efficiencies.

The Company has undertaken several initiatives like improvement of efficiency parameters, cost reduction and building a formidable branding position, which is likely to hold the Company in good stead for coming many years.

Sh. O.P.Goyal is holding 3,692 equity shares of the Company.

The Resolution is accordingly recommended for approval of the Shareholders as a Special Resolution.

None of the Directors except Sh. O.P Goyal, Key Managerial Personnel of the Company and their relatives, may be deemed to be concerned or interested in the proposed Resolution.

Item No. 14

The members at the Annual General Meeting of the Company held on 8th August 2011 had accorded their consent by a special resolution in terms of Section 314 of the Companies Act, 1956, to Sh. Shrivats Singhania holding an office or place of profit, as an Executive of the Company, w.e.f from 1st September 2011 on a remuneration not exceeding Rs. 2.50 lacs per month comprising of salary, perks, benefits and allowances.

Sh. Shrivats Singhania is B.Sc. in Business and Management Studies from Bradford University, U.K. He has around 7 years executive experience and is presently working as an Executive of the Company. He is looking after various operations of the Company with main focus on market development and new value added products.

Sh. Shrivats Singhania is a relative of Smt. Vinita Singhania, Director of the Company.

The Board of Directors at their meeting held on 11th August 2014, on the recommendation of Nomination and Remuneration Committee of Directors at its meeting held on August 11, 2014, has recommended his redesignation as Vice President (Market Development) alongwith revision of his remuneration w.e.f. 1st October 2014, subject to consent of shareholders by a special resolution.

Under the provisions of Section 188 of Companies Act, 2014 and Rule 15 (3) of Companies (Meetings of Board and its Powers) Rules, 2014, consent of shareholders by means of a Special Resolution is necessary to Sh. Shrivats Singhania, being related party for appointment to any office or place of profit in the Company on a monthly remuneration exceeding Rs.2.50 lac.

The key details as required under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are as below:

1. Name of the related party - Sh. Shrivats Singhania.
2. Name of the directors or Key Managerial personnel who is related, if any - Smt. Vinita Singhania, Director.
3. Nature of Relationship – Sh. Shrivats Singhania is son of Smt. Vinita Singhania, Director.
4. Nature, material terms, monetary value and particulars of the contract or arrangement:
Sh. Shrivats Singhania, executive is proposed to be redesignated as Vice President (Market Development) of the Company w.e.f. 1st October 2014 on the remuneration given below:
 - A. Salary: Rs. 1.30 lac p.m. in the salary range of Rs. 1.25 lac to Rs. 4.25 lac p.m. with such increments as may be decided by the Chairman/the Vice Chairman & Managing Director of the Company from time to time and with proportionate increases in all benefits related thereto.
 - B. Performance Linked Incentive as per Company's Business Performance Linked Incentive Scheme applicable to Executives of the Company.
 - C. Free furnished residential accommodation/house rent allowance, car with driver, reimbursement of medical expenses including hospitalisation charges for self and family and travel relating thereto; and other perquisites, benefits and allowances, including telephone at residence, leave travel including foreign travel, fees of clubs, personal accident insurance, etc. as per the Rules of the Company. The perquisites shall be evaluated as per the actual cost or the Income-tax Rules, as applicable.
 - D. Contribution to provident fund and superannuation fund as per rules of the Company.
 - E. Gratuity and encashment of unavailed leave as per rules of the Company.
5. Any other information relevant or important for the members to make a decision on the proposed resolution - None.

The resolution is accordingly recommended for approval of the shareholders as a Special Resolution.

None of the Directors except Smt. Vinita Singhania, being his relative, Key Managerial Personnel of the Company and their relatives may be deemed to be concerned or interested in the proposed Resolution.

Regd. Office:

P.O. Central Pulp Mills-394 660,
Fort Songadh, Distt. Tapi (Gujarat)
11th August 2014

By Order of the Board

Suresh Chander Gupta
Company Secretary

JK PAPER LIMITED



CIN: L21010GJ1960PLC018099 Website: www.jkpaper.com

Regd. Office: P.O. Central Pulp Mills – 394 660, Fort Songadh, Distt. Tapi, Gujarat

Admn. Office: Nehru House, 4 Bahdur Shah Zafar Marg, New Delhi-110 002

Phone: 011-33001132, 23311112-5 Fax: 011-23739475 E mail ID: sharesjkpaper@jkmmail.com

ADMISSION SLIP

Folio No.	DP ID #
No. of Shares held	Client ID #

I hereby record my presence at the 53rd Annual General Meeting of the Company being held at P.O. Central Pulp Mills – 394660, Fort Songadh, Distt. Tapi, Gujarat on Saturday, the 27th September, 2014 at 12.30 P.M.

Name of the Member (in block letters)
Name of the Proxy-holder/ Authorised representative* (in block letters)

* Strike out whichever is not applicable.

Applicable for investors holding shares in dematerialised form.

Signature of the Member/Proxy/Authorised representative*

- Notes: 1. A Member/Proxy/Authorised representative wishing to attend the meeting must complete this Admission Slip before coming to Meeting and hand it over at the entrance.
2. If you intend to appoint a proxy, please complete, stamp, sign and deposit the Proxy Form given below at the Company's Registered Office at least 48 hours before the time fixed for the Meeting.

JK PAPER LIMITED



CIN: L21010GJ1960PLC018099 Website: www.jkpaper.com

Regd. Office: P.O. Central Pulp Mills – 394 660, Fort Songadh, Distt. Tapi, Gujarat

Admn. Office: Nehru House, 4 Bahdur Shah Zafar Marg, New Delhi-110 002

Phone: 011-33001132, 23311112-5 Fax: 011-23739475 E mail ID: sharesjkpaper@jkmmail.com

PROXY FORM

Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014.

Name of the member(s):	
Registered Address:	
E-Mail ID:	
Folio No./DPID/Client ID:	

I /Webeing the member(s) of JK Paper Limited, holding shares hereby appoint :

- (1) Name:----- Address: -----
E Mail ID: ----- Signature: ----- or falling him;
- (2) Name: ----- Address: -----
E Mail ID: ----- Signature: ----- or falling him;
- (3) Name:----- Address: -----
E Mail ID: ----- Signature: -----

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 53rd Annual General Meeting of the Company to be held on Saturday, the 27th September 2014 at 12.30 P.M. at P.O. Central Pulp Mills – 394660, Fort Songadh, Distt. Tapi, Gujarat and at any adjournment thereof in respect of the resolutions as are indicated below:

Resolution Number	Resolution
ORDINARY BUSINESS	
1	Adoption of audited Financial Statements for the financial year ended 31 st March 2014 and Report of the Board of Directors and Auditors thereon.
2	Appointment of M/s S.S. Kothari Mehta & Co., Chartered Accountants, as Auditors of the Company and fixing their remuneration.
SPECIAL BUSINESS	
3	Appointment of Shri Udayan Bose as an Independent Director.
4	Appointment of Shri M.H. Dalmia as an Independent Director.
5	Appointment of Shri R.V. Kanoria as an Independent Director.
6	Appointment of Shri Shailendra Swarup as an Independent Director.
7	Appointment of Shri Arun Bharat Ram as an Independent Director.
8	Appointment of Shri Sandip Somany as an Independent Director.
9	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money up to Rs. 3,500 Crores.
10	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for creation of charge/mortgage on the properties of the Company to secure the borrowing up to Rs. 3,500 Crores.
11	Special Resolution under Sections 73 & 76 of the Companies Act, 2013 for approval of acceptance of deposits by the Company.
12	Special Resolution under Sections 197 & 198 of the Companies Act, 2013 for approval of minimum remuneration to Vice Chairman & Managing Director.
13	Special Resolution under Sections 197 & 198 of the Companies Act, 2013 for approval of minimum remuneration to Whole-Time Director.
14	Special Resolution under Section 188 of the Companies Act, 2013 regarding redesignation and remuneration of Shri Shrivats Singhania, a related party.

Signed this _____ Day of _____ 2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix
revenue
stamp

- Notes:**
- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting. A Proxy need not be a member of the Company.
 - A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the company. A member holding more than 10% of the total share capital of the company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.