

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 Bahadur Shah Zafar Marg, New Delhi - 110 002
Phone : 011-33001132, 23311112-5 E mail ID: sharesjkpaper@jkmall.com

NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of Companies (Management and Administration) Rules, 2014]

TO THE SHAREHOLDERS OF THE COMPANY

NOTICE is hereby given to the shareholders of JK Paper Limited (the "Company") that the resolution appended below is proposed to be passed by the Shareholders through Postal Ballot/Electronic voting (e-voting) as Special Resolution, in accordance with the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred as "the said Act") read with the Companies (Management and Administration) Rules, 2014 (hereinafter referred as "the Rules") including any statutory modification(s) or re-enactment(s) thereof for the time being in force.

AS SPECIAL BUSINESS

Appointment of Shri A.S.Mehta as President & Director of the Company

To consider, and if thought fit, to give assent or dissent to the following Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 198 and Schedule V and other applicable provisions, if any, of the Companies Act 2013 or any statutory modification(s) or re-enactment(s) thereof ("the said Act"), the appointment of Shri A.S.Mehta, as President & Director of the Company from 1st October 2018 till 31st March 2022, be and is hereby approved on the terms of remuneration as set out in the Statement pursuant to Section 102(1) of the Companies Act, 2013, annexed hereto which shall be deemed to form part hereof, and in the event of inadequacy or absence of profits under Sections 197 and 198 of the said Act in any financial year or years, the remuneration comprising salary, perquisites, allowances, benefits and performance linked incentive, as approved herein, be paid as minimum remuneration to the said President & Director, for a period not exceeding three years in the aggregate subject to the requisite approvals under the said Act.

RESOLVED further that the Chairman and the Vice Chairman and Managing Director of the Company be and are hereby authorised severally to determine and recommend the variation and/or revision of the remuneration of the said President & Director within the overall limits approved herein and to settle any question or difficulty in connection therewith or incidental thereto."

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

Date: 20th August 2018

By Order of the Board
For JK Paper Limited

Suresh Chander Gupta
Vice President & Company Secretary

NOTES:

1. Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the Resolution is annexed herewith.
2. Pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Management and Administration) Rules, 2014, assent or dissent of the Members in respect of the resolution contained in the Notice dated 20th August 2018 is being taken through Postal Ballot/E-voting.
3. The Company has appointed Mr. Namo Narain Agarwal, Practising Company Secretary (Membership No. FCS-234), as the Scrutinizer for conducting the Postal Ballot / E-voting in a fair and transparent manner.
4. The Notice is being sent to all the Members / Beneficiaries, whose names appear in the Register of Members / Record of Depositories as on 7th August 2018.
5. In furtherance of the Go Green Initiative of the Government, Postal Ballot Notice along with Postal Ballot Form is being sent to all the Members through e-mail, whose e-mail-ids are registered with the Company / Depository Participants and to all other members by post/courier along with Postal Ballot Form.
6. In compliance with the provisions of Section 108 and 110 of the Act, read with the Companies (Management and Administration) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer E-voting facility as an option to all the Members, to enable them to cast their votes electronically instead of dispatching Postal Ballot Forms. E-voting is optional for Members.
7. Please note that Members can opt for only one mode of voting i.e., through Postal Ballot or E-voting. In case of voting by both the modes, voting done through E-voting shall prevail and Postal Ballot Form of such Member will be ignored.
8. Members who have been sent this Notice electronically and who do not wish to avail e-voting facility organized by the Company through Central Depository Services (India) Ltd., can download the same from the website of the Company at www.jkpaper.com or may send a request to VP & Company Secretary, JK Paper Limited, Secretarial Department, Gulab Bhawan, (Rear Block - 3rd Floor), 6A, B.S.Z. Marg, New Delhi-110002, or send e-mail at sharesjkpaper@jkmil.com, for obtaining the Postal Ballot Notice and Postal Ballot Form in physical form.
9. There will be one Postal Ballot Form/E-voting for every Folio/Client ID irrespective of the number of joint holders.
10. Voting Rights in the Postal Ballot cannot be exercised by a proxy.
11. Members are requested to carefully read the instructions printed on the Postal Ballot Form (appended hereto), record their assent (for) or dissent (against) therein by filling necessary details and affixing their signature at the designated place in the Form and send the same duly completed in the enclosed Stamped Self-Addressed Envelope so as to reach the Scrutinizer by 5.00 P.M. on or before 28th September 2018, being the last date for receipt of Postal Ballot Forms. The Postal Ballot Forms received after this date will be treated as if the reply from the Member has not been received.
12. The Scrutinizer will submit his report to the Chairman after the completion of scrutiny of the Postal Ballot Forms (including E-voting) on or before 29th September 2018.
13. The Scrutinizer's decision on the validity of a Postal Ballot/E-voting will be final.
14. The Chairman and in his absence any Director/officer of the Company authorised by the Chairman will declare/ announce the result of the Postal Ballot/E-voting on or before 30th September 2018. The Resolution of Postal Ballot/E-voting shall be deemed to have been passed on 28th September 2018, being the last date for receipt of duly completed postal ballot forms or e-voting.
15. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company at www.jkpaper.com and on the website of CDSL and communicated to BSE Ltd. and National Stock Exchange of India Ltd.

16. All the documents referred to in the Notice and Statement pursuant to Section 102 of the Companies Act, 2013, shall be open for inspection by the Members at the Registered Office / Administrative Office of the Company on any working day between 2.00 P.M. to 4.00 P.M. upto the date of declaration of the result of Postal Ballot.

The instructions for remote e-voting are as under:

- (i) The voting period begins on 29th August 2018 from 10:00 AM and ends on 28th September 2018 at 5:00 PM. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut off date i.e., 7th August 2018 may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders / Members.
- (iv) Now Enter your User ID
 - (a) For CDSL : 16 digits beneficiary ID.
 - (b) For NSDL : 8 Character DP ID followed by 8 Digits Client ID.
 - (c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) 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 (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on sticker pasted on the envelope of this Notice.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

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

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for JK Paper Limited.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Window phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholder and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (FAQs) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com. The contact details of official responsible to address grievances connected with remote e-voting are Shri Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai – 400013.; Phone No. 1800225533 or write an email to helpdesk.evoting@cdslindia.com.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The Board of Directors of the Company, on the recommendation of Nomination and Remuneration Committee of Directors at their respective meetings held on 31st July 2018, accorded its approval for appointment of Shri A.S.Mehta as President & Director of the Company from 1st October 2018 till 31st March 2022 and his remuneration as detailed hereunder, for the said period including minimum remuneration in case of absence or inadequacy of profits in any financial year or years for a period not exceeding three years in aggregate in terms of Sections 196, 197 and 198 read with Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof ("the Act") and has recommended the 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 2018	Rs. In Crore
Income from Operations	3,069.68
Profit before Interest, Depreciation and Tax (PBIDT)	639.10
Profit before Depreciation and Tax (PBDT)	496.08
Profit after Tax (PAT)	260.14

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

II. Information about the appointee

- (i) Background details : Shri A. S. Mehta took over as President, JK Paper Ltd. in October 2011. His association with JK Organisation is over 30 years now. He has held several senior positions in JK Tyre & Industries Ltd. He has held various positions in the field of Finance, Accounts, Taxation, Internal Audit and Corporate Law before taking over as Marketing Director with JK Tyre & Industries Ltd. As Head of Marketing & Sales of a leading tyre manufacturer, Shri Mehta spearheaded 700 strong Marketing, Sales & Service team across the country located at over 130 locations catering to diverse business segments of OEM/Govt. and STUs. The entire team and a 4000 strong dealer network were nurtured under Shri Mehta's stewardship. He was instrumental in several marketing initiatives of the Tyre business and the Company grew manifold under his leadership.

Well recognized in the Tyre Industry, Shri Mehta was involved with industry platforms including Automotive Tyre Manufacturers' Association (ATMA), the apex body of the Tyre Industry in India.

A Fellow Chartered Accountant with all India merit, Shri Mehta has an extensive experience of over 35 years. He has also contributed to major initiatives taken by JK Organisation mainly on mergers and acquisitions, quality certification, corporate governance, cost compression, competency assessments, financial control systems and employee policies etc.

He is Vice President of the Apex Industry Body, Indian Paper Manufacturers Association (IPMA) and is also the Chairman for the Commercial and Taxation Committee. He is recognised as one of the key spokesperson for the Indian Paper Industry and works closely with various Government bodies towards policy changes and improvement for the industry.

Shri A. S. Mehta is on the board of JK Agri Genetics Ltd., Florence Investech Ltd., Bhopal Udyog Ltd. and Ultima Finvest Ltd., and various Trusts and Research bodies. He is also engaged in various Employee Engagement and Customer Satisfaction programmes.

Entirely a people's man and HR driven, his vision in life is to give Happiness to all those who are associated with him.

- (ii) Past Remuneration : The existing remuneration of Shri Mehta, is as under :

- A. Salary : Rs. 10 lac per month in the salary range of Rs. 4 lac per month to Rs. 11.50 lac per month with such increments as per Rules of the Company.
- 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,

premium on personal accident insurance, car(s) with driver, telephone etc., as per the schemes, policies and the Rules of the Company as applicable from time to time.

- C. Performance linked incentive, as per scheme of the Company;
 - 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.
- (iii) Recognition or Awards : Under his leadership, Safety & Environment, Quality & Operational Excellence and HR practices continue to garner appreciation from various industry chambers and social bodies and the Company was awarded the undermentioned awards at various esteemed forums during 2017-18;
- a. EVP(Works) at Unit JKPM bagged Mill Manager Award by Pulp and Paper International (PPI), Belgium 2017.
 - b. At the 18th National Award for Excellence in Energy Management- 2017 Unit JKPM was awarded as "Excellent Energy Efficient Unit".
 - c. The CII TPM Club of India awarded a TPM Recognition Certificate to Unit JKPM for Strong TPM Commitment.
 - d. Both Unit JKPM & Unit CPM bagged The "Significant Achievement in HR Excellence" CII HR Excellence Award 2017.
 - e. Unit JKPM was awarded a certificate of appreciation along with a Plaque at FICCI CSR Award 2017.
 - f. Unit JKPM bagged First Prize in Technical Paper & Case Study contest at National Conference of "Society of Power & Energy Professionals (SOPEP)- 2017"
 - g. Unit JKPM also bagged over 5 recognitions at the State Safety Award organised by Directorate of Factories and Boilers Odisha; including ones in Best performance in Safety, Health and Environment and Lowest Weighted Frequency Rate of Accidents.
 - h. Unit CPM was conferred CII National HR Excellence Award -2017 under "Significant Achievement Category".
- (iv) Job Profile and his suitability: Shri A.S.Mehta, President & 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.

In JK Paper, Shri Mehta had been entrusted with the challenge of company's major capacity expansion. With his tireless efforts, the Company's new expansion is now running at a full capacity utilisation. Under his leadership, today, JK Paper's profits have grown and its products are now available even in remote markets of India. Today, JK Paper is considered to be a benchmark company in the Indian Paper Industry with highest degree of operational excellence, premium pricing of its products and excellent human resource as a true asset of the company. It has outperformed the industry in profitability as well as growth.

With very strong financials, the company is undertaking under his leadership organic and inorganic expansions with an investment of close to Rs.2000 crore, as detailed below :

- A. Acquisition of The Sirpur Paper Mills Limited : The Company has also recently acquired The Sirpur Paper Mills Limited ("SPML"), under the Corporate Insolvency Resolution Process ("CIRP") initiated against SPML under the Insolvency and Bankruptcy Code 2016 ("IBC"), as approved by the Hon'ble Hyderabad Bench of National Company Law Tribunal ("NCLT") vide its order dated 19th July 2018.

SPML was incorporated on 17th November, 1938 and has an integrated pulp and paper capacity of 1,38,300 TPA. The acquisition provides a growth opportunity to JK Paper to expand its existing line of business of Paper & Paper Board. Rs. 371 crore has been settled by the Company and JK Enviro-tech Limited, a subsidiary of the Company, towards financial creditors, corporate insolvency resolution process cost, admitted operational creditors, workmen and employee dues, etc., as per the terms of the Resolution Plan submitted by JK Paper Ltd for revival of this

Company. This consists of cash payment of Rs. 166 crore & issue of securities consisting equity shares of Rs. 43 crore and preference shares of Rs. 162 crore by this Company. In addition to the above, there would be further investment of about Rs. 400 crore (including working capital) towards its revival/growth by SPML.

- B. Fresh Additional Capacity of Packaging Board at Unit CPM : The Company has already taken up a project for setting up of additional capacity of Packaging Board upto 200,000 tpa, Pulping facilities upto 160,000 tpa (BDMT) and Utilities including Power Generation, at Unit CPM at Fort Songadh. This project with an estimated cost of Rs. 1450 crore, to be financed from internal accruals and debt, including working capital margin money.

This has been done to participate in the rapidly growing Packaging Board segment in India, which is the fastest growing product category in the paper industry.

With the proposed investment, substantial part of Unit CPM will be upgraded and cost will become competitive. Energy and water consumption per tonne of product will reduce significantly and the mill will be more environment friendly.

- (v) Remuneration proposed : The Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on 31st July 2018, approved the terms of remuneration of Shri A.S. Mehta as President & Director of the Company from 1st October 2018 till 31st March 2022 as under :-

- A. Salary : Rs.10 lac per month in the salary range of Rs. 8 Lac per month to Rs. 17 lac per month with such increments as may be determined and recommended 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 determined and recommended by the Chairman/Vice Chairman & 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 determined and recommended by the Chairman/ Vice Chairman and Managing Director of the Company.

- C. (i) Performance linked incentive and/or;
- C. (ii) Commission : 1% of the net profits computed under Section 198 of the Companies Act, 2013 or any statutory modification thereto or re-enactment thereof (the Companies Act), subject to a ceiling of 100% of annual salary.
- Items C(i) and C(ii) above will be as may be determined and recommended 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.
- G. The Chairman/Vice Chairman and Managing Director of the Company may, from time to time determine and recommend the increase or variation in the salary range, subject to the overall ceiling prescribed under the Companies Act.
- H. In the event of inadequacy or absence of profits under Sections 197 and 198 of the Companies Act in any financial year or years, "President & Director" shall be entitled to such

remuneration as he may be then drawing, as specified in paras A, B and C(i) above, as minimum remuneration and be also entitled to perquisites mentioned in paras D, E and F above.

- (vi) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person : The Nomination and Remuneration Committee of Directors of the Company had, while approving and recommending the said remuneration of Shri A. S. Mehta took into the account the financial position of the Company, the trend in the Paper Industry and the Company, trends in managerial remuneration, his qualifications, experience, past performance and past remuneration etc.
- (vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, Shri A. S. Mehta does not have any pecuniary relationship with the Company or with the managerial personnel of the Company.

Other Information

- (i) Reasons of loss or inadequate profits : The Company had profits during the financial year ended 31st March 2018. However, his appointment is from 1st October 2018 till 31st March 2022 and the future trend in profitability will largely depend on business environment in the domestic and global markets, cost of inputs and general state of economy as a whole.
- (ii) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits & in measurable terms: Initiatives taken by the Company in all spheres including increasing the capacity
- (iii) by setting up new Plants, improvement of efficiency parameters, cost reduction and building a formidable branding position have timed well with the paper industry scenario. This is likely to hold the Company in good stead for coming years.

The Company has not made any default in repayment of any of its debts (including public deposits) or debentures or interest payable thereon in the preceding financial year.

None of the Directors or Key Managerial Personnel of the Company and/or their relatives except Shri A.S.Mehta may be deemed to be concerned or interested financially or otherwise, in the aforesaid resolution.

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

Relevant documents would be available for inspection by the Members at the Registered Office / Administrative Office of the Company on any working day between 2.00 P.M. to 4.00 P.M. upto the date of declaration of the result of the Postal Ballot.

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

Date: 20th August 2018

By Order of the Board
For JK Paper Limited

Suresh Chander Gupta
Vice President & Company Secretary