

ANNUAL REPORT 2023-24



ENRICHING LIVES



JK PAPER LTD.

Creating lasting impressions

Contents

Corporate overview	
02	Board Profiles
06	Chairman Emeritus and Managing Director's statement
07	Chairman and Managing Director's statement
10	New Vision
16	Corporate snapshot
18	How we have grown across the years
19	How JK Paper has delivered financial value
20	Performance overview
26	Redefining our Company around sustainable holistic growth towards a better future
30	How JK Paper's new vision is being directed to enhance stakeholder value
42	ESG: JK Paper's sustainability driver
48	JK Paper's sustainable procurement strategy
50	Manufacturing excellence at JK Paper
53	Market-driven leadership at JK Paper
56	Talent excellence at JK Paper
58	How JK Paper has supported partners throughout its growth journey
59	Community engagement at JK Paper
69	Management Discussion and Analysis Report
Statutory section	
79	Board's Report
98	Corporate Governance Report
112	Business Responsibility and Sustainability Report
Financial section	
148	Standalone Financial Statements
214	Consolidated Financial Statements

Forward-looking statement

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



Corporate information

Chairman Emeritus & Strategic Advisor to the Board

Bharat Hari Singhania

Board of Directors

Harsh Pati Singhania
Chairman & Managing Director

Anoop Seth
Bharat Anand
Harshavardhan Neotia
Deepa Gopalan Wadhwa
Dhirendra Kumar
R.V. Kanoria
Sandip Somany
S.K. Roongta
Vinita Singhania

A.S. Mehta
President & Director

Plants

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

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

Step Down Subsidiary
The Sirpur Paper Mills Limited
(SPML)
Sirpur, Kaghaznagar, Komarambheem,
Asifabad - 504296, Telangana

Investor Relations

sharesjkpaper@jkmil.com

Offices

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

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

Bankers

State Bank of India
Axis Bank
IDBI Bank
ICICI Bank

Chief Finance Officer

K.R. Veerappan

Company Secretary

Deepak Gupta

Auditors

Lodha & Co.
Chartered Accountants

Company Website

www.jkpaper.com

CIN

L21010GJ1960PLC018099

Chairman Emeritus & Strategic Advisor to the Board

Shri Bharat Hari Singhania, is an Industrialist with more than six decades of industry experience comprising Cement, Automotive Tyres, Paper, Jute, Synthetics, Paints, Hybrid Seeds, Audio Magnetic Tapes and Sugar, etc. He is Chairman of Bengal & Assam Company Ltd. and also on the Board of JK Agri-Genetics

Ltd. and JK Tyre & Industries Ltd. and other companies. Besides this, he is Chairman Emeritus of JK Lakshmi Cement Ltd. In addition, he is also President of JK Organisation and heads the philanthropic institution of the Group, namely JK Lakshmi University, Lakshmi Singhania Education Foundation,

Lakshmi Singhania Medical Foundation and Pushpawati Singhania Hospital & Research Institute. He is former President of Indian Chamber of Commerce and Chairman of Indian Jute Mills Association.

Board Profiles

Shri Harsh Pati Singhania, Chairman & Managing Director, is an MBA from the University of Massachusetts, USA and an alumnus of the Harvard Business School, USA. He is associated with various Industry bodies and forums. He is currently First Vice-Chair and a Member of Executive Board of International Chamber of Commerce (ICC), Paris, Founding Member of Centre for Social and Economic Progress (CSEP), formerly known as Brookings

India, Member of Board of Governors of International Management Institute (IMI) and other accredited institutions and CEO's forum. In the past, he was President of Federation of Indian Chambers of Commerce & Industry (FICCI), ICC India, All India Management Association (AIMA), Indian Paper Manufacturers Association (IPMA) and on the Board of several Business/ CEOs forums. He was conferred

Honorary Doctoral Degree by Xavier Institute of Management, Bhubaneswar.

Shri Singhania has previously worked for Polyester business. He joined JK Paper as Director in 1992, subsequently became Managing Director in 2002 and Vice Chairman & Managing Director in 2013. Effective from April 1, 2024, he has been redesignated as Chairman & Managing Director.

Shri Anoop Seth, Independent Director, holds a Master's degree in Management Studies with a major in Finance from The Birla Institute of Technology and Science, Pilani,

and has completed Executive International Management Programme from INSEAD, France. Shri Seth has an overall experience of around 36 years, both domestic and international, in the

Finance, Corporate Banking and Infrastructure sectors.

Shri Dharendra Kumar, Non-executive Director, is B.E (Mech) from New York University and has a vast experience in the tea industry

and is an eminent personality in the industry. Shri Dharendra Kumar is associated with various Chambers/Organisations, including

Tea Association of India, Indian Tea Association, Calcutta Tea Traders Association, Bharat Chamber of Commerce etc.

Smt. Deepa Gopalan Wadhwa, Independent Director, has been a distinguished career diplomat in Indian Foreign Service (IFS). She is an undergraduate in Chemistry and a post graduate in English Literature. She has served as Ambassador of India to Japan, Qatar and Sweden. She was concurrently accredited as Ambassador to Latvia (from Stockholm), and Republic of the Marshall Island (from Tokyo). She also held significant assignments in Geneva, Hongkong, China, Netherlands,

International Labour Organisation (ILO) and the Ministry of External Affairs. She handled a wide swathe of issues related to India's relations with key countries; participated in international conferences and negotiations relating to climate change, sustainable development, disarmament and human rights and was instrumental in the active promotion of India's economic interests in the areas of trade, technology, investments and energy security during postings in Europe, the GCC and

Japan. She is Chairperson of the India- Japan Friendship Forum, Member of the Governing Council of the Asian Confluence based in Shillong and Member of the Board of Advisors of Bharat Yuva Shakti Trust, a not for profit organisation, primarily engaged in assisting disadvantaged Indian youths in developing business ideas into viable enterprises.

Shri Harshavardhan Neotia, Independent Director, has Graduated in Commerce from St. Xavier's College, Kolkata and then went on to do the Owner President Management Programme (OPM) from Harvard Business School, USA. He is Chairman of Ambuja Neotia Group, having business verticals in Real Estate, Hospitality, Healthcare and Education. He

is a former President of FICCI and AIMA and presently a member of Indira Gandhi National Centre for the Arts, Chairperson of National Institute of Technology Mizoram, Council Member of the National Culture Fund, Govt. of India, one of the trustees of Shree Somnath Trust and Honorary Consul of Israel in West Bengal. He was conferred Padma Shri in 1999

for his work in social housing, bestowed with Banga Bibhushan, the highest civilian honour from the Government of West Bengal, YPO Legacy of Honour Award and D.Litt. (Honoris Causa) by the Vidyasagar University, West Bengal.

Shri R. V. Kanoria, Independent Director, is an MBA (Hons.) from IMD, Switzerland, and has done Advanced Management Programme from Wharton, USA. He has four decades of experience in the chemicals, textiles and jute industries. He is the Chairman & Managing Director of Kanoria Chemicals & Industries Ltd. Shri Kanoria is associated with various Industry

bodies. In the past, he has been President of FICCI, headed International Chamber of Commerce (India), Commission on International Trade and Investment Policy of the International Chamber of Commerce (ICC), Paris, Chairman of Confederation of Indian Textile Industry, and Indian Jute Mills' Association. Currently, he is Vice Chairman of Population Foundation

of India. He is recipient of Swiss Ambassador's Award for Leadership and Business Ethics, 2013, bestowed with the Distinction of Commander of the Order of Leopold II by the King of Belgium for his contribution to the development of business ties between India and Belgium.

Shri Sandip Somany, Independent Director, is a Commerce graduate from Delhi University, studied Ceramic Manufacturing Technology from the University of California, USA. He is Chairman & Managing Director of AGI Greenpac

Limited and Hindware Limited. Shri Somany has been the Past President of FICCI and PHD Chamber of Commerce and Industry. He has been member of various organisations viz. Committees of the Bureau of Indian Standards,

Governing Body of All India Organization of Employers, Delhi Chapter of the Young Presidents Organization and Delhi Achievers Round Table

Shri S. K. Roongta, Non-executive Director, is an Electrical Engineering Graduate from BITS, Pilani and PG Diploma in Management (International Trade) from IIFT, New Delhi - Gold Medalist. He is regarded as an expert on

Strategy and Turnaround in manufacturing sector in the country. Shri Roongta had been Executive Chairman of Steel Authority of India Ltd. (SAIL). Under his leadership, SAIL was adjudged as the 2nd Best Steel Company in

the world (next to POSCO), by the World Steel Dynamics, USA. He also has been chairman of the Board of Governors of IIT, Bhubneshwar.

Smt. Vinita Singhania, Non-executive Director, is a businesswoman with extensive diversified experience. She is Chairperson & Managing Director of JK Lakshmi Cement Ltd. She has the distinction of being the first woman President of Cement Manufacturers Association (CMA) of India as well as National Council for

Cement and Building Materials (NCBM). She has been conferred with awards like 'Woman of the Year' by Uday India in 2016. In the past, she had been conferred with Awards of Excellence by FICCI Ladies Organisation & Best Family Business Award Lead by Woman by Money Control Pro (Network 18) and included in the list of BW

Business World Most Influential Women 2023. She had also been presented with a Lifetime Achievement Award conferred by Indian Cement Review in the year 2023.

Shri A.S. Mehta, President & Director, is a Fellow Chartered Accountant with all India merit and alumni of Wharton Business School, USA. He has been with JK Organisation for around four decades and held several senior positions in JK Tyre & Industries Ltd. in Finance, Accounts, Taxation, Internal Audit and

Corporate Laws before taking over as Marketing Director. He was President of Indian Paper Manufacturers Association for four years. He was also Chairman of Development Council for Pulp, Paper and Allied Industries and Central Pulp & Paper Research Institute, an autonomous organisation under the administrative control of

Ministry of Commerce & Industry, Government of India, and is recognised as one of the key spokespersons for the Indian paper industry. He works closely with government bodies towards policy intervention and improvement of the industry.

Shri Bharat Anand, Independent Director, is a B.A. (Law) from Jesus College, Cambridge University and B.A. (Hons.) Economics from Hans Raj College, Delhi University. Shri Anand is a dual qualified lawyer (India and England Wales). He is ranked as Band 1 Lawyer for M&A work in Delhi, by Chambers Asia Pacific

and UK. He is Partner in Khaitan & Co., a leading corporate law firm and has an overall professional experience of 25 years, with a specialisation in mergers & acquisitions, joint ventures, private equity transactions and strategy. He is a part of the National Executive

Committee of FICCI and Co-Chair of FICCI's Committee on Stressed Assets.

PART 1

Management Perspectives



The strong fundamentals of the Indian macroeconomy hold big promises for the Indian Paper Industry. Even in a challenging global scenario, J K Paper has been able to perform incredibly achieving highest ever total sales of 7.94 Lac MT during the year, with consolidated turnover crossing ₹7,000 crore. We are cognizant of the challenges that lie ahead and with the continued support of all stakeholders, I am confident, the Company will see even greater growth ahead.



Bharat Hari Singhania, *Chairman Emeritus & Strategic Advisor to the Board*



“The year gone by marks the beginning of a new phase for the Company as JK Paper announced a new vision during the year”



Harsh Pati Singhania,
Chairman and Managing Director

Chairman and Managing Director's statement

The global economy remains resilient despite rising uncertainties and escalation in geopolitical conflicts which is leading to frequent disruptions. The enduring strength however is fraught with divergent growth; US economy continues to repel recession fears, in sharp contrast to stagnant growth in other advanced economies, mainly in the Euro zone and UK. China's economy remains engulfed by the downturn in its property sector, while low consumer sentiment kept domestic demand subdued. This has resulted in global growth of 3.2% in 2023 remaining below the historical average of 3.8%.

Amidst such a challenging global scenario, the Indian economy is a beacon of progress, growing at an average of around 8% in the post-pandemic period and pushing itself to grow from 5th to the 3rd largest economy globally in the near term. It is backed by sustained consumption and investment demand, reaffirming its position as a standout performer. This resilience is reflected in the constant upgradation of India's GDP growth outlook by global agencies. India's proactive stance on reform and investment in sustainable growth avenues sets a benchmark for other emerging economies.

But challenges remain, primarily the risk of inflation which is coming back to haunt the global economy. Despite such uncertainties your Company has been able to perform incredibly achieving highest ever total sales of 7.94 Lac MT during the year. Consolidated Turnover

for the fiscal year 2023-24 crossed ₹7,000 crore.

The year gone by marks a new phase for the Company as JK Paper announced a new vision during the year which is "To be a trusted industry leader enriching lives and creating a better future".

During the year, the Company embarked on various initiatives to enhance product mix and create a larger base for sustainable growth, the full benefits of which are likely to be visible in the foreseeable future. By offering a diversified product portfolio, it continued to remain in the top tier in the paper and paperboard industry and remained well placed to capitalise on the evolving trends to enrich the lives of people for a better future.

We also faced a few challenges including higher raw material cost and lower sales realisation which have adversely impacted performance during the year. Availability of wood has been a major challenge and this situation is expected to continue, at least for another year. The selling prices continued to remain under pressure due to increase in imports by almost a third on top of a 25% increase in the previous year.

In addition to market expansion and service provided by the existing trade partners, the Company's initiative to increase market touch points further widened and deepened the geographic footprint. The market reach of your Company has expanded to Tier II and

Tier III towns further enhancing the distribution network during the year.

For the sustainability of paper business, a robust environmental management system, is indispensable. At JK Paper, we are focused on optimizing process parameters through automation, embracing the latest environmental-friendly technologies like installation of modern emission control and adopting waste reduction measures to minimise fiber loss and freshwater consumption. These initiatives have enabled JK Paper to account for one of the lowest per-unit consumption of water, coal, steam, and energy within India's integrated pulp and paper sector.

The Company continued to embrace Total Quality Management (TQM) across all its units which enabled strong focus on quality, cost, delivery, safety and morale. The Digital Transformation journey embarked by the Company for the past two years has been gaining further traction during the year creating a digital mindset across every aspect of the business, resulting in cost savings of over ₹250 crore till date since its inception. By the close of 2023-24, the Company had several additional digital projects in progress which will continue to improve profitability.

Amidst growing digitisation, the Company is realigning its product mix and diversified into packaging boards and corrugated packaging. The packaging industry is experiencing rapid expansion

propelled by increasing disposable income, growing lifestyle changes, and a rise in the consumption of processed food. Through substantial investments in research and development, coupled with the integration of advanced technologies, the Company has developed a range of products including high bulk SBS Board, Aqueous Coated Board, and Antifungal Board during the year. These offerings cater to diverse customer segments while aligning with the Company's commitment to providing sustainable paper solutions.

In response to the growing concern over plastic-based food packaging, the Company is well positioned to leverage the transition from plastic packaging towards recyclable and compostable alternatives, by introducing new products featuring oil and water resistance, moisture and oxygen barrier, and heat sealable capabilities. The Company also offers sustainable packaging solutions tailored for the food service, pharmaceutical and FMCG sectors, collaborating closely with customers to meet their specific needs.

Your Company continued to maintain its leadership in corrugated boxes during the year and made an entry into Monocarton and Labels business through acquisition of Manipal Utility Packaging Solutions Private Limited. This acquisition is in line with long term Strategic objective of the Company in packaging business and gives an opportunity to offer total solutions to

the customers with respect to secondary and tertiary packaging.

Adhering to top-tier sustainable forestry practices, JK Paper has covered over one-third of its plantations under the FSC® FM certification in the fiscal year gone by. The Company's cumulative plantation efforts span about 6.92 Lac acres across diverse Indian states, with over 81,000 acres planted this year alone. Our farm forestry programs have bolstered sustainable livelihoods in rural regions, ensuring a stable income for farmers, along with establishing a renewable raw material source for the Company.

Continuing with the past trend, the Company enlarged its CSR footprint during the year, covering 846 villages across seven states with almost 9.60 Lac direct beneficiaries. The major CSR activities includes Women empowerment, Livelihood Intervention, Education, Healthcare, Sustainable Agriculture, Rural Infrastructure and Natural Resource Management. About 14,730 youths have been empowered through various skill development training and 679 youth entrepreneurs have been created through a unique grampreneurs program.

Faced with a tight global financial scenario, Your Company remained alert to optimise overall finance costs by using various forex and interest derivative structure. Our prudent working capital management enabled us to repay loans of about ₹664 crore (consolidated), a third of which was prepayment/ accelerated

payment. On the other hand, net worth strengthened from ₹4,034 crore to ₹5,070 crore in last fiscal at a consolidated level. The Company's net-debt/EBITDA improved to 0.59x from 0.86x in the previous year.

At JK Paper, HR serves as the strategic backbone of the Company, aligning its goals closely with overarching business objectives. Capability building is prioritised, with a strong focus on nurturing and expanding the talent pool, ensuring the development and recruitment of skilled individuals. Strategies are also tailored towards fostering high retention rates, recognizing and rewarding employees' contributions while ensuring a conducive work environment that promotes engagement and well-being.

JK Paper has been fortunate to have a strong support from all its stakeholders, be it its customers, suppliers, channel partners, banks, financial institutions, the shareholders, the Central and State governments and committed employees. With your continued support, I am confident that company would become a stronger and faster growing company in the years to come.

Harsh Pati Singhania
Chairman & Managing Director

PART 2

New Vision

Our erstwhile vision

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

Our new vision

To be a trusted industry leader enriching lives and creating a better future

Looking ahead

A new vision for our Company and strategic direction



Big picture

At JK Paper, we recognise that a successful strategic direction is influenced less by the performance of a financial year and more by evolving realities.

Besides, we believe that successful strategic change needs to be made from a position of strength than one of competitive weakness where the change is literally forced upon the Company.

The principal message that one needs to send out is that the Company announced a new vision during the year under review, which marks the beginning of a new phase for the Company.

This new beginning has been enunciated with the objective to deepen the Company's respect as one integrated with the evolving realities of the world and empowered to enhance business sustainability across economic and market cycles while charting its growth trajectory.

New beginning

During the year under review, the Company sowed the seeds of a new beginning.

This indicates that the Company, along with its existing business will seek wider ways to enrich the lives of people for a better future. While it would be premature to indicate the precise nature of the new businesses the Company would like to enter, it would seek to build on the following competencies deepened across the decades in its core business.

One, the Company will leverage decades of institutionalised manufacturing competence, comprising the management of large volumes at one end and the delivery of standardised products at the other.

Two, the Company will leverage the rich value created through plantation resource management that could empower the Company to extend and appraise new opportunities.

Three, the Company will leverage deep insights in growing the business around the highest standards of environment protection and compliance.

Four, the Company will leverage an extensive value chain where the raw material cum resources are generated from



within with the objective to manufacture a competitive end product.

Five, the Company will leverage the capability to manage a number of variables with the singular objective to establish sustainable cost leadership across market cycles.

Six, the Company will leverage the Company's established competence in graduating commodity products into branded alternatives, strengthening capital efficiency.

Seven, the Company will leverage its established credibility with bankers and credit rating agencies to mobilise growth capital at the lowest long-term cost.

Eight, the Company will capitalise on its validated working capital management discipline with the objective to remain liquid and profitable across market cycles.

Nine, the Company will leverage customer insights drawn from its pan-India presence through committed channel partners that makes it possible to serve every demand upturn across the country.

Alignment with the new vision

While the Company's new vision has drawn from the Company's existing competencies and influence, it has broadened its aspiration to address an even larger audience with a more enduring impact.

The Company will seek to enrich the lives of all stakeholders in a measurable and sustainable way.

The Company will invest decisively to make a visible difference for all stakeholders with the objective to create a better future with enhanced outcomes across the long-term.

PART 3

Company Overview

Corporate snapshot

JK Paper Limited is among the foremost paper and packaging companies in India.

In the last six decades, JK Paper has emerged as a leading paper brand in the industry.

A brand that is forward-looking.

A brand that extends beyond profitability for its stakeholders.

A brand that measures its success not by its bottom-line but by the lives it has enriched.



Ethical foundation

Vision

To be a trusted industry leader enriching lives and creating a better future

Mission

Deliver sustainable solutions & profitable growth through:

- Digitalization and Innovation
- Cost Competitiveness
- Customer Centricity
- People and Community care
- Outstanding & Agile Talent

Core values

- Caring for People
- Integrity including Intellectual Honesty, Openness, Fairness and Trust
- Commitment to Excellence



Background

JK Paper is a member of the multi-business industrial conglomerate known as JK Organisation. With a history spanning over a century, the JK brand has become synonymous with innovation and superior product quality. The organisation enjoys a robust presence across diverse sectors such as paper, automotive tyres, cement, V-belts, oil seals, power transmission systems, agri genetics, defence electronics, dairy products, education, hospital and health services.



Respect

JK Paper is one of the largest wood-based paper companies in India. The Company possessed an installed capacity of 7.61 Lac TPA of paper and board at the close of 2023-24. The Company is present in the following segments directly or through its subsidiaries: office paper, writing & printing paper, packaging board, coated paper, specialty paper, corrugated packaging, monocartons and labels.



Management

The paper business enjoys a pivotal role within the JK Organisation. With roots going back to 1938, JK Paper is currently led by Chairman and Managing Director Mr. Harsh Pati Singhania and overseen by President and Director Mr. A.S. Mehta, alongside a committed team of seasoned professionals and subject matter experts.



Manufacturing competence

The Company possesses three state-of-the-art manufacturing units of Paper and Board in different geographies proximate to plantation wood and consumption markets, nine corrugated conversion units, two monocarton units and one unit for labels.



Brands

The Company established numerous flagship brands such as JK Copier, JK Easy Copier, JK Copier Plus, JK Excel Bond, JK SS Maplitho (SHB), JK Cote, JK Tuff Cote, JK Carta-Lumia, JK Ultima, JK Endura, and others. The JK Paper brand is renowned for quality products and services, generating a strong brand recall associated with trust and quality



Employees

JK Paper stands as one of the major employers in India's paper industry, with a workforce of over 12,000 employees (permanent and contract) as of March 31, 2024. The average age of these employees of 40 reflects a blend of youthful energy and seasoned experience.



Presence

JK Paper is present across more than 60 countries, including US, UK, Bangladesh, Singapore, Malaysia, Africa and the Middle East. The brand is globally renowned for its quality and price-value proposition. It operates through a pan-India distribution network of 468 trade partners and over 4,000 dealers.



Certifications

The Company holds various certifications like ISO 9001, ISO 14001, ISO 45001, BIS Certification and FSC certification.



Awards and recognition

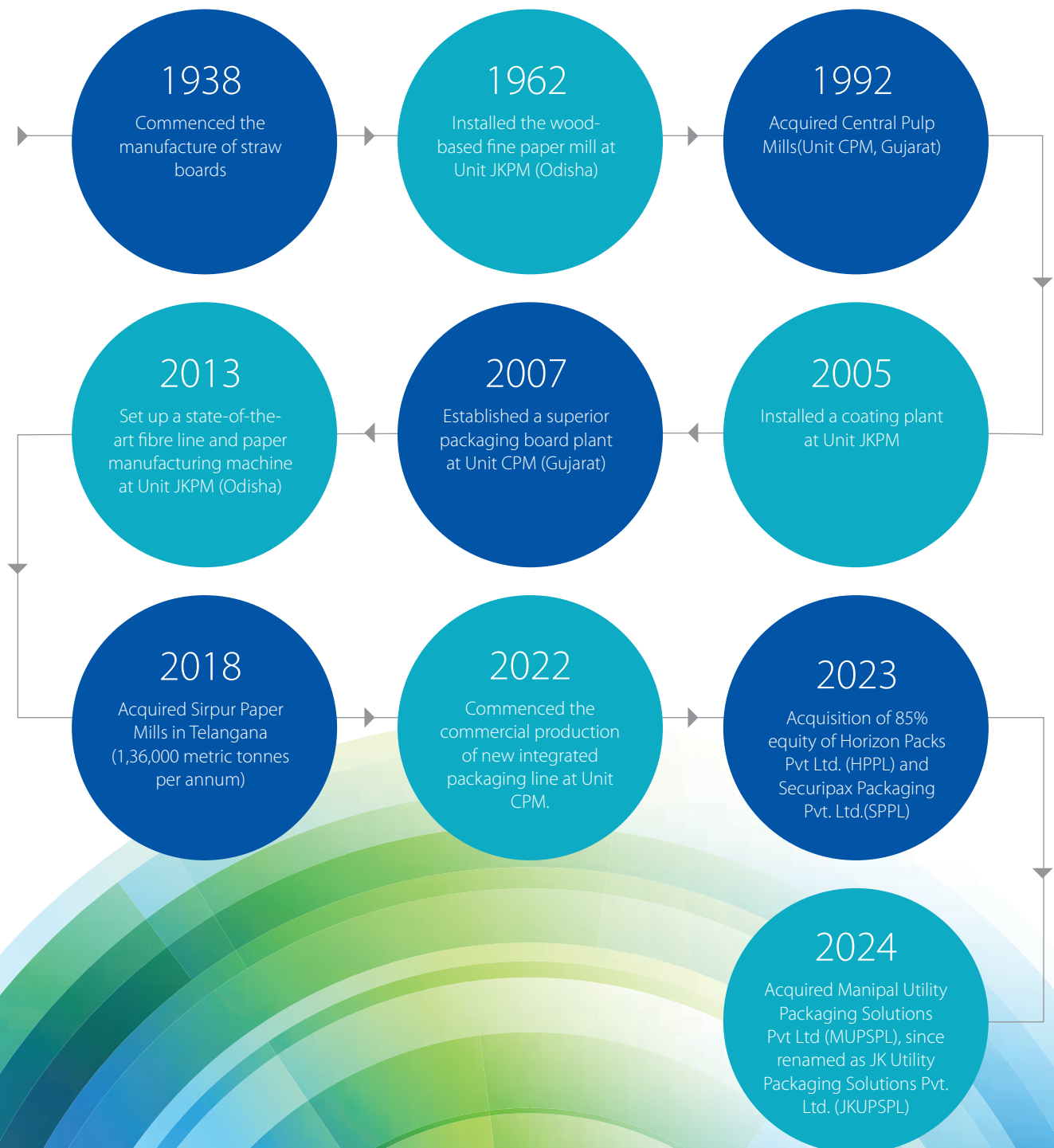
Unit JKPM

- | | | | |
|--|--|---|--|
| <ul style="list-style-type: none"> Atmanirbhar Factory Award 2022-23, Gold Medal for Excellence in Manufacturing 2022-23 and National Awards for Manufacturing Competitiveness" 2022-23 by International Research Institute for Manufacturing (IRIM), Mumbai. | <ul style="list-style-type: none"> Golden Peacock Award for Energy Efficient Unit – 2023. India Green Manufacturing Challenge (IGMC) Winner Award 2023 by International Research Institute for Manufacturing (IRIM), Mumbai. | <ul style="list-style-type: none"> 24th National Award for Energy Management" by CII, Hyderabad, Telangana. Global Sustainability Leadership Award – 2023 for Sustainable development Goals, Knowledge and Leadership by World Sustainability Agency, Mauritius. | <ul style="list-style-type: none"> 23rd Annual Greentech Environment Award 2023 by Greentech Foundation. CII National Award for Excellence in Water Management 2023 by CII, Gurgaon, Haryana. |
| <ul style="list-style-type: none"> Platinum Winners Award & Jury Champions Trophy-2023 by Instrumentation Department as Innovative Kaizen Team and Gold Winner Award & Jury Challengers Trophy - 2023 for Pulp Mill Operations as Restorative Kaizen Team by CII, Bengaluru, Karnataka. | | | |

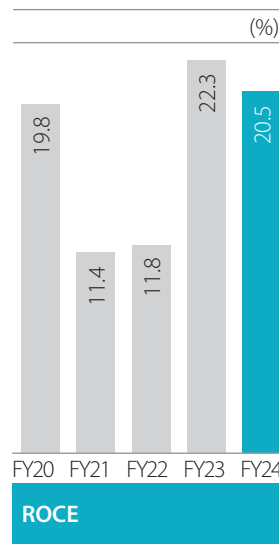
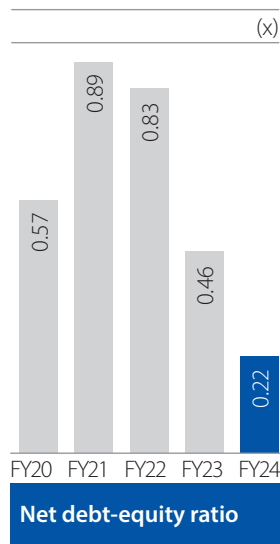
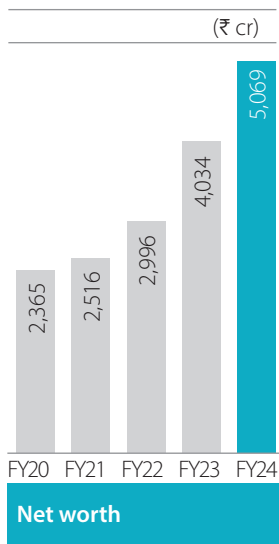
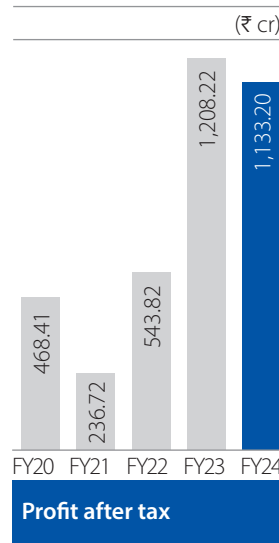
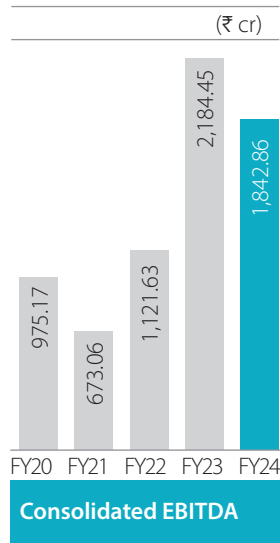
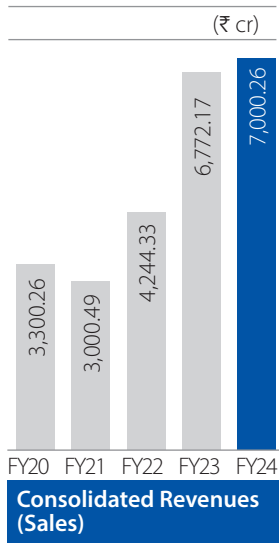
Unit CPM

- | | | |
|---|--|---|
| <ul style="list-style-type: none"> 2 Platinum Awards and 3 gold awards in the 48th CII National Kaizen Competition | <ul style="list-style-type: none"> CII National Award for Excellence in Water Management 2023. | <ul style="list-style-type: none"> Gold award for Power Block Kaizen and Silver Award for Pulp Mill Kaizen in 47th CII National Kaizen Competition in 2023. |
| <ul style="list-style-type: none"> Silver Prize in the overall digitalisation category (large) from FICCI's 2nd FICCI Industry 4.0 Awards 2023. | <ul style="list-style-type: none"> Energy Efficient Award from Confederation of Indian Industry's 24th National Award for Excellence in Energy Management. | |

How we have grown across the years



How JK Paper has delivered financial value



Performance overview

A financial review of our performance in 2023-24



Big picture

2023-24 was a challenging year for the Company and industry, with margins declining due to lower realisations and higher input costs. However, the Balance Sheet continued to remain healthy and the credit rating was retained. We believe that this resilience was the result of enduring competitive advantages that graduated the Company from one recalled by its immediate profitability to one respected for long-term profitability.

The Company had reported a record performance in 2022-23 so the decline in 2023-24 performance was anticipated and must be viewed in context of the prevailing market environment. The Company embarked on various initiatives to protect realisations, evolve the product mix, and create a larger base for sustainable growth, the full benefits of which are likely to be visible across the foreseeable future.

The last year's profitability was higher than the industry's long term profitability trend. The Company's net cash position strengthened from ₹866 crore to ₹1,043 crore by the close of 2023-24. Interest cover was a credible 8.86 in 2023-24, indicating the Company's financial strength. Net worth strengthened from ₹4,034 crore to ₹5,069 crore while long-term gross debt declined from ₹2,137 crore to ₹1,695 crore. The Company's platform for sustainable growth was stronger by the close of the year under review, empowered to graduate into the next orbit.

It would be pertinent to indicate that despite a decline in financial parameters, the Company continued to outperform in the paper and paperboard sector and remained competently placed to capitalise on its new vision to enrich the lives of people for a better future.

Credit rating

The principal achievement of the Company during the year under review was its protected credit rating at AA (India's first pure play paper company to be rated as highly). Despite a decline in the Company's performance during

the year under review, the Company's protected rating indicated confidence in the business model to deliver sustainable long-term upsides. It would be relevant to indicate that this credible credit rating extended to the Sirpur Paper unit as well; the latter's rating had improved two notches in 2022-23 and during the year under review was upgraded to AA (the same as the parent company). For a company that was sick and had been acquired only in 2018, the upgradation in Sirpur's credit rating represented a validation of the Company's capacity to transform asset visibility in a capital-intensive sector.

Credit rating

Year	FY22	FY23	FY24
Credit rating	AA-/ Stable	AA/ Stable	AA/ Stable

Revenue overview

The Company experienced a decline in realisations – 17% in the case of writing & printing paper and 18% in the case of packaging board from April 1, 2023 to March 31, 2024 even as there was a 2% increase in tonnage sales. The increased volume sales helped offset partially the impact of a decline in realisations per unit across each product segment, a validation of its longstanding contention that enhanced volume would help recoup what could be lost by per unit value – and vice versa.

Capital efficiency

The Company reported creditable profitability during the year under review, which was higher than the industry average. The relative protection of the fundamentals was the result of long-term priorities: enhanced economies of scale through progressive manufacturing capacity investments coupled with working capital management discipline.

Liquidity

As a policy, the Company maximised the deployment of accruals in business growth, moderating the use of borrowed funds after the initial round of debt

mobilisation in commissioning fresh capacity. This approach has worked best: the prudent use of moderately priced debt in new projects with a long-term orientation has inspired us to perform better and left us with adequate net worth to fund working capital.

Working capital as a proportion of the total employed capital was 25% and 18% in the last two years; the proportion of inventory in the working capital outlay was 60% and 75% respectively. The Company drew only 45% of the sanctioned short-term loans from banks (on average), which made it possible to moderate interest outflow and enhance profitability.

Over the years, the Company has worked with a healthy Balance Sheet, marked by adequate cash, rising interest cover, strong gearing and lower Net debt/EBITDA. The Company focussed on strengthening terms of trade, leveraging cash in hand to generate raw material discounts and addressing fresh capital expenditure needs (less incremental debt). The result of this financial discipline was that the Company repaid ₹435 crore and prepaid ₹229 crore, accelerating its prospective repayment schedule.

Portfolio

The Company's relative outperformance was also based on a broad-based product mix. Some years ago, the Company's product mix was excessively weighted towards writing & printing paper (90% revenues, 2015-16). The Company progressively broad-based its product mix to rationalise this excess dependence in view of digitalisation eroding the market for paper and printing. The Company entered the manufacture of packaging board (2,10,000 TPA) in 2021; gradually revenues from the writing & printing paper segment declined from 90% six years ago to 60% during the year under review.

The rationale for the Company to enter the packaging board segment (commissioned during the second pandemic wave) was inspired by India's consumer packaging revolution,

e-commerce sales and increased personal incomes leading to enhanced lifestyles. There is growing traction for this segment on account of an accelerating shift from plastic packaging towards recyclable and compostable alternatives, especially from the pharmaceuticals, cosmetics, and food & beverage sectors.

The Company did not just hold on to its position with this space; in the last two years, it commissioned a greenfield corrugated plant in Ludhiana and acquired Horizon Packs, the largest corrugated packaging board company in the country. During the year under review, the Company integrated its acquisitions within its ongoing operations, enhancing operational benchmarks in line with the prevailing corporate average. This shift helped broadbase the Company's revenues, shifting its gravity centre to fast

moving fibre-based packaging solutions, enhancing business sustainability.

Forward integration

During the year under review, the Company extended to the manufacture of monocartons and labels through acquisition of Manipal Utilities and Packaging Solutions Pvt Ltd, since renamed as JK Utility Packaging Solutions Pvt. Ltd. (JKUPSPL). This acquisition represented a reverse synergy, whereby the boards manufactured by the Company will be consumed in the manufacture of monocartons.

Outlook

Barring changes in market realities, the Company seeks to extend its sectorial outperformance, marked by

an improvement in financial ratios and parameters. By sending out a perception of being responsive to changes in demand patterns the Company will seek to enhance its credit rating.

The progressive repayment, prepayment and accelerated repayment schedules will be derived from enhanced liquidity.

There will be a continuing focus on value-addition (superior paperboard and copier varieties) leading to enhanced capital efficiency.

The Company will deepen its focus on sub-projects with the objective to enhance their respective profitability.

The Company will seek to prospect sizable opportunities where its surplus can be profitably allocated, capitalising on the robust economic momentum of India.



Our financial strengths

Debt cost

The Company moderated its debt cost by negotiating lower interest rates; it availed derivative structures like INR swap to optimise costs in a high interest rate scenario.

Forex hedge

The Company possesses the ideal mix of foreign currency and rupee term loans including the conversion of rupee loans to FCNR-B (foreign currency non-resident- B) loans on a fully hedged forex exposure, benefiting from the arbitrage.

Credit rating

The superior operating performance and debt-light Balance Sheet can be attested by its long-term credit rating of AA/Stable (Crisil and India Ratings)

Treasury

The Company enjoyed a significant surplus as on March 31, 2024, which generated attractive treasury returns (higher than the cost of working capital)

Gearing

The Company's gearing of 18% as on March 31, 2024 reflected a relatively under-borrowed Balance Sheet in a capital-intensive sector

Debt prepayment

The Company prepaid short duration loans and preponed repayments

Receivable cycle

The Company's receivables cycle on a Consolidated basis remained at 20 days of turnover equivalent in 2023-24 as it was in 2022-23; indicating comfortable liquidity.

JK Paper's financial prudence is aligned with its new vision to enhance trust

Automation of payment processes enhances timeliness and transparency

Debt prepayment liberates cashflows for business reinvestment

High creditworthiness boosts borrower confidence

Timely acquisitions provides an opportunity for strategic portfolio expansion

Low gearing improves asset quality

High reserves insulates the Company from probable liquidity issues

PART 4

Stakeholder Value-creation Report

We are redefining our Company around sustainable holistic growth towards a better future



JK PAPER LTD.
Creating lasting impressions

VISION

To be a trusted industry leader enriching lives and creating a better future



MISSION

Deliver sustainable solutions & profitable growth through:

- Digitalization and Innovation
- Cost Competitiveness
- Customer Centricity
- People and Community care
- Outstanding & Agile Talent



CORE VALUES

- Caring for People
- Integrity including Intellectual Honesty, Openness, Fairness and Trust
- Commitment to Excellence



Overview

At JK Paper, the operative words are 'holistic' and 'sustainability'.

There is an increasing priority to create value for all stakeholders; there is an even bigger priority that this enhanced value be sustained in times to come.

These priorities have been articulated in the Company's new vision: 'To be a trusted industry leader enriching lives and creating a better future.'

The word 'trust' is paramount: it is the eventual currency that would aggregate stakeholders. The word 'enriching' is critical: it comprises a spirit of multi-year continuous service to the communities.

The words 'better future' indicate a broadly holistic long-term outcome.

The importance of this statement extends beyond the financial and the fleeting. This redefines the Company's place in the world – not only as much as an industrial enterprise committed to enhance tangible value, but also as a corporate

committed to enhance societal well-being and prosperity.

This re-navigation is expected to deepen the Company's commitment to everything that is good. This commitment will be increasingly defined by the Company's benchmarking with UN

Sustainable Development Goals, and ESG international best practices.

We believe that the outcomes of these commitments will be a wider recognition that we exist to make the world a better place.

We also believe that by widening our horizon we will inevitably be taking a decisive step towards improving, enhancing and broad basing our business model. The more effectively we achieve this; the stronger will be our financial performance.

Drivers of our new vision

At JK Paper, our new vision will be driven by a commitment to embrace modern times and seek a better way to do things. This is captured in our 4 P's approach.

Process: The most decisive transformation driver the world over is digitalisation. Digitalisation has ceased to be an initiative; it has emerged as a way of life. Digitalisation has ceased to refer to selective automation; it is proving to be a platform around which to rethink the world. At JK Paper, digitalisation represents the framework of our reinvented enterprise. In view of this, we see ourselves not as much as a paper company that has invested in digital systems but as a digital company engaged in manufacturing paper. This digital personality has provided the Company with a modern prism through which to transform the legacy into the contemporary, transform the existing into the futuristic and the finite into the limitless.

Portfolio: Even as recent as a decade ago, the Company was principally a writing & printing paper organisation. During the last few years, the Company evolved

its personality: it has built sizable packaging board capacity. These initiatives – organic and inorganic – have helped the Company moderate the proportion of revenues from a business segment that could be slowing towards another (white, brown and corrugated packaging) being seen as a positive national economic proxy.

People: If we are to be a company that is trusted and enriches lives towards a better future, the foundation will be our people. Our talent capital will be driven by an overarching culture that is passionate, committed to lateral approaches over the linear, seeking disproportionate outcomes and respecting merit over everything else. In doing so, we expect to attract a new and young generation of professionals to drive our Company into a futuristic world. We expect to attract these professionals from diverse skills, sectors and backgrounds (educational, geographic and ethnic) that

empower us to seek transformational solutions over the incremental.

Pipeline: We believe that the hallmark of a successful company will be the capacity to distribute and market a growing volume of products across the widest number of trade partners in the shortest time. This capability is likely to be reinforced by enduring trade partner relationships, digitalised engagements, fair trade terms as well as products and processes that take their business ahead. We believe that by servicing our primary customers, we would be servicing our secondary customers (or consumers) better. The Company strengthened its alternative sales pipeline (direct and digital) and, going ahead, intends to extend to a digital coverage of plantation farmers. This is expected to create an organisation that is digitally integrated – from source to shelf – with a complete visibility across the value chain.

Strategy

How JK Paper seeks to enrich lives for a better future



Through our marketing orientation

Legacy: JK Paper enjoyed a competitive advantage in government cum corporate orders; the Company's presence was low among jobbers and retail outlets. The Company built alternative trade channels, and this enabled it to directly address retail demand, comprehend market trends, service the last mile with enhanced sensitivity and build a deeper engagement with one segment of the value chain that it had not accessed in the past: customer-facing intermediaries.

Present: The Company's leap to the retail channel with the wholesale channel

worked well. This supplementary initiative – in addition to its market expansion and market servicing initiative provided by the existing trade partners – widened and deepened the Company's geographic footprint. Besides, the Chat BOT service was implemented for retail enquiries, enhancing JK Paper's recall as a consumer-committed organisation.

Better future: The Company's machine learning capability capitalised on ongoing proprietary data to predict emerging demand pockets. This inspired product mix adaptability, which became more

perceptible in a faster offtake of value-added product variants. Besides, the Company enhanced its capability in servicing small order sizes with speed, capturing every demand upturn with effectiveness. This reorganisation made it possible for the Company to service the evolving needs of trade partners and consumers, accelerating its brand transformation from manufacturing-centric to service-driven.

Through our digitalisation

Legacy: A larger number of the Company's consumers sought to buy paper online.

Present: The Company digitalised manufacturing, administrative and sales processes, creating a digitalised mindset across every aspect of the business. Outcomes were compared against targets (outcome and deadlines) for deviations

and probable improvements. By the close of 2023-24, the Company had implemented various digital projects; these comprised covering better ways to enhance holistic profitability. The Company commissioned service standards and a Digital Centre of Excellence to drive the pace, scale and complexity of digital projects.

Better future: The Company reported increased manufacturing stability, output and cost competitiveness. A digital tendering model moderated resource cost procurement. The Company intends to leverage the Digital Centre of Excellence to enhance digital capabilities.

Our digitalisation progress

Our digitalised reverse auction process made it possible to achieve higher realisations from the sale of waste scrap.

Our digitalisation manufacturing process enhanced the recovery and reuse of in-process chemicals; it strengthened a balance of throughput, efficiency and quality ('golden batch')

Our digitalised planning & scheduling reduced the changeover times and reduced manual engagement.

Our digitalised logistics management enhanced the fleet productivity of our vendors, optimising our savings

Our digitalised demand sensing function increased retail sales by predicting the productive outlets.

Our digitalised logistics management enhanced the fleet productivity of vendors, optimizing our savings

Through our packaging revolution

Legacy: The world has taken a conscious call to moderate the consumption of plastic packaging and enhance the use of eco-friendly packaging. The brown or corrugated packaging segment has emerged as the fastest growing within the paper sector.

Present: The Company commissioned a greenfield corrugated packaging plant and acquired two corrugated companies (one being India's biggest) with pan-India operations (seven locations).

Better future: The Company has graduated from scratch to 320,000 TPA

(25% market share) in just two years in demand-intensive hubs. This puts the Company at an advantage to deliver low logistic costs and build enduring customer relationships. This is also expected to enhance the Company's recall as environment friendly.

Through overall responsiveness

Legacy: The world is moving away from paper derived from forest wood pulp towards plantation wood pulp, perceived as a carbon-positive greening initiative.

Initiatives: The Company encouraged farmers to convert a part of their land to plantation wood. During 2023-24, the Company engaged with more than 10,600 farmers over 81,000 acres.

Better future: The Company sourced wood requirement from these plantations in 2023-24 at a lower logistics cost. The rising access to plantation wood is expected to service the Company's complete wood resource appetite.

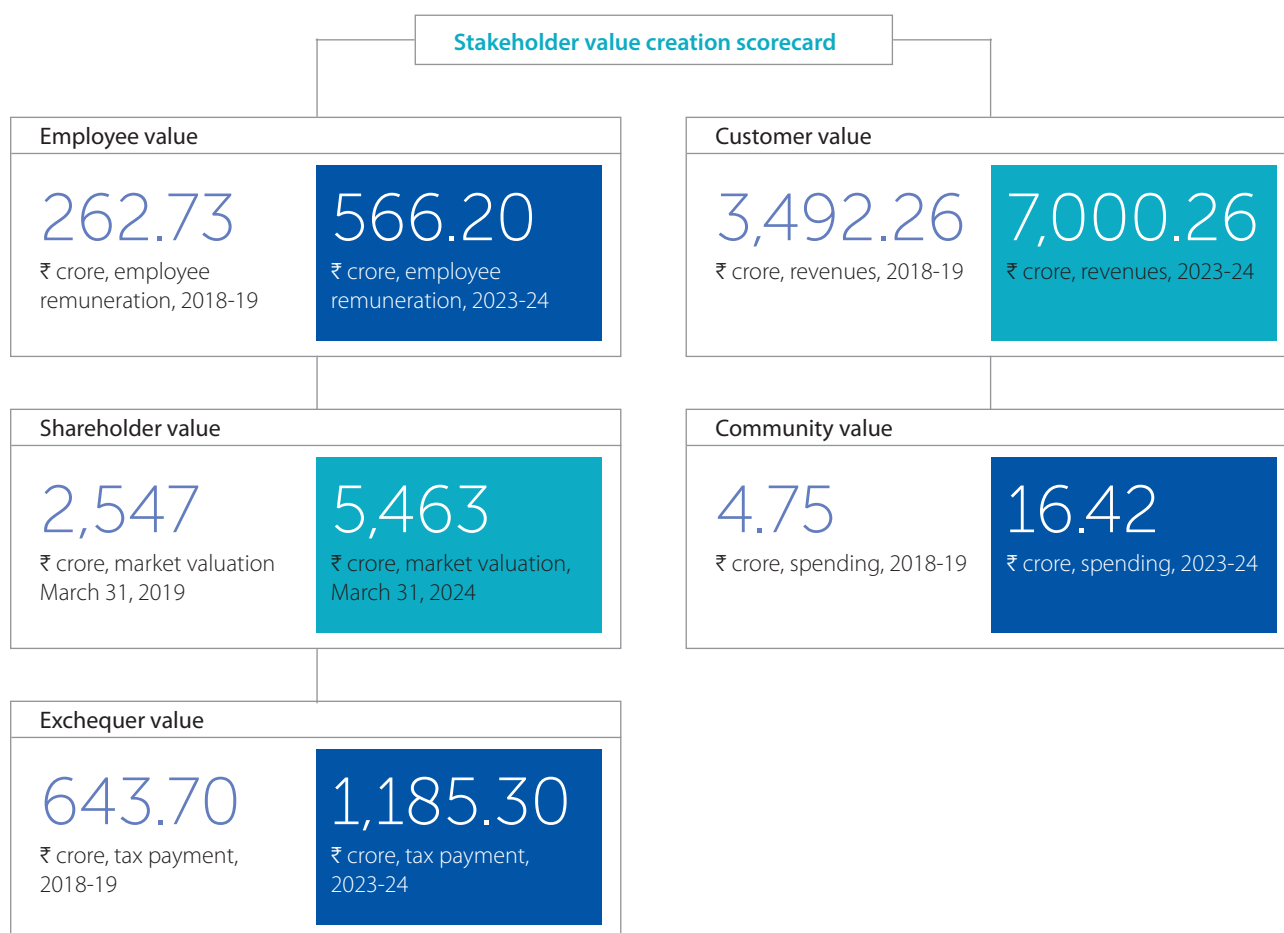
Strategy

How JK Paper's new vision is being directed to enhance stakeholder value

The Company is focused on the creation of 'integrated value'



A report on how we have institutionalised our value-creation process



Relative outperformance

How JK Paper's equity price (CAGR) performed vis-à-vis the BSE Sensitive Index

	1 year	3 year	5 year	10 year
Stock price (%)	(15.5)	29.1	17.7	26.9
Sensex (%)	24.9	14.2	13.8	12.6

Dividend payout

JK Paper has announced consistent dividends for five years. The Company paid an aggregate ₹650.62 crore in dividend across the ten years ending 2023-24.

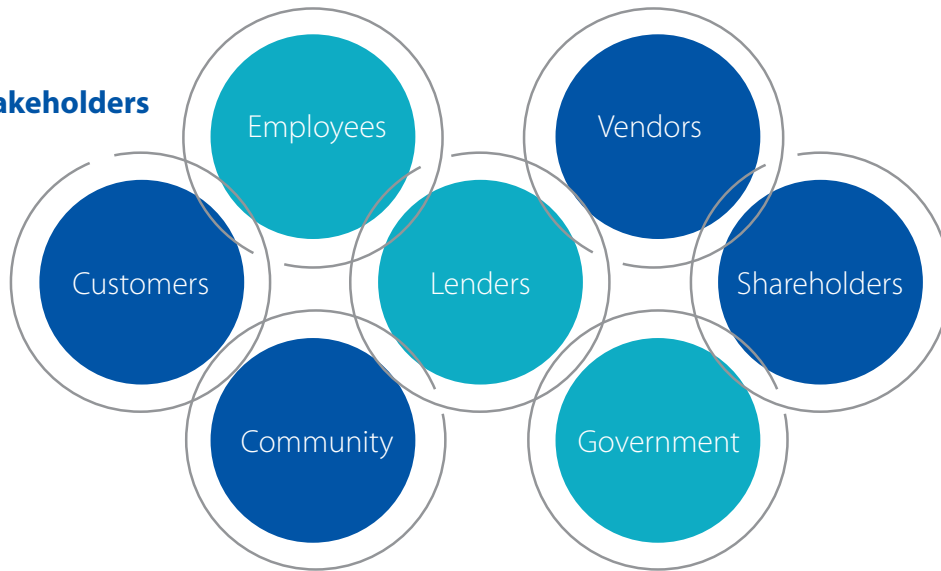
Dividend payout excluding taxes (₹ cr)

2019-20	2020-21	2021-22	2022-23	2023-24
71.30	67.76	93.17	135.52	143.99

Overview

The Integrated Value-Creation Report appraises tangible and intangible outcomes by incorporating diverse corporate realities (financial data, management insights, governance, compensation, and sustainability disclosures) in the delivery and enhances value for stakeholders (employees, customers, suppliers, business collaborators, communities, Governments and policymakers).

Our stakeholders



How we strengthen value across Capitals

Financial capital: The financial resources are aggregated from investors, promoters, banks and financial institutions through debt, net worth and accruals.

Manufacturing capital: The Company's assets, technologies and equipment form its manufacturing capital. The logistics for the transfer of raw materials and finished products are an inherent part of its manufacturing capability

Human capital: The Company's management, employees and contractual workers effectively constitute its workforce.

Intellectual capital: The Company focuses on cost optimisation and operational efficiency, drawn from deep proprietary knowledge

Natural capital: The Company focuses on plantation in creating raw material sources




and procure with responsibly without impacting the environment.










Social capital: The Company's engagements with the communities and partners (vendors, suppliers and customers) catalyse its role as a responsible corporate statesman.












Value we created in 2023-24

Financial capital			
7,000.26 ₹ crore, turnover	1,842.98 ₹ crore, EBITDA	66.22 ₹, earnings per share	1,133.20 ₹ crore, PAT
Manufacturing capital			
8.0 Lac tonnes, Paper and Packaging Board	105 %, average capacity utilisation		
Human capital			
4,768 Permanent employees	44 Hours per employee, training imparted	40.9 Years, average age	
Natural capital			
1,164 Lac, number of trees planted in 2023-24	4.17 %, decline in power consumption per unit of output	17.79 %, decline in water consumption per unit of output	9.3 %, decline in coal consumption per unit of output
Social and Relationship capital			
468 Number of trade partners in 2023-24	~1,000 Number of vendors in 2023-24	9,62,415 Number of beneficiaries under CSR projects	98,000+ Number of farmers benefitted through farm forestry programmes since inception

How JK Paper engages with its stakeholder family

Stakeholder	Why this stakeholder is important	How we engage with them	Frequency	Their material issues	Key risks	Capital linkages	Value created	SDG impacted
Investors / Shareholders	Provide feedback on the Company's strategies, financial and non-financial performance Helps influence the market valuation	Quarterly investors presentation Corporate presentation Investors conferences, Analysts' days AGMs and EGMs Annual reports Company's website Disclosure to stock exchanges Investor grievance redressal mechanism	Ongoing and need-based	Growth-driven strategies Prudent capital allocation Long-term value creation Consistent shareholder payout Robust governance practices Transparent and ethical business practices	Operating risks Financial risks Strategic risks Compliance risks	Financial capital Social and relationship capital	Shareholder payout: 15.91% Return on Capital Employed: 20.50% Return on Equity (ROE): 24.90%	 
Consumer	Regular communication with consumers to (i) understand their evolving needs and desires, and (ii) provide them with high-quality, energy-efficient sustainable products.	Customer satisfaction surveys Brand campaigns (above-the-line and below-the-line) Social media engagements	Ongoing and need-based	Product stewardship Consumer centricity Data privacy and cyber security Effective and efficient grievance redressal mechanism Statutory compliance	Operating risks Strategic risks Financial risks Compliance risks	Social and relationship capital Intellectual capital	New product launches: five Customer satisfaction Consumer recall	

Stakeholder	Why this stakeholder is important	How we engage with them	Frequency	Their material issues	Key risks	Capital linkages	Value created	SDG impacted
Employees	Invested partner in the Company's success, who contributes to the Company's value creation	Meetings / Town Hall briefings Team building workshops, capacity building and training Annual appraisal Rewards and recognition In-house newsletter Employee satisfaction surveys Regular Employee Communication	Ongoing	Diversity, equity, and inclusion (DE&I) Career progression Ethical business practices Occupational Health & Safety Training and Development Open Communication and Recognition Work-life balance	Operating risks Strategic risks Financial risks Compliance risks	Human capital	Improved employee engagement and retention Enhanced employee productivity and performance Attracting and retaining top talent Enhancing the Company's reputation as a good employer	    
Value chain partners (upstream and downstream)	Plays a role in various stages of the process that brings a product / service to the end consumer	One-on-one and Group meetings Periodical operational reviews Value chain partners survey / feedback Training programs Contract negotiation Value chain partners' Code of Conducts Policies and Standards Conflict resolution mechanism Performance feedback mechanism Recognition and appreciation	Ongoing	Durable business with long-term prospects Effective and efficient information dissemination, technical knowledge exchange and other collaborations Responsible and ethical business practices Fair and transparent contractual terms and conditions Enforcement of contractual terms and conditions	Operational risks Strategic risks Financial risks Compliance risks	Social and Relationship Capital Manufacturing Capital	Enhancing the Company's reputation as a responsible and sustainable business partner for value chain partners	   

Stakeholder	Why this stakeholder is important	How we engage with them	Frequency	Their material issues	Key risks	Capital linkages	Value created	SDG impacted
Community	The community's well-being and perception of the Company significantly impact the Company's success	CSR initiatives Community interactions with NGOs Volunteering Complaints and grievance mechanism	Ongoing and need-based	Socio-economic development Responsible and sustainable operations	Operational risks Strategic risks Financial risks Compliance risks	Social and relationship capital Human capital Natural capital	Number of lives impacted: 9,62,415	     
Government and regulatory bodies	One of the important stakeholders playing a critical role in shaping the business environment	Periodic compliance report Periodic statutory audit Participating in industry association	Periodic	Proactive compliance Sustainability practices Active contribution in nation development, employment generation and environment protection	Operational risks Strategic risks Financial risks Compliance risks	Financial capital Social and relationship capital Natural capital	Contribution to exchequer CSR Expenditure	    



Our sustainability framework

Vision

- Incorporated a new vision
- Focused on enriching lives
- Directed initiatives towards a better future

Portfolio

- Manufacture writing/printing and packaging paper
- Manufacture corrugated and container board
- Addressing the segments through organic and inorganic initiatives
- Increased output of packaging and copier paper

Environment commitment

- Moderated resource consumption per unit of production
- Protected the region's environment balance
- Extensive regulatory compliance: sectorial thought leadership

Strategy

- Graduated the business towards fibre based packaging solutions and entered the corrugated and monocarton business
- Digitalisation; holistic cost moderation; customer convenience
- Enhanced environment responsibility

Manufacturing excellence

- Maximised asset utilisation
- Invested in cutting-edge technologies
- Moderated manufacturing costs towards cost leadership

People competence

- Engaged young talent and experienced capabilities
- Focused on enhancing talent productivity
- Recruitment from non-paper sectors

Backward integration

- Catalysed plantation for wood availability
- Procured superior and proximate wood quality
- Engaged farmers around superior and sustainable returns

Liquidity

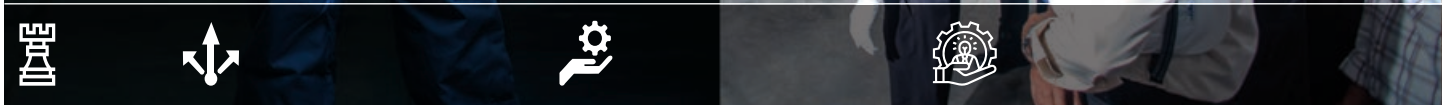
- Repaid and prepaid long-term debt
- Optimised working capital outlay
- Focused on cash-positive status

Community support

- Consistent focus on enriching community lives
- Creating better futures through integrated development
- Engaged sustainably for enduring impact



Our strategy



Strategic focus	Procurement relationships	Manufacturing excellence	Talent competence	
Key facilitators	<p>The Company prioritised enhancing its ability to source quality raw materials as locally as feasible, ensuring the most appealing price-value balance.</p> <p>The Company took a pioneering stance in promoting social forestry in the areas surrounding its manufacturing facilities.</p> <p>The Company reduced its logistics expense, obtained premium raw materials and improved the quality and consistency of end products.</p> <p>This approach led to a more predictable availability of resources in quantity and quality, bolstering corporate stability.</p>	<p>The Company's investment in cutting-edge equipment and technologies, combined with focused research and development, has been significant.</p> <p>The Company moderated manufacturing costs, enhancing operating efficiencies and elevating product quality.</p> <p>The Company achieved high asset utilisation, reinforcing its cost leadership and maximising return on gross block.</p>	<p>The Company hired subject matter experts to boost its workforce.</p> <p>To enhance competence, the Company intensified training and empowered employees through projects.</p> <p>In the fiscal year 2023-24, the Company reported an attrition rate of 8.8%, which was lower than the industry average.</p> <p>The Company reported higher per person productivity in 2023-24.</p>	
Material issues resolved	<p>The consistent availability of resources in both quantity and quality contributes to corporate stability. Resourcing by other wood-based industries from our plantation area remained a challenge.</p>	<p>Utilisation of state-of-the-art technology leads to superior operating efficiency.</p>	<p>Improved employee engagement correlates with heightened productivity.</p>	
Capitals effected	<p>Financial, Manufacturing and social</p>	<p>Manufacturing, Intellectual and Financial</p>	<p>Intellectual and Human</p>	



	Distribution breadth	Brand and customer experience	Environment commitment	Community engagement
	<p>The Company expanded its presence across the country.</p> <p>The Company ensured that its products were readily available, accessible, and affordable to customers.</p> <p>The anytime availability of products enabled customers to reduce the need for holding inventory for extended periods, enhancing working capital efficiency.</p> <p>By fostering a deeper engagement with trade partners, the Company facilitated a faster inventory turnover.</p> <p>At the end of the fiscal year 2023-24, the Company's distribution network comprised 468 trade partners.</p>	<p>The Company's brand provided a peace of mind to customers.</p> <p>The Company offered a comprehensive product solution, encompassing writing and printing, coated, office paper, and packaging board.</p> <p>With on-time and in-full deliveries, the Company enhanced its dependability.</p> <p>Expanding into direct marketing, the Company elevated its value chain and graduated consumer relationships to a new level.</p>	<p>The Company reinforced its commitment to environmental integrity.</p> <p>The Company's operations were benchmarked against the most stringent environmental compliances.</p> <p>The Company's operations never faced censure for non-compliance or transgression.</p> <p>With a focus on sustainability, the Company emerged as wood- and carbon-positive.</p> <p>The Company made forward-looking investments in effluent and sewage treatment.</p> <p>The Company achieved among the lowest water and power consumption benchmarks within India's wood-based paper sector.</p>	<p>The Company embarked on community-supporting initiatives, extending its engagement to farmers, youth, and women in the villages surrounding its plants.</p> <p>These engagements encompassed various sectors including livelihood intervention, education, healthcare, and rural infrastructural development.</p> <p>In the fiscal year 2023-24, the Company allocated ₹16.42 crore towards CSR activities, directly benefiting almost 9.62 Lac people.</p>
	<p>Enhanced collaboration with trade partners facilitates swift inventory rotation.</p>	<p>The evolution of the Company's brand into a trust mark fosters increased customer assurance.</p>	<p>The Company's commitment to environmental sustainability enhanced stakeholder confidence.</p>	<p>Communities experience improved livelihoods and heightened prosperity..</p>
	<p>Intellectual, Manufactured and Social</p>	<p>Intellectual, Manufactured and Social</p>	<p>Social, Natural and Manufacturing</p>	<p>Social and Natural</p>

PART 5

Business Function Review

Soul

ESG: JK Paper's sustainability driver



Overview

Due to its reliance on wood, water usage, coal consumption, and the utilisation of finite resources, the paper industry holds significant environmental sensitivity. Consequently, environmental-social-governance (ESG) practices are crucial, as any reduction in resource

consumption benefits the environment and communities. JK Paper showcased industry leadership by proactively investing in technologies and equipment to mitigate the depletion of finite resources. This strategic approach resulted in a dual benefit: reduced resource consumption per unit of production and associated costs.

#1 Environment commitment

A robust environmental management system, covering air, water, solid waste and hazardous waste, is indispensable for the sustainability of paper companies. To achieve this, paper companies implement various measures: adopting sustainable forestry practices, investing in clean production technologies, reducing water usage and emission, implementing waste minimisation cum recycling programmes,

conducting environmental impact assessments and engaging stakeholders in sustainability initiatives.

At JK Paper, the Company is focused on optimising process parameters through automation, embracing the latest environment friendly technologies and implementing the waste-to-wealth concept.

The Company adheres to the United Nations' principles for responsible manufacturing and environmental sustainability. These principles encompass safeguarding human rights, labour rights, environment responsibility, and anti-corruption efforts throughout its operations.

Strengths

Well-defined policy: The Company has well-defined environmental policies and procedures that guide its operations and decision-making processes. These policies demonstrate a commitment to environmental responsibility and provide a framework for managing environment risks.

Monitored: The Company's environment management system undergoes periodic audit and reporting, ensuring that the Company meets its compliance requirements and gaps, if any, that are addressed at an early stage.

Respect: The Company actively moderates the use natural resources per production unit, reducing environmental impact and associated costs. It accounts for one of the lowest per-unit consumption of water, coal, steam, and energy within India's integrated pulp and paper sector. Digitalisation enhanced operational efficiency. Several years ago, the Company's operations attained wood- and carbon-positive status.

Positioning: The Company is dedicated to environment responsibility and sustainability. It endeavours to increase paper production while minimising environmental impact and improving

farmer livelihoods through social and farm forestry. During the year under review, the Company planted trees covering 81,000 acres across Odisha, Andhra Pradesh, West Bengal, Telangana, Maharashtra, Gujarat and Chhattisgarh.

Safe: The Company's investments in state-of-the-art equipment and infrastructure reduced waste and emissions, improving operational safety for workers, environment, and local communities. The result is that the Company's operations have been largely incident-free.

Initiatives, 2023-24

Unit JKPM, Rayagada

- Reduced water, steam, coal and power consumption per ton of paper over the years by implementing various water and power-saving schemes, reducing GHG emissions and becoming carbon positive.
- Commissioned a tertiary clarifier for the reduction of colour in treated effluents.
- Ensured that emissions and effluents remained below prescribed norms.

- Reduced water consumption to 27m³ per ton of paper through water saving schemes.
- Deployed an electro-static precipitator in all boilers, scrubbers, dust extraction system, dry fog system and bag filters. The air emissions were monitored through AAQM stations; real-time data was transmitted to relevant Pollution Control Boards.

Unit CPM, Songadh

- Adopted emission control technologies comprising electrostatic precipitators,

scrubbers, bag filters, closed conveyor hoods etc. to capture and treat pollutants before being released harmlessly into the atmosphere.

- Installed advanced treatment technologies in its effluent treatment plant infrastructure to improve the treatment and disposal of wastewater generated during production
- Recycled primary sludge in low grade paper making, reintroducing wastewater into production.

- Implemented water recycling and reuse systems to treat and reuse water from various processes, reducing the overall demand for freshwater and minimising wastewater discharge.
- Introduced efficient water management practices (internal and external water audits), optimising water use
- Identified water loss or inefficiency areas through a water audit team, implementing water-saving technologies such as low-flow fixtures and equipment.

Unit SPM, Sirpur

- Adopted waste reduction measures (disc filters in paper machines) to minimise fiber loss and freshwater consumption.
- Installed a high pressure, high efficiency fluidised bed combustion boiler for co-generated power.
- Installed a non-condensable gases collection system to collect and incinerate in the lime kiln.
- Installed a log washing system on yard stacked wood to reduce dust emission in chipper area.

- Supplied treated water to two neighbouring villages of 250 acres.
- Installed a sewage treatment plant for treating domestic effluents; the treated water was used in green belt development.
- Installed centralised refining system resulting in a power saving of around 576 kW (36 kWh/T of paper).
- Improved lime purity from 78% to 83%, leading to a reduction in chemical consumption.
- Water consumption reduced from 100 Cu.m/tonne of paper in 2021-22 to around 45 Cu.m/tonne of paper.

Certifications

ISO 9001: 2015: It delineates the criteria for establishing a quality management system, obliging organisations to consistently deliver products and services that meet customer expectations and comply with pertinent laws and regulations. It aims to enhance customer satisfaction by efficiently applying the system and processes for continuous improvement and compliance assurance.

ISO 14001: 2015: It prescribes the prerequisites for implementing an environmental management system to enhance an organisation's environmental performance. It caters to organisations seeking to systematically manage their environmental obligations, contributing to the environmental aspect of sustainability.

ISO 45001: 2018: It specifies the criteria for establishing an occupational health and safety (OH&S) management system and offers guidance for its implementation. Its objective is to assist organisations in preventing work-related injuries and illnesses, proactively improving their OH&S performance, thereby fostering safe and healthy workplaces for their employees.

FSC COC: The Forest Stewardship Council (FSC) is a non-profit entity renowned for its sustainable forestry and forest product traceability certification scheme. Organisations can boost their market presence by securing Chain of Custody (CoC) certification, ensuring that FSC-certified material is distinguished from non-certified and uncontrolled material

throughout the supply chain, from the forest to the market, accomplished via the CoC procedure.

BIS certification: BIS certification, issued by the Bureau of Indian Standards (BIS) in India, signifies third-party assurance of a product's quality, reliability, and safety to customers. The BIS engages in various activities, including product certification, standards formulation, testing, hallmarking, and calibration schemes.

FSC Controlled Wood: The Controlled Wood system establishes minimum requirements for wood that can be combined with FSC wood. Products made using this wood may bear the FSC Mix label.

Step-wise modernisation of our effluent treatment system

1979	Installed a primary clarifier before the enactment of Orissa Water Rules 1983
1980	Aerated the lagoon
1986	Floating aerator added in aerated lagoon
1991	Secondary clarifier was added
2002	Activated sludge process with a cooling tower
2013	New primary clarifier, diffused aeration basin, new secondary clarifier, centrifuge & thickener
2024	Tertiary treatment system was implemented

Case study

How indisposable secondary sludge was converted into a bio-fuel

Challenge: The disposal of secondary sludge is a challenge for all integrated pulp and paper industries in India.

Activity: JKPM burned the secondary sludge in liquor fired boiler with black liquor to generate biofuel, approved by the Central Pollution Control Board.

Outcome: The Central Pollution Control Board released the guidelines for all integrated pulp and paper industries to repurpose their second sludge as a way to generate bio-fuel.

#2: Social commitment

Overview

At JK Paper, the support of stakeholders (employees, vendors, and local communities) reinforced business continuity. The Company upheld the highest safety and health standards, striving for zero incidents and zero ill health instances.

Employees: JK Paper's culture of excellence encompassed provisions for job security, training, productivity enhancement, talent development (covering recruitment, retention, and training) and safety priority. JK Paper was felicitated with the National Safety Award from the Government of India.

Customers and vendors: The Company invested in a reliable ecosystem of

vendors (including capital equipment providers) and trade partners, many of whom remained loyal customers for a decade or more, contributing significantly to revenues.

Community: The Company engaged with local communities around its manufacturing facilities, contributing to their welfare through collaborative initiatives.

JK Paper's safety measures

- Ensured consistent attendance at health and safety committee meetings; included health and safety representatives in management meetings.
- Implemented a comprehensive training schedule for employees and workers, including on-the-job and off-the-job training sessions (such as classroom sessions, external workshops, job-specific training, behavior-focused training, toolbox talks, mock drills and meetings).
- Participated in the investigation of accidents, near misses, incidents, and instances of ill health.
- Conducted regular visits to the shop floor to recognise commendable occupational health and safety practices, address unsafe behaviors, identify root causes of non-compliance, and empower employees to voice health and safety concerns.
- Introduced incentives to encourage adherence to safe practices and prompt reporting of safety concerns.
- Adopted a comprehensive approach towards incident prevention and health promotion.
- Implemented team-building exercises through workshops, seminars etc., leadership development programmes and cross-functional training sessions to enhance collaboration, communication and teamwork among employees.
- Organised promotional events like National Safety Day and competitions to raise awareness.
- Recognised and rewarded employees who adhered to safety protocols.

Training initiatives

The Company trained employees across the following:

- Environment legislations
- Different applicable acts and rules
- Environment aspects and impacts
- Safety induction to all new joiners
- Occupational Health and Safety Review
- Emergency preparedness
- Behavioural safety
- Use of personal protective equipment
- External scaffoldings (classroom and shopfloor)
- External ergonomics
- Work at height
- Material handling
- Safe operating and safe maintenance procedures
- Do's and don'ts on safe handling of hazardous chemicals

#3 Governance commitment



Overview

JK Paper prioritises governance to enhance a predictability of outcomes, attracting like-minded stakeholders. The governance framework enhances predictability and stability, fostering similar expectations among stakeholders. Comprising experienced individuals, the Board of Directors includes members with extensive industrial, legal and commercial backgrounds.

Trust capital: At JK Paper, the Company's most essential asset is trust. Trust capital is the underlying reason why various stakeholders such as customers, vendors, employees, communities etc. engage with it.

Disciplined approach: Governance embodies the commitment to consistent action, even amidst challenges, with the belief that eventual gains will surpass investments of time, effort and funds. This discipline has enabled the Company to maintain a margin through market cycles,

redistributing its surplus to trade partners during favorable periods, fostering loyalty.

Doing the right thing: Governance involves prioritising correct actions, alongside those enhancing efficiency. This approach cultivates organisational predictability and consistency, minimising systemic shocks and attracting stakeholders aligned with ethical business practices.

Long-term: The Company prioritises long-term strategies, guiding investments in assets, technologies, brands, personnel, locations, products and partnerships. For instance, increased investments in plant infrastructure and technology ensure superior product quality, future-proofing against technological obsolescence and enhancing environmental sustainability.

Competence: Core competence serves as a buffer against cyclical downturns. The Company maintains a focus on its core paper-centric business, enhancing strategic clarity, exploring sectoral

opportunities, attracting talent and increasing research efforts.

Data-driven: The Company is analytics-focused, investing in digitalisation to expedite processes and gather comprehensive data for informed decision-making across consumer behaviour, markets etc.

Sustainable growth: Sustainable growth is pursued over one-off profitability spikes, achieved through incremental investments funded by accruals, moderated debt and prudent financial management, ensuring stability without over-stretching resources.

Board of Directors: Strategic direction setting is influenced by the Board of Directors, comprising seasoned professionals and industrialists, enriching the Company's values, experience, business understanding and strategic vision.

Striking a balance: A cautious but assertive stance is adopted, focusing on capital investments with short-term payback, prioritising cash flows over mere profits, and reinvesting in the business to maintain a low long-term gearing and sustain growth.

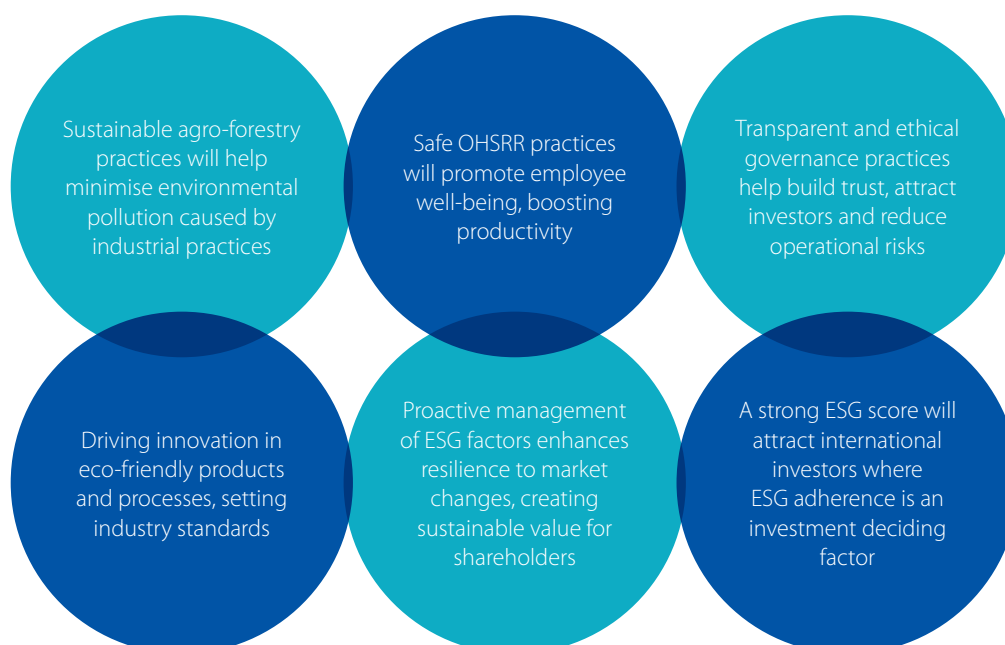
Process-driven: Growth is facilitated by a strategic direction from the promoters coupled with delegated day-to-day management to professionals. Investments in robust processes and systems, particularly information technology, form a scalable foundation for profitable growth without significant increases in operational staff.

Audit and compliance-driven: Ensuring business predictability and mitigating unforeseen risks is achieved through an audit-driven and compliance-focused approach, boosting the credibility of reported numbers and avoiding statutory penalties.

Our sustainability report card

Manufacturing competence		
100 Index of asset utilisation, 2021-22	100 Index of asset utilisation, 2022-23	104 Index of asset utilisation, 2023-24
Comprehensive effect	Financial robustness	Distribution network
1.8 %, Decreased ROCE	85 bps, reduction in the cost of debt since 2018-19	4 %, enhancement in number of distributors
Environment integrity		
17.79 % decline in water consumption per tonne of paper in 2023-24	9.3 % drop in coal consumption per tonne of paper in 2023-24	

How JK Paper's ESG focus will help it achieve its new vision



Business function review

JK Paper's sustainable procurement strategy



Overview

India ranks as the fifth largest market for paper and packaging, yet faces with a significant deficiency in fiber resources. This scarcity poses a challenge to the paper industry, compelling companies to place a premium on securing a steady supply of raw materials. In response to increasing demand, there has been a shift from a reliance solely on forest resources towards embracing agroforestry practices. This transition represents a significant evolution in the industry's approach to sourcing raw materials, offering a more sustainable and diversified strategy for meeting the nation's paper needs.

Procurement strategy

For over three decades, JK Paper has collaborated with farmers near its Odisha facility, a partnership that then commenced over two decades ago at

Gujarat unit and was followed by the Telangana unit. These farmers have been cultivating fast-growing hardwood species such as eucalyptus, subabul, and casuarina, encouraged by JK Paper to plant across more than 81,000 acres (2023-24) in Gujarat, Maharashtra, Chhattisgarh, Madhya Pradesh, Andhra Pradesh, Telangana and Odisha. This initiative has not only expanded the Company's resource base but has effectively lowered wood procurement expenses. JK Paper's consistent plantation efforts have helped maintain a competitive edge over industry players, especially during periods of price volatility in the pulpwood market.

Strengths

State-of-the-art production centers: The Company made significant investments in state-of-the-art clonal production centers,

leveraging cutting-edge technology to ensure consistent production of high-quality planting material throughout the year. These advanced facilities enable the Company to maintain stringent quality standards and meet the demands of farmers and agricultural communities.

Research and development: Through dedicated research and development initiatives, the Company developed short-rotation clones of subabul and eucalyptus. These clones, with a duration of not more than three years, enhanced productivity, allowing farmers to generate higher annual revenues.

Clonal cultivation emphasis: JK Paper emphasises the cultivation of quality clones, recognising the pivotal role they play in enhancing farm yields. By focusing on the production of superior clones, the Company empowers farmers to achieve greater agricultural productivity and profitability.

Certification validation: The attainment of prestigious certifications such as the Forest Stewardship Council (FSC) certification across all units underscores JK Paper's commitment to environmental stewardship and responsible resource management. These certifications serve as a testament to the Company's adherence to rigorous standards of sustainability and environmental conservation.

Challenges and counter initiatives, 2023-24

A number of factories of wood-based industries (plywood, MDF, particle boards etc.) were established near the vicinity of plantations. This put a strain on raw material availability, forcing paper mills to address their raw material needs.

JK implemented measures to navigate the crisis, including securing materials from forest tenders and exploring alternative species areas, while strategically importing chips to maintain a planned minimum quantity. These actions were aimed at ensuring resilience and exerting control over the domestic market by buying at the right cost.

Initiatives

- The scarcity of wood led to the procurement of material from distant locations, increasing input costs and deteriorating quality, consequently increasing output costs.
- The complexity and unorganised nature of the supply chain for wood, sourced from numerous farm fields, necessitated a high inventory.
- The Company enhanced farmer engagement and mobilisation by directly procuring from farmers and offering logistical assistance in exchange for fair compensation.
- JK Paper, including SPM, accessed raw material from 81,000 acres, the highest plantation area in its history.

FSC® certification

The Forest Stewardship Council (FSC) is guided by a global network comprising over 1,000 individuals and member

organisations representing diverse environmental, social and economic viewpoints. This international certification has become a benchmark for responsible organisations. JK Paper holds FSC® COC/ CW and FSC® - FM/COC certificates, ensuring that its products originate from forests managed to meet the social, economic, and ecological needs of present and future generations. Having acquired forest management and chain-of-custody certifications, JK Paper is equipped to manufacture FSC® COC certified products, including various types such as writing, printing, copier, bond, coated, and uncoated papers. In 2023-24, the Company sourced 100% of its raw materials from sustainable origins, categorised into two groups: FSC® 100% wood sourced from its meticulously managed group plantations, and verified controlled wood procured through suppliers located in regions like Odisha, Andhra Pradesh, Chhattisgarh, Gujarat, Maharashtra, Telangana and Madhya Pradesh, all accompanied by requisite documentation.

Tree plantation

The Company increased tree planting virtually every year across the last couple of decades, greening the environment, enhancing farmer livelihoods and enhancing resource security – a win-win proposition.

Saplings (in Lac)

FY20	FY21	FY22	FY23	FY24
476	450	605	832	1,164

Clonal plantation coverage

The Company embarked on an innovative approach by developing the shorter maturity Subabul clone, reducing the rotation time from three years. This initiative enhanced productivity and sustainability across 85% plantations within a 200 km radius from the mill, ensuring a readily available raw material. Through extensive research, productive clones were cultivated, promising increased farmer incomes while delivering quality material with superior pulp yield in shorter cycles. Moreover, strategic associations and tie-ups with public sector undertakings and corporates were forged to streamline plantation efforts and wood procurement. Complementing these endeavours, advanced analytics optimised sourcing decisions and cost management, facilitating efficient operations and sustainable growth.

Outlook

The Company will improve its procurement and plantation strategies to enhance raw material availability.



Business function review

Manufacturing excellence at JK Paper



Overview

In the capital-intensive sector of paper manufacturing, companies need to embrace new manufacturing processes and technologies to boost production, efficiency, quality and cost competitiveness. The advent of digital media has altered demand dynamics, necessitating a focus on efficiency and cost reduction to retain competitiveness. There is a pressing need to digitise operations through the adoption of automation, robotics and Industry 4.0 technologies.

Sustainability has emerged as a paramount concern, with manufacturers needing to invest in eco-friendly processes and materials to mitigate environmental impact. Challenges such as limited raw material access, stringent environmental regulations and personnel retention issues continue to persist; companies like JK Paper have been successfully navigated these obstacles.

JK Paper, known for its large production capacity and unwavering commitment to environmental responsibility, continued to demonstrate excellence in asset utilisation, output quality and cost

efficiency. In the fiscal year 2023-24, the Company reported an asset utilisation of 105%, validating effective management practices and strategic resource allocation.

Strengths

Strategically positioned: The Company's three units are strategically located in areas abundant with raw materials, energy, and water resources, ensuring a cost-effectiveness in operations.

Strategic collaborations: By forging partnerships with key stakeholders such as suppliers, distributors, and industry leaders, the Company optimises its supply chain, secures reliable access to raw materials, and expands its market reach. In the past, the Company collaborated with Valmet for packaging board capacity expansion and quality issue resolution, as well as partnering Accenture for digital transformation initiatives.

Commitment to sustainability: The Company is committed to eco-friendly manufacturing practices, including power co-generation to mitigate greenhouse gas emissions and responsible sourcing to ensure sustainable resource consumption.

Investment in research and development

Development: The Company's dedicated research and development centre focuses on innovating new paper varieties, optimising processes and enhancing product quality.

Diverse product portfolio: With a comprehensive range of products including printing and writing paper, packaging board, specialty paper and coated paper, the Company effectively serves various customer segments while reducing dependence on any single category.

Emphasis on learning and development:

Through extensive training programmes led by in-house and external subject matter experts, the Company enhances workforce skills in safety awareness, digitalisation, and total quality management, fostering a culture of continuous improvement.

Quality assurance: Implementing statistical quality control techniques and AI-based logic, the Company ensures

consistent product quality and exceeds industry standards. Initiatives such as enhancing wood material quality assurance and implementing key process input and output variables contribute to this commitment. The Company has embarked on a journey for TQM across all its plant locations.

Flexibility and adaptability: The Company's ability to swiftly adapt to market fluctuations, supply chain

disruptions and regulatory changes ensures resilience and sustained competitiveness.

Cost optimisation: Continuous efforts are made to rationalise costs through the production process, including the identification of import substitutions with domestic alternatives, enhancing cost efficiency.

Highlights, 2023-24

#1 Unit JKPM, Odisha

Specialised products: Speciality grade paper like OGR, Ecosip, HSMT, Bible printing and carry bags besides branded products like JK Copier, Excel Bond and Cedar Papers

- Achieved 107% capacity utilisation
- 100% production was achieved through insourced products
- De-bottlenecked pulping and recovery islands for capacity enhancement and sustainability.
- Digitalisation across all machines improved quality consistency with increased production
- Replaced traditional disc type steam traps with a Venturi type steam to lower overall steam consumption.
- Explored alternate fuels firing in coal-fired boilers and emphasised maximising biofuels to achieve a lower coal consumption.
- Undertook power-saving projects, resulting in decreased specific power consumption.

#2 Unit CPM, Songadh, Gujarat

Specialised products: Platina board, cigarette board, bio PBS board

- Installed and commissioned veneer chipper to utilise veneer waste as raw material.
- Installed de-barkers in the plant that increased a capacity to handle over 40% of daily wood feed, enabling cost-effective use of bark wood for green energy.
- Achieved the aggressive plantation of ~11.5 Ha in 2023-24
- Increased pulp production through in-house de-bottlenecking, reducing manufacturing costs and boosting steam generation for green energy.
- Spearheaded digital transformation through Digital Centre of Excellence
- Focused on in-house capability building in 2023-24 to drive targeted ESG initiatives
- Initiated customer connectivity activities

#3 Unit SPM, Sirpur, Telangana

Specialised products: Colour copier, absorbent kraft

- Achieved a 100% compliance across statutory requirements related to the discharge of water bodies, emissions from stack etc.
- Achieved 94% capacity utilisation
- Installed pet coke plant replacing furnace oil in the lime kiln, saving lime costs.
- Delivered the highest in-house power generation at 98.6%.
- Achieved the lowest power consumption of 1,249 kWh/MT.
- 100% production through insourced products.
- Achieved the highest finished production at 11,930 MT/month and highest pulp production at 9,629 MT/month.
- Reduced accident rates from 3,000 person-days lost in 2022-23 to 6 person-days lost in 2023-24.

Outlook

The Company is dedicated to conserve natural resources by utilizing modern

technologies such as big data analytics and artificial intelligence. It is exploring various chemicals for coating and plans to expand its product range while upskilling

workers to improve machine runnability. Additionally, the Company aims to reduce costs and achieve higher capacity utilisation across its plants.

Product mix

JKPM, Odisha	CPM, Gujarat	Sirpur Paper
<ul style="list-style-type: none"> Office paper JK Bond OGR paper in lower GSM Ecosip papers Coated cup stock in lower GSM 	<ul style="list-style-type: none"> MICR cheque paper Liquid packaging board Anti-fungal board Aqueous coated board Ledger paper 	<ul style="list-style-type: none"> Absorbent kraft and greeting cards Ledger paper Easydraw Carry bag Sparkle

How SPM was made more sustainable

Quality improvement:

Quality complaints reduced significantly.

Capacity utilisation:

Achieved 94% capacity utilisation due to TQM and PM module initiatives.

Safety:

Accidents declined from 30,000 person-days lost to 6 person-days in a span of two years.

Plantation:

Plantation of 5,000 Ha. in 2022-23 doubled to 10,000 Ha. in 2023-24.

Energy consumption:

Derived 55% of its energy requirements from fossil fuels and 45% from renewable sources.

Streamlined manufacturing processes to drive efficient resource utilisation and revenue generation.

Rigorous quality control standards ensure consistent production of premium paper products, enhancing market reputation and share.

Integration of innovative technologies enhances product quality, reduces costs and promotes sustainable manufacturing practices.

How JK Paper's manufacturing excellence aligns with its new vision to enrich lives

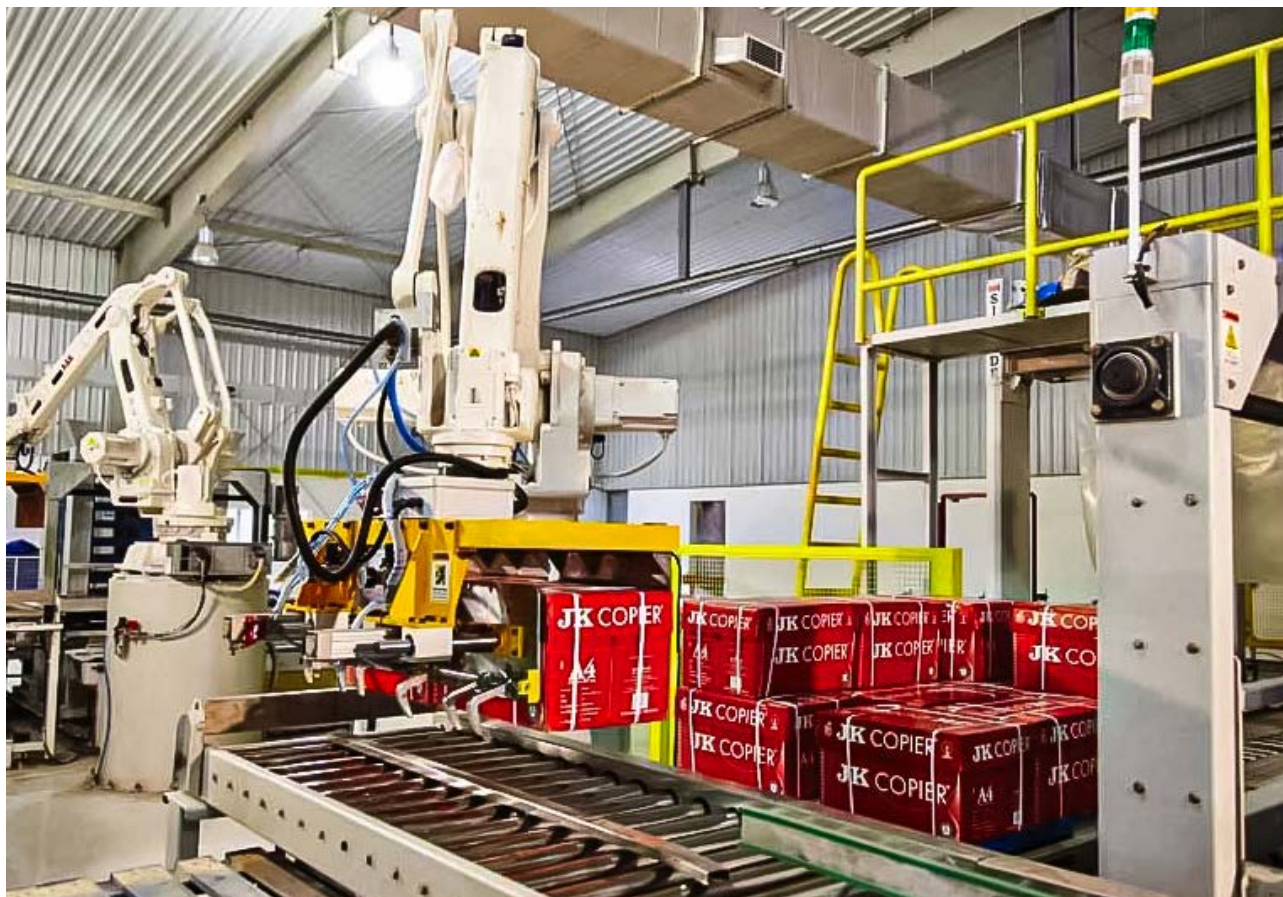
Optimised supply chain management ensures just-in-time delivery and customer satisfaction.

Environmental sustainability initiatives minimise manufacturing impact and elevate brand credibility.

Continuous employee training and safety protocols foster a skilled and motivated manufacturing workforce.

Business function review

Market-driven leadership at JK Paper



Overview

JK Paper has positioned itself as a one-stop provider of paper solutions, possessing a wide-ranging product portfolio, including coated and uncoated writing and printing papers, high-end packaging board and copier paper. To reduce dependence on any single category and underscore its commitment to sustainability, the Company pivoted its

marketing strategy towards promoting this diverse range of offerings. Integral to this strategy is the aim to establish JK Paper as a leading provider of sustainable paper-based solutions. This entails addressing concerns over the environmental impact of paper production by transparently showcasing sustainable practices such as agro/social farm forestry.

The Company sees the global climate crisis as an opportunity to offer eco-friendly alternatives to plastic products, such as paper bags, cups, and straws. Effective promotions are pivotal in enhancing JK Paper's reputation as responsible and environmentally conscious. During the year under review, around 3% of the revenues was invested in marketing and communication.

Brand strengths

Strong relationship capital: The Company values its trade partners as essential collaborators, regularly holding dealer meets to gather feedback and align them with the Company's strategy. This close relationship allows for valuable market insights.

Extensive distribution network: With over 400 trade partners and 4000 dealers, the Company comprises a robust distribution footprint covering wholesalers, retailers, distributors, and direct parties across India. This wide network ensures comprehensive market coverage, including jobbers and stationery outlets.

Brand messaging for sustainability: The Company is committed to promoting paper as a sustainable product, challenging misconceptions about its environmental impact. The Company actively communicates its environment credentials to dispel myths surrounding paper and foster a positive perception of sustainability.

Digital marketing expertise: Leveraging digital channels effectively, the Company promotes its brands like JK Copier, JK Easy Copier, and JK Copier Plus AntiMicrobial, ensuring broad visibility and engagement with customers across various online platforms.

Salesforce Automation: Implementing Salesforce Automation software enhances JK Paper's understanding of secondary sales and team efficiency, enabling more effective sales strategies and operations management.

Innovative customer engagement: The introduction of JK Paper Intelligent Assistant, an AI-based chatbot, facilitates a direct engagement with customers, providing real-time assistance, product information and lead generation.

Efficient transport management: The Company's Transport Management System improves the customer experience by streamlining logistics processes, offering features like vehicle indenting,

track and trace, and electronic proof of delivery. This system benefits customers and transporters, reducing working capital needs.

Retail expansion strategy: The Company enhances its retail footprint by expanding into photocopier shops (jobbers), stationary outlets, and other retail chains, increasing market share and improving accessibility for customers.

Branding highlights, 2023-24

Digital marketing strategies

- Utilised various digital strategies to capture the attention of the target audience
- Conducted product-specific campaigns for JK Platina, JK Copier Plus and JK Pac Fresh, focusing on target market penetration.
- Achieved high engagement rates through topical campaigns like Earth Day reaching over 100 Million individuals and maintaining an overall engagement rate of 15% for 2023-24.

On-ground engagements

- Engaged over 700 schools in the Letter To Supermom And Superdad campaign, encouraging letter-writing among youth and disseminating sustainability messages.
- Received a positive response to the Sandesh To Soldier campaign, with over 1300 letters handed over to troops and reaching a base of more than 50 Million audiences.

AutHer Awards Season 5

- Concluded the fifth season of AutHer Awards with notable participation and increased nominations, featuring renowned authors like Sudha Murthy and Sutapa Basu, Pragati Deshmukh, Rachel Thomas and Swapna Liddle
- Conducted 12 book reading sessions with renowned authors to enrich literary experiences, paving the way for

the upcoming AUTHER Awards Season 6 aimed at increasing participation across all categories.

Relationship building via JK Jobbers League

- Implemented a unique relationship-building program, JK Jobbers League, fostering personal connections through diverse activities such as scholarships, health insurance, and cookery contests.
- Conducted 'JK Connect' meets in Tier 2 and 3 cities to engage with jobbers directly, extending reach and strengthening relationships in key regions.

In-shop visibility and Converter Connect Program

- Installed 1100 signed boards for in-shop visibility and distributed over 500 Star outlet certificates among retail channels.
- Introduced JK Convertors Connect programme, emphasising personalised connections through regional meets and offering premium benefits like 'Upper Crest' and 'Inner Circle' rewards for converters.

Outlook

In 2024-25, JK Paper will boost its digital campaign to support sales, highlight specific product campaigns like JK Copier Plus Antimicrobial, and revamp its school engagement program and Sandesh To Soldier Campaign for enhanced brand visibility. A comprehensive 360-degree campaign will emphasise the Company's sustainable solutions, complemented by a website revamp for improved user experience. The Company came up with innovative products to reduce the use of single-use plastics, replacing them with paper. The range includes carry bags, paper straws, HSMT etc. The Company plans to install over 1,500 glow signboards nationwide. Loyalty programs and customer meets in Tier 2 and 3 cities will strengthen customer retention, showcasing JK Paper's commitment to innovation, sustainability and customer engagement.

Products segment review

Office paper	Writing and printing paper	Packaging paper
The Company was able to maintain its sales volume at premium pricing across all brands in spite of the cheap copier paper available from global markets.	The maplitho segment was under pressure due to the influx from cheap imports and domestic players. The year under review proved to be volatile due to muted demand for the coated paper segment from Q1FY24 to Q3FY24, which showed a slight improvement in Q4 owing to tenders and ease of imports. In spite of challenges, the writing and printing paper segment proved to be a value driver.	In spite of 2023-24 being a challenging year for the packaging board industry, the segment proved to be a volume driver. The Company utilised more than 100% of its new board machine.

35 % contribution of copier segment in total JKPL sales

15 % contribution of writing and printing paper segment in total JKPL sales

40 % contribution of packaging paper segment in total JKPL sales

The Company's transition from plastic to paper products will enhance sustainability

The Company's strong distribution network will provide better income opportunities for individuals and smaller businesses

The Company's brand identity as a sustainable paper brand will differentiate it from peers

How JK Paper's market-driven leadership will enrich lives

The Company's chatbot support to customers establishes it as a brand that is there for its customers 24*7, enhancing customer confidence

The company's robust transport management system (TMS) streamlines logistics processes for better visibility cum fleet utilisation

The Company's presence in Tier-II and Tier-III cities establishes it as a household brand with strong brand recall

Market shares, 2023-24

28 % for office paper	8 % for coated paper	10 % for maplitho and value-added paper	17 % for packaging board (virgin)
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Big numbers

4,000+ Number of JKPL dealers	14 Number of JKPL's pan-India depots	468 Number of JKPL partners (wholesalers, retailers and direct party)
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How JKPL has widened its footprint

	2020-21	2021-22	2022-23	2023-24
Trade partners	357	387	450	468

Business function review

Talent excellence at JK Paper



Overview

In a competitive landscape, attracting, retaining, and nurturing top talent is paramount for a company's sustained success. The HR team plays a pivotal role in devising recruitment strategies, identifying key talent and implementing development programs to foster a positive work environment that enhances employee engagement and loyalty.

Talent management is indispensable at JK Paper. The Company values its employees, recognising that their skills and capabilities are pivotal to its success.

With a focus on select hiring, JK Paper is committed to build a robust talent

pool, especially crucial amidst recent acquisitions and portfolio diversification. Talent management encompasses up-skilling, career advancement and succession planning, ensuring a skilled workforce aligned with the Company's evolving needs.

Given recent business acquisitions, seamless integration is paramount, highlighting the critical role of human relations in managing this transition. Working in tandem with management and aligning with the Company's new vision, talent management facilitates effective communication, change management and cultural cohesion across all units.

Strengths

Strategic HR planning: The Company's HR strategies are aligned with its overarching business goals, forecasting talent requirements, identifying skill gaps and developing plans to address them.

Training and development: The Company invests in training and development programmes that are aligned with present-day job market, making them crucial for employee engagement and retention. The Company also supports the higher education of employees. This is done to make JK Paper a future-ready organisation.

Technology: The Company harnesses technology to streamline HR operations, make data-driven decisions, and enhance overall efficiency. Utilising a robust HRIS (Human Resource Information Systems), the Company efficiently maintains employee records and empowers employees with self-service capabilities. The Company provides an online learning platform to facilitate continuous learning for employees, promoting accessibility and flexibility in learning opportunities. The learning workshops covered digitalisation, ITOT and Leap 200 enhancing proficiency and fostering innovation.

Competitive hiring strategy: The Company's hiring strategy focuses on attracting top talent, conducting effective candidate evaluations and ensuring a cultural fit with the organisation. With a robust hiring practice and a clearly defined recruitment process, the Company's hiring team utilises various sourcing channels and implements stringent selection criteria. The Company showcases its proficiency in this realm through the maintenance of a strong employer brand and the provision of

competitive compensation and benefits packages.

Cross-functional training: Recognising the importance of collaboration and synergy across different departments, the Company organised cross-functional training workshops. These workshops aggregated employees to share insights, best practices, and collaborate on solving common challenges. Through these interactions, the Company not only promoted a culture of teamwork but also facilitated knowledge exchange, fostering a more cohesive and innovative workforce.

Challenges and counter initiatives

Difficulty in attracting and hiring candidates having niche skills specific to the paper industry

The Company invested in enhancing its employer brand, diversifying recruitment channels, providing employee-friendly environment, competitive compensation packages and optimising the hiring process to attract top-tier talent.

Retaining key talent for organisational stability and success.

The Company implemented strategies such as career development programmes, performance incentives, flexible work arrangements and regular feedback mechanisms to improve employee retention.

Initiatives

- The Company implemented comprehensive training and development programs to enhance the capabilities of its HR team, aligning them with business needs. These initiatives included technical training, leadership development programs, soft skills workshops, and mentoring programs.
- A three-day annual conference at the group level gathered HR team members from all group companies to exchange best practices and industry insights. The conference featured panel discussions with esteemed industry leaders.
- The Company introduced a self-development scheme, offering support for employees' certification courses or higher education. HR team members

were nominated to attend relevant conferences and seminars, while group-level reviews ensured an alignment with organisational goals.

- The HR team spearheaded engagement initiatives such as Open-House forums, Quarterly Communication meetings, and Outbound Trainings. Regular engagement surveys and a robust Rewards & Recognition policy further enhance a culture of excellence.
- The group Medclaim Policy limit was raised; employees enjoyed access to medical checks and office yoga sessions.

Outlook

The Company will augment gender diversity, enhancing employee wellness, and facilitating the onboarding of young talent, such as Graduate Engineer Trainees (GETs) and Management Trainees (MTs). Additionally, it will focus on enriching employee experience, cultivating a culture of collaboration, instilling agility, fostering talent development and retention, driving digital transformation and establishing a resilient talent pipeline through succession planning.

Employee retention(%)

2021-22	2022-23	2023-24
90	90	91.2

Average employee age(years)

2021-22	2022-23	2023-24
38.9	38.9	40.9

Employee count

2021-22	2022-23	2023-24
3,654 (permanent employees)	3,657	4,768(MCS and workmen)

Regular training and development helps employees address the latest industry practices with expertise

Competitive hiring strategy ensures that the right people are hired for the right roles

How is JK Paper's talent excellence is aligned with its new vision to enhance trust

Streamlined HR operations and data-driven decision-making enhances organisational transparency

Digitalised HR functions provides employee access to flexible learning opportunities


Career advancement and succession planning helps the Company groom employees into industry leaders

How JK Paper has **supported partners** throughout its growth journey




"At our shop, we rely on A4, JK Sparkle 70 GSM, and JK A3 papers. Our printers are highly sensitive and cannot handle inferior paper quality. We have been using JK Paper for the past eight years, and not once have we encountered a sub-par sheet. JK Paper consistently delivers exceptional quality, ensuring smooth and hassle-free printing every time. We are extremely satisfied and highly recommend their products!"

Abdul Waheed,
KGN xerox



"We use JK Paper's XL Bold 80 GSM. Our customers prefer JK Paper's products and show no interest in any other brand. We receive excellent rates from our distributors. We highly recommend JK Paper for their consistent quality and reliability!"

C. Srinivasan,
TRA Forms



"Working with JK Paper has been a rewarding experience due to its commitment to superior product quality, exceptional service and enduring relationships. The Company consistently delivers superior products and provides outstanding customer support, ensuring customer satisfaction and long-term growth."

Vijay Malhotra,
Nice Wedding Cards Private Limited



"JK Paper is one of the few producers of high-quality virgin wood pulp-based paper. What I appreciate most about JK Paper is its customer-centric approach. It truly understands market dynamics and adjusts its pricing to meet the needs of core customers. The dedication to customer satisfaction, combined with their superior product quality, makes JK Paper a standout choice for our business."

Sachin Gupta,
Today's Diaries

Community engagement at JK Paper

Overview

JK Paper's vision revolves around fulfilling aspirations and enriching lives within the communities it serves, with a particular focus on women, farmers and youth. Through interventions such as establishing women's self-help groups (SHGs), farmer producer organisations (FPOs) and executing programmes for

youth empowerment, the Company is committed to making a difference.

The Company's corporate social responsibility (CSR) initiatives extended across 846 villages covering nine districts within seven states, positively impacting 9,62,415 individuals in 2023-24.

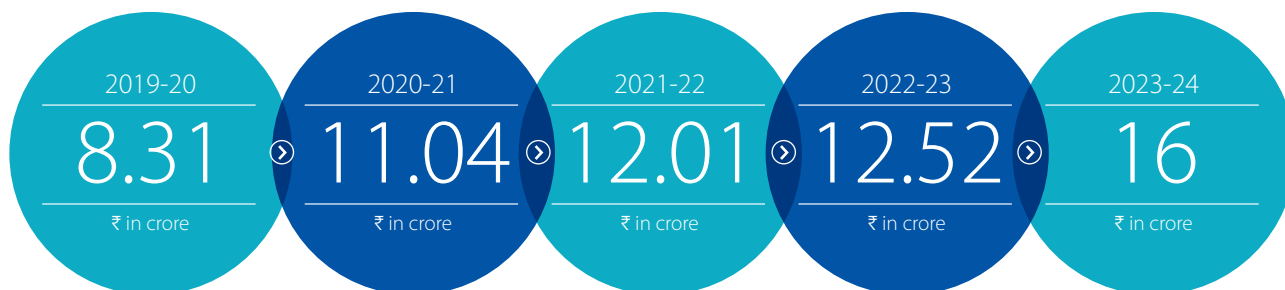
The Company's CSR efforts not only helped women and farmers but also

supported youth. The Company provided training to 14730 young individuals, helping them learn new skills and created 679 entrepreneurs. The Slum Education Programme in Geeta Colony, East Delhi, was instrumental in providing educational support to underprivileged children through two learning centres, catering to 406 children.

Sustainable development goals



JK Paper's progressive CSR funding



Contributions

JK Paper CSR activities were implemented in partnership with not-for-profit organisation for a last mile connectivity with communities. These included:

Sparsh Social Foundation

Bharatiya Yuva Shakti Trust

Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS)

Art & Photography Foundation

Foundation for Promotion of Sports and Games



#1 Women empowerment

Rayagada, Odisha

- 552 SHGs were formed with 5,753 women from 169 villages, aggregating total savings of ₹3.67 crore, with credit linkages of ₹12.53 crore and inter-lending of ₹68.54 Lac.
- 36 producer groups were established, involving 1,222 producers in activities like Siali leaf processing, mushroom cultivation, broom binding, turmeric etc.
- 52 SHGs engaged in group-based enterprises, generating a turnover of ₹10.18 crore and a net profit of ₹32.92 Lac.
- In Kolnora and Kalyansinghpur blocks, 91 SHGs with 900 members from 31 villages formed three Van Dhan Vikas Kendra, while 36 SHGs received government subsidies worth ₹3.70 Lac for mushroom cultivation.

Tapi, Gujarat

- 327 SHGs involving 3,892 women from 90 villages gathered total savings of ₹98.4 Lac, with credit linkages of ₹72.4 Lac and inter-lending of ₹91.65 Lac.
- 11 producer groups (PG) with 116 members were formed and 286 SHGs underwent financial management training.
- 50 village organisations (VOs) comprising 745 members participated in a vision building training programme and 10 VOs with 258 members attended training sessions on various topics like paper bag and file making.
- Three stitching and tailoring centers trained over 570 participants.
- 1,030 beneficiaries were linked to various social security and agriculture schemes worth ₹13.51 crore.

Gajraula, Uttar Pradesh

- 929 SHGs across five blocks of Amroha district empowered 9,519 women towards self-employment.
- Savings reached ₹4.12 crore, with credit linkages of ₹13.39 crore and inter-lending of ₹15.87 crore.
- 300 women received training in dairy farming and 60 in LED bulb making under the livelihood enterprise development program (LEDP).
- Two women FPOs (farmer producer organisations) were supported, covering 1,050 women shareholders. These FPOs did business worth ₹81.59 Lac, with a net profit of ₹6.43 Lac.
- 25 women dairy farmers attended capacity building training at NDRI, Karnal.



#2 Sustainable Farming

Rayagada, Odisha

- 114 farmers clubs (FCs) were formed with 3,184 farmers, saving ₹14.07 Lac.
- Three FPOs were established, totalling 799 shareholders, with business transactions worth ₹29.25 Lac and a net profit of ₹1.65 Lac.
- 11 farmer resource centres (FRCs) organised 439 meetings, benefitting 7,578 farmers.
- Twelve group-based solar irrigation setups covered 301 farmers across 12 villages, harvesting 10.42 crore liters of water
- 4,402.37 quintals of seasonal vegetables harvested with sales reaching ₹109.53 Lac.
- Solar-powered drip irrigation was used on 135.25 acres of land, benefiting 220 farmers and promoting high-yielding crops.
- Support was provided to 250 farmers with Kharif seeds and 296 farmers with Rabi seeds, resulting in significant harvests and sales

Tapi, Gujarat

- Two FPOs were formed with 736 farmers
- Some 282 farmer interest groups (FIGs) and 17 dairy interest groups (DIGs) established, benefitting 4,003 farmers.
- Adoption of non-pesticide management (NPM) by 230 farmers, covering 130 acres
- Initiated vermicompost units and a provision of solar-based insect traps to promote organic farming.
- Engaged 480 farmers in high-value crop cultivation, generating an income of ₹28.61 Lac.
- Promoted floriculture, drip irrigation, mushroom farming, goat units and poultry farming, enhancing farmers' incomes and diversifying agricultural practices

Gajraula, Uttar Pradesh

- 2 FPOs with 640 shareholders were formed, conducting business worth ₹45.50 Lac.
- Organised training sessions for FPOs' Board of Directors and CEOs, enhancing their knowledge.
- Exposure visits were conducted for 25 farmers to promote new technologies and scientific practices in agriculture and dairy farming.
- Installed 20 solar pumps to facilitate sustainable agriculture practices in the Amroha and Moradabad districts.



#3 Natural Resource Management

Tapi, Gujarat

- Initiated various interventions like well renovation, solar-based mini lift irrigation and bori bandh to provide sustainable solutions and improve irrigation practices; 386.55 acres of land was irrigated through water resource development projects.
- Harvested 30.27 crore liters of water, benefiting 2,605 farmers.
- Commissioned three solar-based irrigation schemes that benefited 38 farmers across 34 acres.
- Renovated five check dams that increased water storage potential to over 1.64 crore liters, providing irrigation to 62 acres and benefiting over 142 farmers.
- Constructed 26 bori bunds in eight villages that benefited 124 farmers, irrigating 145 acres with water storage of 1.22 crore liters.
- Formed seven farm ponds in five villages, benefiting 18 households by irrigating 20 acres of agricultural land, with a water storage capacity of 2.05 crore liters.
- Covered 173 farmers under soil and water conservation, developing 106 acres through common structures like contour trenches, gabions and nala plugs.
- Created farm bunding structures in 51.70 acres in five villages, resulting in a water storage capacity of 70 Lac liters.
- Undertook land levelling on 53.78 acres, benefiting 119 farmers in eight villages of Songadh.
- Constructed 38 drain plugs, benefiting 16 farmers across eight acres with water storage of 5.13 Lac liters.
- Constructed deep continuous contour trenches in six villages, leading to water storage of 7.38 crore liters.



#4 Youth Engagement

Rayagada, Odisha

- Mobilised 1,340 boys to form 42 youth clubs and 720 girls to form 30 balika mandals.
- Established 11 digital learning centers across 11 villages, benefiting 1,015 students.
- Certification of 723 students helped them complete DLC courses, 38 securing job placements.
- Trained 42 girls in tailoring and stitching from 23 villages
- Trained 50 girls in bamboo jewellery making, 825 pieces sold for ₹82,350, resulting in a net profit of ₹23,885
- Engaged 478 youth volunteers in 23 community-led sanitation drives supported by JKPM.
- Counselling 14,730 youths through awareness programmes
- Trained 3,476 youth through various programmes, creating 679 entrepreneurs
- Facilitated ₹17.67 crore loans for youth livelihoods
- Trained 491 individuals as mentors for aspiring youth
- Created 2,377 direct jobs and 9,506 indirect jobs for youths
- Certified 285 youth in information technology through external assessments



#5 Artisan Resource Centre

Songadh, Gujarat

- The Artisan Resource Center, set up in Songadh, Gujarat, is dedicated to up-skilling tribal women from nearby villages.
- The primary goal is to provide these women with comprehensive training in contemporary apparel making and women's wear, enabling them to create market-ready products.
- A specialised facility spanning 12,000 square feet was constructed to support this initiative, offering ample space for various training and production activities.
- The center is equipped with state-of-the-art machines to ensure that the women are trained using the latest technology and methods.
- Women received intensive, hands-on training over a period of 6 months.
- The training was conducted by a renowned designer and a master tailor, both of whom are experts in high-end design and tailoring skills.
- The curriculum focused on high-end design techniques and tailoring skills, ensuring that the women could produce sophisticated and high-quality garments.
- The women are creating unique designs and high-quality pieces that reflect a perfect blend of modern style and timeless heritage craft.
- The product range includes ethnic dresses, salwar suits, kurtas, sarees, and bedsheets, catering to a diverse range of customer preferences and needs.
- A group of 22 tribal women from the Songadh block underwent specialised training in advanced block printing.
- The training enabled them to produce high-quality products such as block printed dupattas and bed covers.
- Additional workshops on handmade paper and Dabu printing were organised to further enhance the skills of the artisans.
- These workshops provided the women with exposure to different techniques and crafts, broadening their skill sets.
- The Artisan Centre has produced a variety of items worth ₹7,10,247, including dresses, dupattas, and bedsheets.
- The total sales generated from these products amounted to ₹3,00,353.
- The women working at the Artisan Centre have started earning an income, which has significantly improved their financial independence and quality of life.
- A total of ₹1,19,503 was paid out to the women as wages, highlighting the economic impact of the initiative.
- The Block Printing unit participated in the Saras Mela held in Surat and Ahmedabad.
- At these events, the artisans set up stalls to showcase and sell a variety of products, including bed sheets, dress materials, sarees, and suit pieces.
- The total sales at these Melas amounted to ₹26,760, providing additional revenue and exposure for the artisans.



#6 Education

Rayagada, Odisha

- Distributed 2,593 school bags and notebooks in 25 schools.
- Provided scholarships to 18 Scheduled Caste and Scheduled Tribe students.
- Enlisted the participation of 711 students in competitions across 56 schools.
- Enrolled 50 students in Nutan Gyan Vardhini, a school for specially-abled children covering academic skill development (reading and writing of Odia).
- Provided vocational training to students, with all NGV students trained in paper and wood crafts.
- Offered physiotherapy sessions to 20 senior citizens, with 290 students benefiting.

Tapi, Gujarat

- Provided free coaching for competitive exams like NEET/JEE to 85 students (grades 9-12) under Project Neev.

Jaipur, Rajasthan

- Supported higher education through JK LakshmiPat University, focusing on student development and innovation.
- Provided scholarships to 459 students for the academic session 2022-23, distributed across engineering and technology institutes, management institutes, and design institutes.

Delhi

- Launched Sparsh Ke Sitare educational programme, aimed at mainstreaming slum children in Geeta Colony, East Delhi.

- Provided digital and physical education at two learning centers with 406 enrolled children.
- Focused on remedial teaching support, enrollment of dropouts, continuous tracking of student learning, comprehensive community engagement and linkages with government schools.
- Conducted regular parent-teacher meetings to share student progress and address concerns.
- Enrolled 34 students in Rani Garden and Block-II government schools, with a significant increase in attendance and academic performance improvement of over 50%, particularly in English and Mathematics.



#7 Community Healthcare

Rayagada, Odisha

- Conducted 37 village health camps, providing free treatment and medicines to 4,638 patients.
- Organised 3 adolescent health camps in schools, with 579 students participating.
- Facilitated cataract testing for 660 patients, with 175 surgeries.
- Distributed a total of 133 pairs of power glasses
- Provided ambulance services in peripheral villages.
- Conducted 109 eye camps, screening 2,280 patients, with 428 undergoing operations.
- Organised 64 adolescent girls health awareness camps, engaging over 200 girls.

Tapi, Gujarat

- Initiated a mobile medical unit comprising a doctor and nurse to deliver healthcare in remote areas.
- Benefitted 16,882 patients through 272 Rural Health Clinics/camps
- Conducted 82 awareness programs on sickle cell anaemia with 3,649 participants.
- Implemented continuum care program for sickle cell anaemia, providing regular treatment to 269 individuals.
- Organised 19 eye screening and treatment camps, with 1,808 individuals attending.
- Provided free cataract services to 116 beneficiaries and distributed spectacles to 645 beneficiaries.

- Distributed nutrition kits to 62 malnourished children across 14 anganwadis under project Suposhan.
- Transitioned 14 children from red to green category of malnutrition and 3 children from red to yellow category under project Suposhan.
- Distributed kitchen and garden kits to 900 beneficiaries across 67 anganwadis for nutritious produce at home.



#8 Single Use Plastic and Waste Management (SUPWM)

Kagaznagar, Telangana

- Reached 26,610 individuals through activities like door-to-door awareness, community campaigns, road rallies, and the Swachhta Pledge.
- Collected over 5 MTs of dry waste from community members through awareness campaigns.
- Established 3 tailoring units in Kagaznagar villages, upskilling 75 women from SHGs through training sessions.
- Set up a skill development and training center for stitching, tailoring and basic computer literacy, benefiting 120 women and 40 students.
- Stitched approximately 2,000 cloth bags from reused materials, reducing plastic usage.
- Installed 4 cloth bag vending machines (CVMs), dispensing over 1,900 cloth bags and reducing plastic carry bag usage.
- Established a bartan bank with 600 units of steel utensils to promote reusable containers, reducing CO2 emissions.
- Sensitised 4,587 households and engaged 19,266 individuals through door-to-door awareness campaigns about waste segregation.
- Conducted 40 wall paintings and 50 community awareness campaigns to spread awareness.
- Engaged 1,700 individuals through road rallies and garnered 1,316 Swachhta Pledges for source segregation and sustainable practices.



#9 Rural Infrastructure

Rayagada, Odisha

- Installed a water tank in Rayagada to provide access to quality drinking water.
- Installed solar street lights in Rayagada to provide access to renewable electricity.

- Set up a community hall in Rayagada for public meetings and training programs.

Tapi, Gujarat

- Constructed a common facility center in Tapi for public meetings
- Improved basic infrastructure by constructing 2 bus stops in Tapi

Hiraben, a 28-year resident of Tapi, Gujarat, attended the skill development training. She started her stitching and tailoring business. Her products were appreciated by her customers. She started teaching her skill to young girls, diversifying her income stream. Her determination and hard work helped her earn a substantial monthly income ₹20,000-25,000.

Ripkaben Ishvarbhai Vasava, a 26-year-old resident of Tapi, Gujarat, battled sickle cell anaemia disease, with frequent illnesses hindering her daily life. With JK Paper's intervention, she was provided folic acid tablets. Subsequently, Ripkaben's health has significantly improved. She manages her household tasks with ease, highlighting the impact of accessible healthcare and supportive interventions in rural communities.

Dumbe Kumbirika, a resident of Jamulelibadi village in Rayagada, faced financial constraints. With the training and guidance of JK Paper, she ventured into mushroom farming. Dumbe established her own mushroom farm, efficiently managing cultivation and sales processes. She now earns an additional income of ₹3,000 per month, improving her family's financial stability, while contributing to her local community's food security and economic growth.



Management Discussion and Analysis Report

Global economy

Overview

Global economic growth declined from 3.5% in 2022 to an estimated 3.2% in 2023 on account of weaker-than-expected recovery in China, higher energy costs in Europe, weak global consumer sentiment due to the Ukraine-Russia war and the Red Sea crisis pushing up the logistics costs. Monetary policy tightening in the face of cost-of-living crisis translated into increased lending rates which further impacted the economic growth.

Global trade in goods is estimated to have declined nearly US\$2 Trillion in 2023, which was partially offset by gains in trade in services that expanded by

US\$500 Billion. The cost of Brent crude oil averaged US\$83 per barrel in 2023, down from US\$101 per barrel in 2022, with discounted crude oil from Russia finding destinations outside the European Union and global crude oil demand falling short of expectations, mainly due to lower growth in China. Global equity markets ended 2023 on a high note, with major global equity benchmarks delivering double-digit returns. This outperformance was led by a decline in global inflation, slide in the dollar index, declining crude and higher expectations of rate cuts by the US Fed and other major Central banks. The inflation decline is expected to be more gradual from 8.7% in 2022 to 6.9% in 2023 and 5.8% in 2024. Inflation is not

expected to return to target until 2025 in most cases, especially on escalation in geopolitical conflicts, which may keep inflationary pressures elevated on higher food and commodity prices.

Growth in advanced economies slowed down from 2.6% in 2022 to 1.5% in 2023 and is expected to be 1.4% in 2024 as policy tightening takes effect. Emerging market and developing economies however are likely to witness modest growth decline from 4.1% in 2022 to 4.0% in 2023 and 2024 with disproportionately higher share of global growth in 2023-24 is expected to come from Asia.

Regional growth (%)	2023	2022
World output	3.1	3.5
Advanced economies	1.69	2.5
Emerging and developing economies	4.1	3.8

(Source: UNCTAD, IMF)

Performance of major economies, 2023

United States: Reported GDP growth of 2.5% in 2023 compared to 1.9% in 2022

China: GDP growth was 5.2% in 2023 compared to 3% in 2022

United Kingdom: GDP grew by 0.4% in 2023 compared to 4.3% in 2022

Japan: GDP grew 1.9% in 2023 unchanged from a preliminary 1.9% in 2022

Germany: GDP contracted by 0.3% in 2023 compared to 1.8% in 2022

(Source: PWC report, EY report, IMF data, OECD data, Livemint)

Outlook: Asia is expected to continue to account for the bulk of global growth

in 2024-25. Inflation is expected to ease gradually as cost pressures moderate; headline inflation in G20 countries is expected to decline, albeit at a gradual pace. The global economy has demonstrated resilience amid high inflation and monetary tightening, growth around previous levels for the next two years .

Indian economy

Overview: The Indian economy was estimated to have grown 7.8% in the 2023-24 fiscal against 7.0% in 2022-23 mainly on account of the improved performance in the mining and quarrying, manufacturing and certain segments of the services sector. The Indian rupee displayed relative resilience compared to the previous year; the rupee opened at ₹83.66 against the US Dollar on the

first trading day of 2023 and was ₹83.35 versus the greenback on 27 December, a depreciation of 0.8%, the CPI inflation averaged 5.4% in 2023-24 with rural inflation exceeding urban inflation. Lower production and erratic weather led to a spike in food inflation. In contrast, core inflation averaged at 4.5%, a sharp decline from 6.2% in 2022-23. The softening of global commodity prices led to a moderation in core inflation. The nation's foreign exchange reserves reached an all-time high of US\$645.6 Billion. The credit quality of Indian companies remained strong last year following deleveraged Balance Sheets, sustained domestic demand and government-led capital expenditure. Rating upgrades continued to surpass rating downgrades in H2 FY24.

Growth of the Indian economy

	FY21	FY22	FY23	FY24
Real GDP growth (%)	-5.8%	9.7	7.0	7.8 E

E: Estimated

Growth of the Indian economy quarter by quarter, 2023-24

	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
Real GDP growth (%)	8.2	8.1	8.4	8 E

(Source: Budget FY24; Economy Projections, RBI projections, Deccan Herald)

India's monsoon for 2023 hit a five-year low with August being the driest month in a century. From June to September, the country received only 94% of its long-term average rainfall. Despite this, wheat production was expected to touch a record 114 Million tonnes in the 2023-24 crop year on account of higher coverage. Rice production was expected to decline to reach 106 Million metric tonnes (MMT) compared with 132 Million metric tonnes in the previous year. Total kharif pulses production for 2023-24 was estimated at 71.18 Lac metric tonnes, lower than the previous year due to climatic conditions.

As per the first advance estimates of national income released by the National Statistical Office (NSO), the manufacturing

sector output was estimated to grow 6.5% in 2023-24 compared to 1.3% in 2022-23. Robust expansion in new orders, coupled with enhanced output, propelled India's manufacturing activity to its highest level in 16 years in March 2024. This stellar performance marked the conclusion of 2023-24 on a high note. India stands as an appealing destination for foreign investments in manufacturing, buoyed by the government's 'Make in India' initiative aimed at bolstering domestic manufacturing. Moreover, policies like the production-linked incentive (PLI) schemes have effectively incentivised diverse manufacturing sectors. Industrial employment is experiencing swifter growth in India compared to China, while

industrial employment in the US, Japan, and Germany has been on a decline. The majority of this expansion is concentrated in over 200,000 factories located within India's 44 industrial zones, offering numerous location choices for businesses seeking to establish manufacturing operations in India.

The agriculture sector is estimated to have grown by 1.8% in 2023-24, lower than the 4% expansion in 2022-23. Low agricultural growth can lead to a range of detrimental consequences, including food insecurity due to insufficient production, heightened rural poverty as agriculture serves as a primary livelihood source for many, and economic instability as agriculture significantly

impacts national economy. Moreover, low agricultural growth can foster dependency on food imports, impacting food security and national sovereignty. Addressing this issue necessitates a comprehensive approach, including investment in agricultural research, technology, and infrastructure, as well as policy reforms to support smallholder farmers and promote sustainable farming practices.

Following two consecutive years of achieving double-digit growth, India's services exports experienced a slowdown in 2023-24, reaching a three-year low with 4.9% increase to US\$341.1 Billion. Meanwhile, net services exports demonstrated resilience, surging by 13.6% to US\$162.8 Billion, driven by a 2% contraction in services imports to US\$178.3 Billion. In 2023-24, merchandise exports witnessed a 3.2% decline to US\$437.1 Billion, resulting in a trade deficit of US\$240.2 Billion. India's net direct tax collection increased 19% to

₹14.71 Lac crore by January 2024. The gross collection was 24.58% higher than the gross collection for the corresponding period of the previous year. Gross GST collection of ₹20.2 Lac crore represented an 11.7% increase; average monthly collection was ₹1,68,000 crore, surpassing the previous year's average of ₹1,50,000 crore.

India's Nifty 50 index grew 30% in 2023-24 and India's stock market emerged as the world's fourth largest with a market capitalisation of US\$4 Trillion. Foreign investment in Indian government bonds jumped in the last three months of 2023. India was ranked 63 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. India's unemployment declined to a low of 3.2% in 2023 from 6.1% in 2018.

Outlook: India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of growing

demand, moderate inflation, stable interest rates and robust external metrics in the form of record high foreign exchange reserves, lower current account deficit and lower external debt. The Indian economy is anticipated to surpass US\$4 Trillion in 2024-25.

Union Budget 2024-25: The Union Budget 2024-25 retained its focus on capital expenditure spending, comprising investments in infrastructure, solar energy, tourism, medical ecosystem and technology. In 2024-25, the top 13 ministries in terms of allocations accounted for 54% of the estimated total expenditure. Of these, the Ministry of Defence reported the highest allocation at ₹6.22 Lac crore, accounting for 12.90% of the total budgeted expenditure of the central government. Other ministries with high allocation included Road Transport and Highways, Railways and Consumer Affairs, Food and Public Distribution.

Global paper and packaging industry overview

The paper and paperboard packaging sector is expected to grow at a CAGR of 4.9% from 2024 to 2030, growing from a market value of US\$199.8 Billion in 2023 to more than US\$292.95 Billion in 2030. Printing and writing paper market is estimated to add US\$9.64 Billion from 2023-28, growing at 2.06% CAGR.

In volume terms, the global paper and paper board packaging market is expected to have expanded by about 1.3% in 2023 compared to a degrowth of 0.6% in 2022. The printing and writing paper segment is expected to have declined by 0.7% in 2023 compared to a degrowth of 2.1% in 2022. The packaging paper segment is expected to have a growth of 2.5% in 2023 compared to growth of 2.9% in 2022. Growth in packaging paper segment was mainly due to consumer shift towards

westernised lifestyle which has been accelerated by e-commerce industry worldwide. The rate of urbanisation will continue to grow in key emerging markets like China and India. The tissue paper segment is expected to have grown by 3% in 2023 compared to similar growth in 2022.

Paper packaging using paper and boards, is known for its recyclability and reusability, offering distinct advantages over alternative materials like plastic and metal. The lightweight, eco-friendly, and cost-effective nature of paper packaging significantly contributes to its market growth. This has led to an increase in the demand for paper packaging, contributing to market growth. Moreover, growing consumer awareness regarding the adverse environmental impacts of plastic has further contributed to the demand for paper-based flexible packaging worldwide.

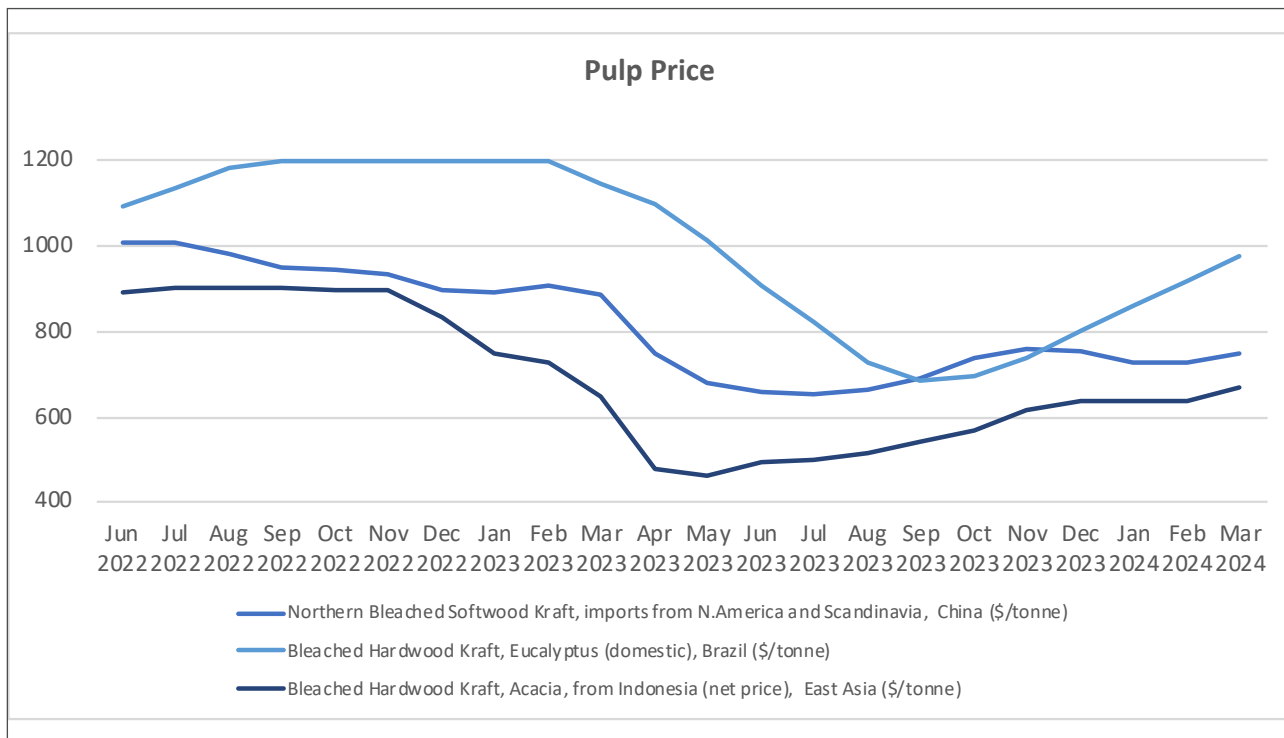
The food and beverages (F&B) market is pegged to grow from US\$6.6 Trillion in 2023 to US\$7 Trillion in 2024, at a CAGR of 6.4%. This growth can be attributed to the strong economic advancement in emerging markets, escalating internet accessibility and an uptick in disposable incomes. The F&B market is expected to witness further growth, reaching a market size of US\$8.8 Trillion by 2028, with a CAGR of 5.9%. The estimated growth is attributed to the proliferation of smartphone users, rapid urbanisation and the adoption of novel payment methods. Key trends expected in the forecast period encompass the rise of subscription-based products, the surge in mobile grocery shopping, technological advancements, increased partnerships and collaborations and the adoption of buy now, pay later (BNPL) options.

Paper and pulp prices

The global pulp markets seem poised for a more robust start to 2024. The surplus inventory that burdened the market in 2023 has been optimised, exposing the supply side to potential disruptions such as labor strikes, natural disasters,

or mechanical failures. The current wave of investment in new market pulp capacity is also tapering off, with one major project slated for the coming year and just one more in 2025. However, the presence of high-interest rates poses a risk for further closures among

distressed assets and remains a hurdle for new project development. Despite effectively managing supply in 2023 and the potential for tighter conditions in 2024, pulp producers continue to face a challenge: generating the necessary demand.



Indian paper and packaging industry overview

The Indian paper and paperboard packaging market was pegged at US\$10.77 Billion (₹88,314 crore) in 2022 and is expected to reach US\$15.69 Billion (₹1,25,520 crore) by 2027, growing at a CAGR of ~7%. The packaging paper segment accounts for 55% of sales in India, followed by writing and printing (W&P) paper at 30%. The rest is with newsprint and other paper.

The printing and writing paper market is anticipated to experience a CAGR of 1.8% from 2022 to 2026. This segment is poised for demand growth driven by factors such

as population increase, thrust from new education policy and increased activity in the e-commerce sector, among others. With a per capita total paper usage at 15 kg, much below the world average of 57 kg, India is the world's fastest paper market in the world.

The packaging industry is experiencing rapid expansion propelled by increasing disposable income, increasing consumerism, growth in organised retail and a rise in the consumption of processed food. However, surplus capacities in China and Indonesia may lead to dumping at lower rates, potentially generating negative sentiments.

The Indian packaging industry is characterised by fragmentation, with numerous small and medium-sized enterprises alongside a few dominant players. Dependence on imports for high-end packaging machinery and technology is significant.

Government thrust on "Make in India" and Atamirbharta and various initiatives like establishment of packaging parks has given a big push to packaging industry's growth. These initiatives also aim to bolster domestic production, generate employment opportunities, and foster innovation and technological advancement in the sector.

SWOT analysis of the Indian paper and packaging industry

Strengths

- Large population
- Increasing demand observed for more packaged products
- Diverse varieties of paper being manufactured
- Escalating income for plantation farmers
- Established manufacturing facilities
- Positive growth outlook from growing sectors like FMCG, E-commerce & pharmaceuticals
- Government focus on education policies

Threats

- Heightened competition from lower-priced imports leading to pricing challenges
- Digitalisation and digitisation impeding paper demand
- Escalation in energy expenses compromising competitiveness
- Raw Material availability and higher price

Weaknesses

- Existence of several financially unsustainable plants
- High capital-intensive plants
- A growing necessity for scale to ensure viability

Opportunities

- Substantial room for demand growth attributed to lower per capita consumption
- Boost in Indian manufacturing industry supported by PLI
- Heightened hygiene awareness due to urbanisation and literacy
- Growing demand from downstream sectors such as kraft, corrugation, and duplex
- Innovation on new product development
- Regulatory pressure on the ban or usage of different plastics
- Demand for replacement of Plastic products

Demand drivers

Population growth: India has overtaken China as the most populous nation in the world, with two-third of the population in the working age group.

Demographic shift: India has the largest youth population in the world, with 66% of the population below 35 years providing sizable potential uses of paper in education/work..

Increasing literacy: In 2022, India's literacy rate was 76.32%, much below the global average of 86%, showcasing the growth potential for the education sector.

Growing middle class income: The middle class constitutes the most rapidly expanding significant demographic group in India, both in terms of

percentage and absolute numbers, with a growth rate of 6.3% annually from 1995 to 2021. Currently comprising 31% of the population, it is projected to reach 38% by 2031 and 60% by 2047.

Urbanisation: By 2035, India is expected to emerge as the second largest urban population after China, giving a fillip to various sectors such as education, e-commerce etc.

E-commerce growth: India's e-commerce market is expected to vault past US\$160 Billion by 2028, from an estimated US\$57–60 Billion in 2023, giving a boost to the packaging industry.

Packaging: The size of the Indian packaging market is projected to be US\$84.37 Billion in 2024, with an anticipated growth to US\$142.56 Billion

by 2029, expanding at a CAGR of 11.06% owing to factors such as rising disposable income, growing organised retail and higher e-commerce demand etc.

Consumer power: By 2027, India's consumer market is poised to become the third largest globally, driven by the increasing number of middle to high-income households. The growth in India's per capita household spending is expected to surpass that of other developing Asian economies such as Indonesia, the Philippines, and Thailand, growing at a rate of 7.8% year-on-year.

Company review

The Company is engaged in the manufacture of the following products:

Uncoated writing-printing and specialty papers

JK Paper maintains its leading position in the office paper segment due to its superior quality, significant brand reputation, and extensive reach including Tier 2 and Tier 3 towns. Despite challenging market conditions and a surge in imports, the Company has been able to maintain better prices in the market. Company's paper brands like JK Cedar, JK Excel bond, JK Pack Fresh, JK Lumina, JK Electra, JK HSMT, JK MICR, JK Parchment have continue to gain recognition at the market place. Continuing with the drive to shift from plastic to paper goods, a variety of products like Ecosip has been established during the year to embrace sustainable paper alternatives. .

Highlights, 2023-24: The Company sold 4.3 Lac tonnes of Uncoated W&P and Speciality paper (including exports) in 2023-24. It enhanced its distribution footprint while increasing its market presence.

Packaging boards

The demand for packaging boards has continued to rise, fueled by increased demand from rural areas. JK Paper provides a wide array of high-quality packaging boards viz JK Tuffcote, JK Ultima, JK Endura, JK Platina, JK Tuff Freeze etc. . Through substantial investments in product development, coupled with the integration of advanced technologies, the Company has developed a range of products including Platina, Aqueous coated board, Cigarette board, and Antifungal varieties during the year. These offerings cater to diverse customer segments while aligning with the Company's commitment to providing sustainable paper solutions.

Highlights, 2023-24: The Company sold 3.05 Lac tonnes of Packaging Boards (including exports) in 2023-24.

Coated paper

Throughout the year, demand for coated paper remained stable, but increased imports exerted pressure on pricing for during the year. Over 60% of the demand is met by imports.

Highlights, 2023-24: The Company sold 0.58 Lac tonnes of Coated paper in 2023-24.

Corrugated boxes

During the year under review, the Company continued to maintain its market leadership in corrugated boxes. The capacity utilisation went up to 65% in 2023-24. In Securipax Packaging Ltd. capacity was enhanced to 42,000 tonnes per annum by the end of 2023-24. The Company also started commercial production during the year in it's first greenfield project in Ludhiana.

Monocarton and Labels

During the year under review, the Company acquired 100% stake in Manipal Utilities Packaging Solutions Pvt. Ltd, subsequently named as JKPL Utilities Packaging Solutions Ltd. which is the business of manufacturing Monocarton and Labels. This acquisition is in line with long term Strategic objective of the Company in the packaging business and gives an opportunity to offer total solutions to the customers with respect to secondary and tertiary packaging.

Demand for the Company's products and market prices

The demand for writing & printing paper segment was stable. Higher volume of Imports in the Indian Paper Market this year resulted in pricing pressure. However, even in this situation, JK Paper was able to sell its W&P paper with better realisation as compared to other mills. The office paper segment experienced volatility during the year due to various factors including the influx of imports, and other market dynamics. Furthermore, the growth of computers, printers, and photocopying machines in the evolving global corporate sector has contributed to an increased demand for paper. JK

Paper has successfully expanded its presence in Tier-2 and Tier-3 cities, leading to an enhancement in brand equity. Moreover, the need for high-quality yet affordable paper for making documents, magazines, letters and other printed items is fuelling the demand for paper.

The expanding education sector, helped by the positive effects of the New Education Policy (NEP), along with the increasing enrolment of students in schools and tuition centres, are additional factors positively influencing the Indian paper market. Moreover, the escalating demand for environmentally friendly and sustainable alternatives, including office paper, is anticipated to further stimulate the growth of this market in the foreseeable future. The coated paper segment was largely dependent on commercial printing.

Developments at Sirpur Paper Mills Ltd. (Subsidiary of JK Paper Ltd.)

Production: During the year under review, production grew from 1,21,898 MT to 127,980 MT. Capacity utilisation has improved from 90% to 94%. This was possible because of embracing Total Quality Management which enabled strong focus on quality, cost, delivery, safety and morale. On each of these parameters there has been a sustainable consolidation. Digital intervention has given substantial advantage in optimising various operating parameters.

Raw materials: Integrated pulp and paper mills rely heavily on wood as a primary raw material. Sirpur, recognising the importance of sustainable fiber supply, has implemented large-scale farm forestry plantation activities in its catchment areas. To achieve this, the Company established a state-of-the-art clonal production nursery capable of producing 200 Lac clones per annum. In order to ensure a stable supply of quality raw materials, the Sirpur unit provides farmers with high-quality planting materials at cost and free technical expertise.

During 2023-24, the Sirpur unit covered more than 25000 acres under farm forestry plantations with 2545 farmers with 70% within 200 km radius of the mill while rest in 350 km radius of the mill. A continued emphasis on plantation efforts

will furnish the Company with a reliable source of raw materials in coming years and enhance ecological equilibrium.

New products: During the year, Sirpur introduced new products in the

categories of writing and printing, value-added and special purpose products. These are aimed at enhancing the profitability further in coming years.

Functional review

Raw Material Management: JK Paper Ltd. continues to implement a strategic plan to tackle the challenges of wood procurement. The Company has zeroed in on a core area within a 200 km radius of its manufacturing units to attempt a steady wood supply from local farmers by doing plantation more than the annual requirement to cope up with the impact of new mushrooming wood-based industries in recent past.

Through its outreach programme, JK Paper has been actively engaging with farmers, raising awareness about growing pulpwood species like Eucalyptus, Subabul, and Casuarina. The programme includes organised tours to the Company's facilities, clonal production centers, and demonstration plots, where farmers learn about the financial benefits of pulpwood cultivation compared to other cash crops.

In line with its commitment to community welfare and adherence to top-tier sustainable forestry practices, JK Paper has covered over one-third of its plantations under the FSC® FM certification in the fiscal year 2024. The Company's cumulative plantation efforts span approximately 6.92 Lac acres across diverse Indian states, including Gujarat, Maharashtra, Chhattisgarh, Odisha, Andhra Pradesh, Telangana and Madhya Pradesh, with over 11.64 crore Saplings (81,000 acres) planted this year alone.

JK Paper's farm forestry programmes have not only bolstered sustainable livelihoods in rural regions, ensuring a

stable income for farmers and fostering fair market opportunities, but they have also established a renewable raw material source for the Company. Over the past two decades, nearly one Lac farmers have reaped the benefits of the Company's farm forestry initiatives. Additionally, these efforts have enhanced the local green canopy, contributing to the Company's status as both wood and carbon positive.

The Company has expanded its infrastructure to produce genetically superior, fast-growing clones with a focus on research and development, aiming to boost yield and farm productivity. These high-performance, site-specific clones of Subabul, Casuarina, and Eucalyptus are designed to mature rapidly, offering substantial yields within a three-year rotational cycle. Nevertheless, the procurement of raw materials in the region by other wood-based industries has led to competitive pricing pressures.

Digital Transformation: During the current year, JK Paper has strategically advanced its journey on business transformation through digital initiatives to enhance operational efficiency, revenue and drive innovation. By leveraging Industry 4.0 technologies, the Company has optimised its manufacturing processes, resulting in improved operational efficiency. The focus was to digitise end to end value chain with the best practises, creating a digitalised mindset across every aspect of the business. By the close of 2023-24, the Company had identified 60+ digital projects aiming at enhancing holistic profitability.

JK Paper has defined a vision for its innovation and digital transformation journey: to become a dynamic benchmark and drive sustainable competitive advantage through the adoption of digital technologies along the value chain. To achieve this, JK Paper adopted an approach of strengthening the core (people and technology) and building the periphery (advanced analytics-led use cases driven by a Digital Center of Excellence).

Sustainability : Sustainability is integral to JK Paper's business strategy, focusing on environmental stewardship, social responsibility, and economic growth. The Company has significantly reduced its ecological footprint by optimizing current energy use, with more focus on green energy usage, and implementing advanced water and waste management systems. With new technology and modernisation, the Company is now producing a kg of paper by consuming just 500 grams of coal. At Rayagada facility, close to 70% of total energy consumption is met by green energy. This used to be only 30% or 35% earlier. JK Paper aims to be a leader in sustainable practices, aiming to achieve carbon neutrality across horizon and enhancing biodiversity.

Human Resources: At JK Paper, HR serves as the strategic backbone of the Company, aligning its goals closely with overarching business objectives. HR utilises a multifaceted approach to ensure success of the organisation. There is a strong focus on nurturing and expanding the talent pool, ensuring

the recruitment of skilled individuals who align with the Company's values and goals. Concurrently, there's a strong emphasis on digitisation, and HR actively supports the organisation's journey towards digitalisation. JK Paper is dedicated to nurturing a diverse and inclusive talent pool, ensuring that the workforce reflects a wide range of backgrounds and perspectives. Capability building is prioritised in JK Paper, by offering continuous learning and development opportunities to employees to enhance their skills and competencies. This extends to providing clear career paths and development frameworks, empowering employees to chart their professional growth within the Company. To complement this, HR strategies are also tailored towards fostering high retention rates, recognizing and rewarding employees' contributions while ensuring a conducive work environment that promotes engagement and well-being.

To summarise, HR's major focus areas encompass cultivating a robust talent pool, driving digitisation initiatives,

facilitating capability building, fostering career development, enhancing retention, promoting engagement, and safeguarding employee well-being, all of which collectively contribute to the sustained success and growth of the Company.

Procurement: Globally 2022-23 witnessed a high inflation and spurt of demand post pandemic which led to high price of all commodities including pulp & paper. 2023-24 started with the expectation that price correction is likely to happen and price is expected to come down to precovid level. The correction happened sharply in chemical prices & coal prices which helped in containing input costs despite higher raw material prices. The slowdown in Chinese economy in 2023 eased out the demand pressure and supply situation improved significantly. The overall impact on the procurement side was good barring few materials where the supplier having monopolistic situation continued at the high price level as a result of which the

Company took the opportunity to create alternative sources at a much faster pace.

Product Development: In response to the growing concern over plastic-based food packaging, the Company has developed a range of products including high bulk SBS Board, Aqueous Coated Board, and Antifungal Board during the year. These offerings cater to diverse customer segments while aligning with the Company's commitment to providing sustainable paper solutions.

In response to the growing concern over plastic-based food packaging, the Company is well positioned to leverage the transition from plastic packaging towards recyclable and compostable alternatives, by introducing new products featuring oil and water resistance, moisture and oxygen barrier, and heat sealable capabilities. The Company also offers sustainable packaging solutions tailored for the food service, pharmaceutical and FMCG sectors, collaborating closely with customers to meet their specific needs.

Financial overview

Analysis of the profit and loss statement

Revenues: The Consolidated Revenue increased from ₹6,772.17 crore in 2022-23 to ₹7,000.26 crore in 2023-24.

Expenses: Total expenses increased from ₹4,929.34 crore in 2022-23 to ₹5,561.75 crore in 2023-24.

Significant increase in raw material cost and lower realisation across all categories have impacted performance during the quarter and year as a whole. The selling prices continued to remain under pressure due to increase in imports. However, sales volumes grew by 2.3% in Paper & Boards during the year and the Company continues to focus on operational efficiencies.

During the year the Company opted for the new tax regime as per Section 115BAA of the Income Tax Act, 1961 (the Act) during the current financial year. This has resulted in reversal of Deferred Tax Liability of ₹174.20 crore for the year.

Financial Metric	2023-24	2022-23
Gross Sales	7,000.26	6,772.17
Net Sales	6,594.89	6409.66
Profit before Interest and Depreciation (EBITDA)	1842.86	2184.45
Profit before Depreciation and Tax (PBDT)	1634.78	1928.33
Profit before Tax (PBT)	1324.68	1646.48
Profit after tax (PAT)	1121.77	1195.79

Analysis of the Balance Sheet

Sources of funds: The capital employed by the Company increased from ₹6,169 crore as on March 31, 2023, to ₹6,294 crore as on March 31, 2024. Return on capital employed stood at 20.5% in

2023-24 compared to 22.3% in 2022-23. The net worth of the Company increased by 25.7% from ₹4,034 crore as on March 31, 2023 to ₹5,070 crore as on March 31, 2024. Total debt decreased 21.4% to 2204 crore as on March 31, 2024 mainly due to scheduled repayment of debt and ₹230 crore of prepayment/escalated payment.

The Company's interest cover stood at a comfortable 8.86x in 2023-24 (9.82x in 2022-23).

Applications of funds: Property, Plant and Equipment (PPE) increased from ₹5,328 crore as on March 31, 2023 to ₹5,437 crore as on March 31, 2024.

Working capital management

Current assets of the Company increased by 12.8% from ₹2,711.71 crore as on

March 31, 2023 to ₹3,057.64 crore as on March 31, 2024 mainly due to cash accruals. The current and quick ratios of the Company stood at 2.07 and 1.43 respectively in 2023-24 compared to 1.66

and 1.16 respectively in 2022-23. The finished goods inventory days stood at 11 in 2023-24 compared to 9 in 2022-23. crore

Details of significant changes

(i.e. change of 25% or more compared to the immediate previous financial year) Financial Ratios

Financial Metric	UOM	2023-24	2022-23	% Change	Definition	Remark for Variation
Debt-Equity Ratio	Times	0.43	0.69	37.42%	Total debt/ shareholder's equity	1) Decrease in debt 2) Increase in retained earnings
Return on Equity	%	24.90%	34.37%	27.57%	Profit after tax/ Shareholder Equity	Increase in retained earnings
Net capital turnover ratio	Times	4.95	7.08	30.07%	Net sales/working capital	On account of increase in working capital largely due to acquired businesses.

Risk management

Demand risk	Regulatory risk	Resource risk
<p>Growing digitisation could hinder demand.</p> <p>Mitigation: The Company has diversified into packaging boards and corrugated packaging, reducing its reliance on writing and printing paper.</p>	<p>Failure to comply with statutory regulations may result in penalties and adversely affect the Company's credit rating.</p> <p>Mitigation: The Company has established a strong compliance assurance system and monitoring mechanism to oversee various regulatory requirements. Its certifications, such as ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, attest to its commitment to contemporary standards of quality, environmental stewardship, and safety.</p>	<p>Excessive water usage coupled with inadequate water discharge can jeopardise resource security and integrity.</p> <p>Mitigation: The Company has initiated measures to decrease water usage and has invested in advanced technologies to reduce water consumption besides enhancing the efficiency of effluent recycling and treatment</p>
Raw material risk		
<p>Shortages of critical raw materials such as wood, pulp, coal, and chemicals may decrease production and profitability.</p> <p>Mitigation: The Company has established effective farm forestry initiatives around its manufacturing facilities, enhancing local wood sourcing and cutting logistics costs. Through its robust R&D efforts, the Company has developed high-yield clones with shorter gestation periods. These clones are provided to farmers with secure buyback options, promoting their prosperity while ensuring raw material security. The Company has been able to have strategic sourcing agreements to ensure volume commitment from vendors for other commodities.</p>		

Internal control systems and their adequacy

JJK Paper has a robust internal control framework, which has been instituted considering the nature, size and risks in the business. The Company's internal control environment ensures efficient conduct of operations, security of assets, prevention and detection of frauds/ errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information. The Company uses SAP—an Enterprise Resource Planning (ERP) software—as its core IT system. The Company has a well-established independent internal audit function is

responsible for providing assurance on compliance with operating systems, internal policies and legal requirements, as well as suggesting improvements to systems and processes. The Company's operating management closely monitors the internal control environment and ensures that the recommendations from audits are effectively implemented. The Audit Committee of the Board monitors performance of the Internal Audit Function, reviews key findings and provides strategic guidance.

Cautionary statement

This statement made in this section describes the Company's objectives,

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

Board's Report

To the Members,

The Directors have pleasure in presenting the 63rd Annual Report along with Audited Financial Statements of the Company for the financial year ended 31st March 2024.

FINANCIAL RESULTS

₹ in crore (10 million)

Particulars	Standalone		Consolidated	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations (Gross)	6201.05	6567.42	7000.26	6772.17
Profit before Finance Costs and Depreciation & Tax (EBITDA)	1419.12	1759.38	1842.86	2184.45
Profit before Depreciation and Tax (PBDT)	1238.85	1548.37	1634.78	1928.33
Profit After Tax (PAT)	902.43	885.33	1133.20	1208.22

DIVIDEND

The Board is pleased to recommend final dividend of ₹5.00 per equity share (50%) for the financial year ended 31st March 2024, subject to approval of members at the forthcoming Annual General Meeting and deduction of tax at source, as may be applicable. This is in addition to interim dividend of ₹3.50 per equity share (35%) declared and paid by the Board of Directors during the year. The total dividend outgo will be ₹143.99 crore.

RESERVES AND APPROPRIATIONS

The amount available for appropriation, including surplus from the year, stood at ₹2574.58 crore. The Directors propose this to be appropriated as under:

₹ in crore (10 million)

Item	2023-24	2022-23
General Reserve	300.00	300.00
Dividend for 2023-24/2022-23	127.05	160.93
Surplus carried to Balance Sheet	2147.53	1672.15

PERFORMANCE REVIEW

The year gone by marks a new phase for your Company as JK Paper formulated a new Vision which is 'To be a trusted industry leader enriching lives and creating a better future', while continuing to adhere to its Core values of Caring for People; Integrity including Intellectual Honesty, openness, Fairness and Trust; and Commitment to excellence.

The Company achieved highest ever sale of 7.94 lac Metric Tons (Previous Year 7.76 lac Metric Tons) during the year despite it being a challenging one. It further expanded its distribution network. Pricing pressure continued throughout the year across

most of the categories due to increase in imports. Packaging Board grew by 12% during the year despite lower growth in FMCG category.

Availability of wood has been a major challenge this year resulting in substantial increase in input costs. This situation is expected to continue in the current year. International pulp prices were low for major part of the year, however, there has been an increasing trend in the last quarter. In order to alleviate this, Company stepped up its plantation activities to procure adequate raw materials by planting a total of around 11.6 crore saplings covering around 81,000 acres in the current financial year.

Corrugated Packaging business witnessed a huge volatility in kraft paper prices during the year resulting in shrinking of margins on account of lag in passing through impact. Commercial production of the new line at Ludhiana started in Q2 of 2023-24 and is in the process of ramping up.

On the financial front, the Company continues to remain healthy with positive cash flow generation because of good operating performance and prudent working capital management.

Your Company maintains its leadership position in the market. People, brand loyalty, customer centricity, high operating efficiencies and thrust on plantation activities are the key success factors contributed to maintaining its leadership position in the Indian Paper Industry.

NEW PROJECTS AND ACQUISITIONS

Bleach Chemical Thermo-Mechanical Pulp (BCTMP)

To become self-sufficient in hardwood BCTMP for producing Packaging Board and address the issue of price volatility and

availability, the Company is setting up a BCTMP Mill at Unit CPM, Songadh, Gujarat, having capacity of 125,000 ADMT per annum. Project is expected to be commissioned in next financial year 2025-26.

Acquisition of Manipal Utility Packaging Solutions Pvt. Ltd. (MUPSPL)

During the year, the Company acquired 100% equity shares of MUPSPL for cash consideration funded through internal accruals. Accordingly, MUPSPL has become a wholly owned subsidiary of the Company. MUPSPL, since renamed as JKPL Utility Packaging Solutions Pvt. Ltd., is engaged in the business of manufacturing of Folding Cartons, Corrugated boxes and Labels. The said acquisition is in synergy with long-term strategic objective of the Company and its subsidiaries in packaging business. This further consolidates the Company's position in packaging and conversion business.

CAPITAL STRUCTURE AND CREDIT RATING

During the year under review, there has been no change in the Authorised and Paid-up share capital of the Company. As on 31st March 2024, the Authorised Share Capital of the Company was ₹500 crore and Paid-up Share Capital was ₹169.40 crore.

The Company continued to have a prudent working capital management and operating efficiencies resulting in cash generation. During the year the Company has repaid Loans to the extent of ₹548 crore, which includes prepayment/accelerated payments of ₹164 crore.

Your Company kept a close watch on domestic & global economic scenario and moved timely to use various forex and interest rate derivative structure to optimize the overall finance cost in an increasing interest rate scenario. CRISIL Ratings Limited (CRISIL) reaffirmed its rating on the Long term and Short term borrowing facilities. Current Long Term Rating is CRISIL AA/Stable, Short Term Rating is CRISIL A1+ and Fixed Deposit is CRISIL AA/Stable.

India Ratings and Research (Ind-Ra) has reaffirmed its rating for Current Long Term Rating and Short term borrowing facilities. Current Long Term Rating is IND AA/Stable, Short Term Rating is IND A1+ and Fixed Deposit Rating is IND AA/Stable.

The long-term Credit Rating of The Sirpur Paper Mills Ltd., subsidiary of the Company, has upgraded from AA-/Positive to AA/Stable and reaffirmed its Short Term rating IND A1+ .

COMPLIANCE WITH SECRETARIAL STANDARDS

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

AWARDS AND RECOGNITIONS

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

Unit JKPM:

- "Atmanirbhar Factory Award" 2022-23, "Gold Medal for Excellence in Manufacturing" 2022-23 and "National Awards for Manufacturing Competitiveness" 2022-23 by International Research Institute for Manufacturing (IRIM), Mumbai.
- Golden Peacock Award for Energy Efficient Unit – 2023.
- "24th National Award for Energy Management" by CII, Hyderabad, Telangana.
- "23rd Annual Greentech Environment Award 2023" by Greentech Foundation.
- "India Green Manufacturing Challenge (IGMC) Winner Award 2023" by International Research Institute for Manufacturing (IRIM), Mumbai.
- Global Sustainability Leadership Award – 2023 for Sustainable development Goals, Knowledge and Leadership by World Sustainability Agency, Mauritius.
- "Platinum Winners Award & Jury Champions Trophy-2023" by Instrumentation Department as Innovative Kaizen Team and Gold Winner Award & Jury Challengers Trophy-2023 for Pulp Mill Operations as Restorative Kaizen Team by CII, Bengaluru, Karnataka.
- "CII National Award for Excellence in Water Management 2023" by CII, Gurgaon, Haryana.

Unit CPM:

- 2 platinum awards and 3 gold awards in the 48th CII National Kaizen Competition.
- CII National Award for Excellence in Water Management 2023.
- Gold award for Power Block Kaizen and Silver Award for Pulp Mill Kaizen in 47th CII National Kaizen Competition in 2023.
- Silver Prize in overall digitalization category (large) from FICCI's 2nd FICCI Industry 4.0 Awards 2023.

- Energy Efficient Award from Confederation of Indian Industry's 24th National Award for Excellence in Energy Management.

INDUSTRIAL RELATIONS

Industrial Relations at units of the Company continued to remain peaceful and cordial throughout the year. We value the long association of our employees including contractors and their workmen to sustain industrial harmony and create a positive work environment. By introducing various new work practices along with automation, we have succeeded in enhancing manpower productivity. We encourage continuous interaction, dialogues and participation of local community and other stakeholders in collaborating various social interventions.

ANNUAL RETURN

Pursuant to the provisions of the Act, the Annual Return of the Company is available on the website of the Company and can be accessed at https://jkpaper.com/wp-content/uploads/2024/06/Annual_Return_2023-24.pdf

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

RELATED PARTY TRANSACTIONS

During the financial year ended 31st March 2024, all the contracts or arrangements or transactions entered into by the Company with the Related Parties were in the ordinary course of business and on arm's length basis and were in compliance with the applicable provisions of the Act and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Form AOC-2 containing details of the material Related Party Transactions entered during the financial year 2023-24 as per Policy, is attached as Annexure-1 to this Report and forms part of it.

Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions is available on the website of the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Shri Bharat Hari Singhania stepped down as Chairman & Director of the Company. Considering his long association, vast experience, knowledge and wisdom in the business of the Company and to continue to have benefit from his rich and valuable experience, the Board has appointed

him as Chairman Emeritus for lifetime & Strategic Advisor to the Board for a term of five years w.e.f. 1st April 2024.

Consequent to stepping down of Shri Bharat Hari Singhania, the Board redesignated Shri Harsh Pati Singhania as Chairman & Managing Director of the Company, effective from 1st April 2024.

Shri Bharat Anand (DIN: 02806475) was appointed as Non-Executive Independent Director of the Company w.e.f. 1st July, 2023 for a period of five consecutive years and the requisite resolution in this regard was passed by the Members at the Annual General Meeting (AGM) held on 1st September, 2023. The Board is of the opinion that Shri Bharat Anand has high integrity and relevant experience.

Shri R.V. Kanoria (DIN: 00003792) and Shri Sandip Somany (DIN: 00053597), will complete their second tenure as Independent Directors of the Company, on 22nd August 2024. To continue to have benefit of their knowledge, experience and understanding of the business of the Company, the Board has recommended their appointment as Non-Executive Non-Independent Directors, liable to retire by rotation effective from 4th September 2024 or conclusion of the forthcoming AGM, whichever is later, to the Members for their approval.

Shri S.K. Roongta (DIN: 00309302), currently designated as Non-Executive Non-Independent Director of the Company, meets all the criteria of Independent Director specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, he is being redesignated as Independent Director of the Company to hold office for a term of upto 5 consecutive years w.e.f. 23rd August 2024, subject to the approval of Members at the forthcoming AGM.

Shri A.S. Mehta (DIN: 00030694) was appointed as President & Director of the Company w.e.f. 1st April 2022, with due approvals of the Board of Directors and Members of the Company for a term upto 31st March 2025. In view of his outstanding performance and experience, the Board has decided to re-appoint him as President & Director of the Company for a further period of three years w.e.f. 1st April 2025, subject to approval of the Members at the forthcoming AGM.

Shri Shailendra Swarup (DIN: 00167799) had ceased to be Director of the Company w.e.f. 23rd August 2023 on completion of his second term as Independent Director of the Company.

Shri Dharendra Kumar (DIN: 00153773), retires by rotation and has not offered himself for re-appointment at the forthcoming AGM.

The Board wishes to place on record its sincere appreciation of the valuable contributions and guidance received from them during their tenure.

All the Independent Directors of the Company have given requisite declarations that they meet the criteria of independence as provided under the Act and Listing Regulations.

Except as stated above, there was no other change in Directors and Key Managerial Personnel of the Company.

INTERNAL CONTROL SYSTEM

The Company remains committed to have a robust and effective internal control mechanism across all offices, plants and key functions that provides assurance of existence of a structured system for: business planning and review of goals achieved, evaluating & managing risks, policies and procedures adopted for ensuring orderly financial reporting, timely preparation of reliable Financial Information, accuracy and completeness of the accounting records, ensuring legal and regulatory compliance, protecting company's assets, prevention and detection of fraud and error and validation of IT Security Controls. Corporate Internal Audit team consisting of qualified professionals and supported by external independent audit firms and other specialized agencies, regularly conducts internal audits to review the internal control systems and compliance thereof as per the annual audit plan approved by Audit Committee of the Board. The findings of the Audit team are reviewed by the Audit Committee and corrective actions are initiated, where necessary. In addition, the Company also follows a Compliance monitoring software tool to capture status of all applicable statutory compliances online.

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The core of your Company's CSR activities is centered around the creation of sustainable livelihood opportunities and restoration & preservation of natural resources within the parameters of SDG's and the national developmental priorities- farmers, women, soil, water and youth. The projects have made a significant impact in enhancing the local economy; the beneficiary groups have through savings, bank loans and credit linkages invested over ₹60 crore in small & micro enterprises which have resulted in income generation. The CSR footprint of the Company now extends to 576 villages in states of Odisha, Gujarat, Delhi, Telangana and Uttar Pradesh, touching a population of more than 7.8 lac individuals. The diversity of the interventions range

from Farmer Producer Organization, Women Self- Help Groups, Water Harvesting, Solar irrigation, Soil Conservation, Youth Enterprises, Community Health, Disaster relief, Digital Literacy, artisan development resource center, slum education center amongst others. Company's CSR interventions have been co-opted by the local authorities and integrated with the overall development programs. These programmes have been widely reported as model programs in the media and have been visited by important dignitaries from the Government and development sector.

The Company has a CSR Policy in accordance with the provisions of the Act. CSR Policy of the Company is displayed on the website of the Company.

Annual Report on the CSR activities undertaken by the Company during the financial year ended 31st March 2024, in the prescribed format, along with summary of Impact Assessment Report is annexed to this Report as Annexure-2 and forms part of it.

AUDITORS & THEIR REPORTS

(a) Statutory Auditors

In accordance with the provisions of the Act and the Rules made thereunder, Lodha & Co. LLP, Chartered Accountants, were re-appointed as Statutory Auditors of the Company for their second term of five consecutive years from the conclusion of the 61st AGM till the conclusion of the 66th AGM to be held in the year 2027.

The observations of the Auditors in their report on Accounts and the Financial Statements, read with the relevant notes are self-explanatory. The Auditor's Report does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed.

(b) Secretarial Auditor

The Board of Directors had appointed Shri Namo Narain Agarwal, Company Secretary in Practice, as Secretarial Auditor to carry out Secretarial Audit of the Company for the financial year 2023-24. The Report given by him for the said financial year in the prescribed format, pursuant to the provisions of Section 204 of the Act and Regulation 24A of the Listing Regulations, is annexed to this Report as Annexure-3 and forms part of it. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Pursuant to provisions of Regulation 24A of the Listing Regulations, during the year under review, the Company

has two material unlisted subsidiaries incorporated in India- (i) The Sirpur Paper Mills Limited (SPML) and (ii) Horizon Packs Private Limited (HPPL). Secretarial Audit Reports for FY 2023-24 of (i) Shri Namu Narain Agarwal, Secretarial Auditor of SPML and (ii) M/s Somani & Associates, Secretarial Auditor of HPPL, in the prescribed format are annexed to this Report as Annexure – 3(i) & 3(ii) respectively.

(c) Cost Auditors

In accordance with the provisions of Section 148(1) of the Act, the Company has maintained cost accounts and records. The Cost Audit for the financial year ended 31st March 2023 was conducted by M/s R.J. Goel & Co., Cost Accountants, Delhi and the Cost Audit Report was duly filed with the Ministry of Corporate Affairs, Government of India. The Audit of the Cost Records for the financial year ended 31st March 2024 is being conducted by the said firm and the Report will also be filed with the Ministry of Corporate Affairs, Government of India.

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

During the year under review, there were no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations. Further, during the year under review, no applications were made or no proceedings were pending as at the end of the year under the Insolvency and Bankruptcy Code, 2016.

MATERIAL CHANGES AND COMMITMENTS

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company and the date of this report.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there was no material change in the nature of business of the Company.

CONSERVATION OF ENERGY ETC.

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

PARTICULARS OF REMUNERATION

Disclosure of the ratio of the remuneration of each Director to the median employee's remuneration and other requisite details pursuant to Section 197(12) of the Act read with Rule 5(1) of

the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed to this Report as Annexure-5 and forms part of it. Further, Particulars of Employees pursuant to Rule 5(2) & (3) of the above Rules, also form part of this Board Report. However, in terms of provisions of Section 136 of the Act, the Annual Report for the financial year 2023-24 is being sent to all the members of the Company and others entitled thereto, excluding the said particulars of employees. Any member interested in obtaining such particulars may write to the Company Secretary. The said information is also available for inspection at the Registered Office of the Company on working days during working hours.

CORPORATE GOVERNANCE

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

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

- Particulars of Five Board Meetings held during the financial year under review.
- Policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management including, inter alia, the criteria for performance evaluation of Directors.
- Manner in which formal annual evaluation has been made by the Board of its own performance and that of its Committees and individual Directors.
- Details with respect to composition of Audit Committee and establishment of Vigil Mechanism.
- Details regarding Risk Management.
- Dividend Distribution Policy.
- Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Pursuant to Regulation 34(2)(f) of the Listing Regulations, the Business Responsibility and Sustainability Report of the Company for the financial year ended 31st March 2024 in the prescribed format, is given in a separate section and forms part of the Annual Report.

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of your Company for the financial year 2023-24 have been prepared in accordance with the Act and applicable Indian Accounting Standards. The Audited Consolidated Financial Statements together with Auditors' Report form part of the Annual Report.

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

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

During the period under review, JKPL Utility Packaging Solutions Pvt. Ltd. (formerly known as Manipal Utility Packaging Solutions Pvt. Ltd.) has become wholly owned subsidiary of the Company. Anant Art & Cultural Foundation formed under Section 8 of the Companies Act, 2013 on 18th April 2024 by the Company as a joint venture with Sparsh Social Foundation, a Section 8 Company, which is engaged as implementing agency for some of the corporate social responsibility activities of the company, for carrying out social activities relating to promotion and education of art, craft, culture and other allied activities. No other company has become or ceased to be subsidiary, joint venture or associate of the Company.

DEPOSITS

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

The particulars in respect of the deposits covered under Chapter V of the said Act, for the financial year ended 31st March 2024 is annexed to this Report as Annexure-6 and forms part of it.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

- (b) the accounting policies have been selected and applied consistently and judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the said Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis;
- (e) the proper internal financial controls to be followed by the Company have been laid down and that such internal financial controls are adequate and were operating effectively; and
- (f) the proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors

Place: New Delhi
Date: 16th May 2024

Harsh Pati Singhania
Chairman & Managing Director

Annexure-1

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis: **NIL**
2. Details of material contracts or arrangements or transactions at Arm's length basis:

S. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	The Sirpur Paper Mills Limited, subsidiary
b)	Nature of contracts/arrangements/ transactions	Sale/Purchase of goods, rendering/availing of services, receipt/reimbursement of expenses, interest on ICD and other functional support services.
c)	Duration of the contracts/ arrangements/ transactions	Ongoing
d)	Salient terms of the contracts or arrangements or transactions including the value, if any	On arm's length basis and in the ordinary course of business: ₹943.53 crore (FY 2023-24).
e)	Date(s) of approval by the Board, if any	Since above Related Party Transactions (RPTs) are in the ordinary course of business and on arm's length basis, approval of the Board is not required. However, it was approved and periodically reviewed by the Audit Committee. Further, in terms of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the said RPTs, being Material RPTs, approval of Members of the Company was obtained at the Annual General Meeting held on 6 th September, 2022.
f)	Amount paid as advances, if any	NIL

On behalf of the Board of Directors

Place: New Delhi
Date: 16th May 2024

Harsh Pati Singhania
Chairman & Managing Director

Annexure-2

ANNUAL REPORT ON CSR ACTIVITIES UNDERTAKEN BY THE COMPANY DURING THE FINANCIAL YEAR ENDED 31ST MARCH 2024

1. Brief outline on CSR Policy of the Company:

The Company has been one of the foremost proponents of inclusive growth and has been undertaking projects for overall development and welfare of the society through its CSR initiatives in areas pertaining to promoting preventive healthcare, education, livelihood intervention, rural development, environmental sustainability and conservation of natural resources, etc.

The Company has framed a CSR Policy as required under Section 135 of the Companies Act 2013 and the Rules made thereunder. The CSR Policy has been posted on the website of the Company.

During the financial year 2023-24, the Board of Directors in its meeting held on 3rd November 2023, renamed the Committee as "Corporate Social Responsibility & Sustainability Committee" and revised the terms of reference to, inter-alia, review Environmental, Social & Governance (ESG) and Sustainability initiatives of the Company.

2. Composition of Corporate Social Responsibility & Sustainability Committee (CSRS Committee):

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSRS Committee held during the year	Number of meetings of CSRS Committee attended during the year
1.	Shri Harsh Pati Singhania	Chairman of the Committee, Executive Director	2	2
2.	Smt. Deepa Gopalan Wadhwa	Member, Independent Director	2	2
3.	Shri Shailendra Swarup*	Member, Independent Director	2	1
4.	Shri Harshavardhan Neotia**	Member, Independent Director	2	1
5.	Shri A.S. Mehta	Member, Executive Director	2	2

*Shri Shailendra Swarup on completion of his term as Independent Director of the Company ceased to be Director of the Company and also ceased to be Member of the Committee w.e.f. 23rd August 2023.

**Shri Harshavardhan Neotia appointed as Member of the Committee w.e.f. 23rd August 2023

3. Provide the web-link where Composition of CSRS Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company: <https://jkpaper.com/companys-policy/>
4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: The Company has carried out impact assessment through independent third-party, summary of which are attached herewith. Web-link of Reports on Impact Assessment of CSR projects is https://jkpaper.com/wp-content/uploads/2024/06/Impact_Assessment_Report_FY_2023-24.pdf
5. (a) Average Net Profit of the Company as per sub section (5) of section 135 : ₹807.21 crore
(b) Two percent of average net profit of the company as per sub section (5) of section 135 : ₹16.14 crore
(c) Surplus arising out of the CSR projects or programs or activities of the previous financial years : Nil
(d) Amount required to be set off for the financial year, if any : ₹0.15 crore
(e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹15.99* crore

*Note: Total CSR obligation for the financial year was ₹15.99 crore, however the Board as recommended by CSRS Committee, has approved total Budget of ₹16.00 crore to be spent on CSR during the financial year.

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Projects): ₹14.33 crore
 (b) Amount spent in Administrative Overheads: ₹0.42 crore
 (c) Amount spent on Impact Assessment, if applicable : ₹0.01 crore
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹14.76 crore
 (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
14.76	1.24	29 th April 2024	-	-	-

- (f) Excess amount for set off, if any; None

Sl. No.	Particular	Amount (₹ in crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

7. Details of Unspent CSR amount for the preceding three financial years:

S. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub section (6) of section 135 (₹ in crore)	Balance Amount in Unspent CSR Account under sub section (6) of section 135 (₹ in crore)	Amount spent in the Financial Year (₹ in crore)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years. (₹ in crore)	Deficiency, if any
					Amount (₹ in crore)	Date of Transfer		
1	2022-23	-	-	-	-	-	-	-
2	2021-22	1.57	1.57	1.57	-	-	-	-
3	2020-21	1.05	0.02	0.02	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub section (5) of section 135: Budget allocated for ongoing project relating to art and cultural activities could not be fully spent, because the project relating to it could not be completed as certain local permissions are pending.

Place: New Delhi
 Date: 16th May 2024

(A.S. Mehta)
 President & Director

(Harsh Pati Singhania)
 Chairman, CSRS Committee

Summary of the Impact Assessment Report of CSR Project

(a) Promoting Education through JK Lakshmipat University (JKLU)

A study was conducted to assess the impact of CSR contributions made by JK Paper Ltd. on students and academic facilities at JKLU, Jaipur, and the overall impact created through these CSR interventions. During the academic year 2022-23, a total of 367 students benefited from scholarships and fee waivers, with scholarships worth ₹250 lac disbursed.

Methodology

Simple Random Sampling and Probability Proportional to Size (PPS) were used to derive statistically valid tentative numbers. The assessment covered an equal proportion of male and female students. Additionally, interviews were conducted with the Vice-Chancellor of the University, the Directors, and Professors of all three Institutes, and HR and administrative personnel.

Outcomes and Impact

- **Alignment with SDG Goal 4:** The scholarship program at JKLU aligns with SDG Goal 4: Quality Education, emphasizing equity, excellence, and inclusiveness. It also aligns with the Government Central Sector Scheme of scholarships for college and university students.
- **Enhanced Academic Facilities:** The intervention has strengthened JKLU's academic facilities, meeting NAAC standards and achieving "A" grade accreditation from UGC. A Centre for Communication and Critical Thinking (CCCT) has been established to enhance students' critical thinking skills, positioning JKLU as a premier institute in higher education.
- **Inclusive Learning Environment:** Infrastructure upgrades, such as elevators for PWDs and enhanced computer labs, have created an inclusive learning environment.
- **Student Impact:** Financial burdens on students have been alleviated, inspiring educational priorities among families. The 2022-2023 batch achieved 100% placement in Engineering and Business. Student exchange programs have enriched the educational experience by fostering global academic connections.

- **Educational Access and Equity:** Scholarships have improved educational access and equity, empowering students and their families, promoting societal contribution, and personal development.

(b) Promoting Entrepreneurship Development Among Youth

A study was conducted to assess the impact of the youth entrepreneurship project implemented across villages in Rayagada, Odisha. A total of 514 youths benefited from the training, financial support, and mentoring. The project facilitated the provision of seed capital and convergence with government schemes to enhance opportunities. Additionally, it provided handholding, mentoring, business and technical support to make enterprises more vibrant and sustainable.

Methodology

A telephonic cross-sectional survey was conducted to understand the effectiveness of the intervention. Using random sampling, twenty beneficiaries were selected and interviewed about their engagement with the program.

Outcomes and Impact

- **Business Engagement and Motivation:** The entrepreneurs engaged with the program have been in their respective businesses for an average of five months or more, indicating lasting motivation and engagement.
- **Financial Impact:** The average total turnover reported was ₹3.17 lac, reflecting the transformation of young micro-entrepreneurs into full-fledged business owners. The average monthly turnover was ₹91.72 thousand, with a net daily revenue of over ₹3,000. However, the high standard deviation indicates significant variance in turnover, with some enterprises generating high revenue and others less.
- **Preferred Business Types:** Most respondents operated grocery stores (Kirana stores), with an average revenue of ₹1.66 lac. The second most preferred enterprise was running fancy stores, with an average turnover of ₹6.98 lac. Both types of stores operated throughout the year.
- **SDG Contributions:** The project contributed directly to SDG 8 (Decent Work and Economic Growth) and SDG 1 (No Poverty), and partly to SDG 10 (Reduced Inequalities).

Annexure-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by JK Paper Limited (CIN:L21010GJ1960PLC18099) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (Not applicable to the Company during the Audit Period);
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period); and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

(vi) Management has identified and confirmed that Indian Forest Act, 1927, as being specifically applicable to the Company, has been complied with.

I have also examined compliance with applicable provisions of the Secretarial Standards I and II issued by the Institute of Company Secretaries of India and the Listing Agreements entered into by the Company with the Stock Exchanges.

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

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes that took place in composition of the Board of Directors during the audit period were in accordance with the Act and the SEBI Listing Regulations.

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

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

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

I further report that, during the audit period, the Company had the following specific event:

Company purchased 100% of Equity Shares of Manipal Utility Packaging Solutions Private Limited (MUPSPL), which accordingly became wholly owned subsidiary of the Company. Subsequently, name of MUPSPL was changed to JKPL Utility Packaging Solutions Pvt. Ltd.

This report is to be read alongwith the following:

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

Place: New Delhi
Date: 15 May, 2024
UDIN: F000234F000374234

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

Annexure-3(i)

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule. 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
The Sirpur Paper Mills Limited,
Sirpur, Kaghaznagar,
Distt. Komarambheem,
Asifabad-504296, Telangana

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by The Sirpur Paper Mills Limited (CIN: U21010TG1938PLC000591) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during audit period covering the financial year ended on 31st March, 2024 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliances-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; and
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

- (v) Management has identified and confirmed that Indian Forest Act, 1927, as being specifically applicable to the Company, has been complied with.

I have also examined compliance with the applicable clauses of Secretarial Standards on the meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

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

I further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I further report that, based on review of compliance mechanism established by the Company and on the basis of

compliance certificates issued by Company's Executives and taken on record by the Board of Directors at their meeting(s), there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

I further report that, during the audit period, the Company had no specific event.

This report is to be read alongwith the following:

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

Place: New Delhi
Date: 7 May, 2024
UDIN:F000234F000327979

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

Annexure-3(ii)

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024

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

To,
The Members,
Horizon Packs Private Limited
(CIN: U21014MH2001PTC133116)
801, A wing, Naman Midtown,
Senapati Bapat Marg, Elphinstone Road (west),
Mumbai-400013.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Horizon Packs Private Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We, hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2024 (Audit Period), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024, according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not Applicable
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowing (ECB).
- v. Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable during the Audit Period.
- vi. Further as per the explanation given by the Company, there are no specific Acts applicable to the Company during the Audit Period.
- vii. We have relied on the representation made by the Company and its officers for the systems and mechanisms formed by the Company for compliances under the other applicable Acts, Laws and Regulations as mentioned by the Company in its Management Representation letter.

We have also examined compliance of applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
2. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda

were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

3. Decisions at the Board meetings and Committee meetings are carried by majority as recorded in the minutes of the meetings of the Board of Directors or committees of the Board of Directors, as the case may be

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This Report is to be read with our letter of even date which is annexed as Annexure- A and forms an integral part of this Report.

For Somani & Associates
(Practicing Company Secretaries)

Poonam Somani

FCS No. F9364

C P No. 8642

UDIN: F009364F000347251

Place: Mumbai
Date: 10.05.2024

Annexure-A

To,

The Members,

Horizon Packs Private Limited

(CIN: U21014MH2001PTC133116)

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company, our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company. The compliance by the Company of the applicable financial

laws, like direct and indirect tax laws, has not been reviewed in this Audit, since the same have been subject to review by the other designated professionals.

4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Somani & Associates
(Practicing Company Secretaries)

Poonam Somani

FCS No. F9364

C P No. 8642

UDIN: F009364F000347251

Place: Mumbai
Date: 10.05.2024

Annexure-4

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

A) CONSERVATION OF ENERGY

- i. The Company recognizes that energy consumption is not only a key indicator of operational efficiency but also in mitigating effects of Global warming and climate change. Steps are being continually taken to conserve and reduce energy consumption. In this regard, various key initiatives taken by the Company during the year are outlined below:

JKPM:

1. Thermal Energy saving, through modification of existing Steam and condensate system of PM-4.
2. Thermal and Electrical Energy saving by Optimization of Power by providing Moisture and Temperature control at Coating Plant.
3. Optimization of Power by providing Hood humidity sensors in PDS.
4. LED light installation in PF Plant area.
5. Power optimization by providing close loop control of speed at Cooling tower fan.
6. Thermal Energy saving by installation of better Steam trap at Steam line of Recovery Plant and process pipelines.
7. Power saving by Chemical Coating of Inner casing of Pump.
8. Power saving by replacements of electrical motors by energy efficient motors.
9. Power saving by process parameter optimization at PM-3.
10. Power saving by optimization of running time of Refiners.
11. Power saving by installation of Light pipes in finishing house.

CPM:

Reduction in electrical energy through various energy saving measures of an average ~550KW, increased capacity utilization through debottlenecking. The major power saving measures implemented were:

1. VFD for identified equipment's in ETP, DM Plant & Power plant.

2. Correct capacity pump for canal water intake.
3. Installation of Energy efficient vacuum pump in PM 2.
4. Compressor Power optimization through proper line sizing.
5. Auto stoppage of heating tunnel in BM-4 & 5 finishing houses.
6. Optimization of BM-5 refiner operation

Reduction in process steam achieved from last financial year through various thermal saving measures and increased capacity utilization through debottlenecking. The major steam saving measures implemented were:

1. Upgradation of PM 1 steam and condensate system
2. Modification of DDS cooler logic & max clean condensate utilization for reducing steam Consumption in Pulp mill.
3. Installation of heat exchanger for waste heat recovery from evaporator secondary condensate.
4. Insulation of condensate lines and tanks.

In addition to the above increased biomass (Wood dust & rice husk) firing in Coal fired boiler.

The generation of steam from Recovery Boiler (Biomass fired) increased and contributed to 48% of total steam consumed in FY 2023-24.

The above measures attributes to saving in energy consumption cost:

- ii. The steps taken by the company for utilizing alternate sources of energy:

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

- iii. The capital investment on energy conservation equipments:
The Company has invested ₹5.23 crore for energy conservation equipments during the year.

B) TECHNOLOGY ABSORPTION

- i. Efforts made towards technology absorption:
1. Installation of new Centrifugal Compressor in place of Air Screw Compressor at unit-JKPM.
 2. Installed new dryer Refrigerant based in instrument air line at unit-JKPM.
 3. Installation of improved steam traps in place of float traps at recovery and power block at unit-JKPM.
 4. Technological upgradation of steam & condensate system at unit-CPM
 5. Installed advanced equipment's for paper quality testing at unit-CPM.

- ii. Benefits derived as a result of above efforts:

The initiatives have benefitted the Company in terms of energy saving, environment protection, product & quality improvement, cost reduction, reduced breakdown, product development and enhance customer satisfaction.

- iii. Expenditure incurred on Research & Development:

During the year, the Company has spent ₹8.06 crore on Research & Development. The company performed various Research & Development activities.

1. During the year, the Company performed various Research & Development activities. Various trials were conducted on the shop floor to upgrade the existing quality of products to meet the customer perception and maintain quality and product leadership.
 - A. Upgradation of existing product JK OGR 40-50 gsm to higher kit values with PFAS free.
 - B. JK Ecosip paper is being used in innovative way i.e., for cutlery making like forks, knife, spoons, chopsticks etc., replacing plastic use in cutlery segment.

- C. Introduction of Cigarette Board – engineered product that meets quality parameters required for Gravure printing.

- D. Introduction of Aqueous Coated Board and Bio PBS Coated Cup Stock.

2. R & D activities in Plantation:

- A) Company has developed high-tech infrastructure for clone production to produce high quality clones for planting by farmers.

- B) Established high-tech state of art tissue culture lab for genetic conservations of germplasm of higher pulp yield producing species and further multiplication through *in-vitro* technology.

- C) We have planted short rotation Subabul clone plantation during 2022-23 having higher wood productivity and short rotation cycle. This clone will help in doubling the income of the farmers as compared to agriculture crop as per Prime Minister's vision.

- D) New revolutionary Subabul clone having higher wood productivity is under trial. This clone will replace various cash crops for higher incomes to the farmers.

- E) Commercially released for massive plantation of new Eucalyptus urophylla clone having improved wood productivity.

- F) Developed Eucalyptus, Subabul and Acacia protocol for mass multiplication through tissue culture technology to produce quality plants.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in Crore (10 Million)

(a)	Foreign Exchange earned	341.28
(b)	Foreign Exchange outgo:	
	- CIF Value of Import	717.58
	- Others	35.87

On behalf of the Board of Directors

Place: New Delhi
Date: 16th May 2024

Harsh Pati Singhania
Chairman & Managing Director

Annexure-5

Disclosure pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, for FY 2023-24

- A. The ratio of the remuneration of each director to the median remuneration of the employees of the Company - (a) Non-Executive Directors: Shri Bharat Hari Singhania, Chairman Emeritus & Strategic Advisor (stepped down as Chairman & Director of the Company and appointed as Chairman Emeritus & Strategic Advisor to the Board w.e.f. 1st April 2024), 55.18; Shri Anoop Seth, 4.56; Shri Dharendra Kumar, 4.39; Shri Harshavardhan Neotia, 4.98; Smt. Deepa Gopalan Wadhwa, 5.10; Shri R.V. Kanoria, 5.30; Shri Sandip Somany, 4.93; Shri S. K. Roongta, 4.76, Shri Bharat Anand, 3.42 (appointed as Independent Director w.e.f. 1st July 2023); Smt. Vinita Singhania, 4.51 and Shri Shailendra Swarup, 1.88 (ceased to be director w.e.f. 23rd August 2023 due to completion of his second term as an Independent Director); (b) Executive Directors: Shri Harsh Pati Singhania, Chairman & Managing Director, 863.57; Shri A.S. Mehta, President & Director, 134.57.
- B. The percentage increase in remuneration of each Director, Chief Finance Officer, Company Secretary - Shri Bharat Hari Singhania, Chairman Emeritus & Strategic Advisor (stepped down as Chairman & Director of the Company and appointed as Chairman Emeritus & Strategic Advisor to the Board w.e.f. 1st April 2024), No change; Shri Harsh Pati Singhania, Chairman & Managing Director, 3.08%; Shri A.S. Mehta, President & Director, 9.95%; Shri Anoop Seth, was appointed as Independent Director during part of the financial year 2022-23, accordingly his remuneration during financial year 2023-24 was not comparable; Shri Dharendra Kumar, -2.61%; Smt. Deepa Gopalan Wadhwa, 4%; Shri Harshavardhan Neotia, was appointed as Independent Director during part of the financial year 2022-23, accordingly his remuneration during financial year 2023-24 was not comparable; Shri R.V. Kanoria, 3.25%, Shri Sandip Somany, 2.03%, Shri S. K. Roongta, 2.11%, Shri Bharat Anand, Not applicable since became a Director during the Financial Year 2023-24, Smt. Vinita Singhania, No change, Shri Shailendra Swarup, Not Applicable since ceased to be director w.e.f. 23rd August 2023 due to completion of his second term as an Independent Director; Shri KR. Veerappan, was appointed as Chief Financial Officer (CFO) during part of the financial year 2022-23, accordingly his remuneration during financial year 2023-24 was not comparable and Shri Deepak Gupta, Vice President & Company Secretary, 8.85%.
- C. The percentage increase in the median remuneration of employees: 4%.
- D. The number of permanent employees on the rolls of Company: 2879.
- E. During the financial year 2023-24, Average percentage increase in the remuneration of employees other than the managerial personnel was 10.20% and in case of remuneration of Managerial Personnel it was 3.95%.
- F. We affirm that the remuneration paid during the financial year 2023-24 is as per the Remuneration Policy for Directors, Key Managerial Personnel and Senior Management of the Company.

Annexure-6

The particulars in respect of the deposits covered under Chapter V of the Companies Act, 2013 for FY 2023-24

- (a) Accepted during the year - ₹20.66 crore;
- (b) Remained unclaimed as at the end of the year - ₹2.04 crore;
- (c) Default in repayment of deposits or payment of interest thereon at the beginning of the year and at the end of the year – Nil; and
- (d) Details of deposits which are not in compliance with the requirements of Chapter V of the said Act - Nil.

On behalf of the Board of Directors

Place: New Delhi
Date: 16th May 2024

Harsh Pati Singhania
Chairman & Managing Director

Corporate Governance Report

1. Company's Philosophy on Code of Governance

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

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

In nutshell, the philosophy can be described as observing of business practices with the ultimate aim of enhancing long-term shareholders' value and remaining committed to high standards of business ethics. The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment to maintain the highest standards in its interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre.

2. Board of Directors

As on 31st March 2024, the Board of Directors of the Company consists of two Executive Directors and ten Non-Executive Directors out of which six are Independent Directors. Five Board Meetings were held during the financial year 2023-24 i.e. on 16th May 2023, 24th July 2023, 16th October 2023, 3rd November 2023 and 7th February 2024. Attendance and other details of the Directors for the financial year ended 31st March 2024 are given below:

Sl. No. ^a	Name of Directors	Category	No. of Board Meetings attended	Whether attended last AGM (01.09.2023)	No. of other Directorships and Committee Memberships / Chairmanships held in other Companies		
					Other Directorships ^b	Other Committee Memberships ^c	Other Committee Chairmanships ^c
1.	Shri Bharat Hari Singhania ¹ , (Chairman Emeritus & Strategic Advisor effective from 1 st April 2024)	Non- Executive Non-Independent	5	No	4	1	-
2.	Shri Harsh Pati Singhania ² , (Chairman & Managing Director effective from 1 st April 2024)	Executive	5	Yes	4	-	-
3.	Shri Anoop Seth	Independent	5	Yes	-	-	-
4.	Shri Bharat Anand (appointed w.e.f. 1 st July 2023)	Independent	4	No	5	4	-
5.	Smt. Deepa Gopalan Wadhwa	Independent	5	Yes	8	7	1
6.	Shri Dharendra Kumar	Non- Executive Non-Independent	4	No	3	2	-

Sl. No. ^a	Name of Directors	Category	No. of Board Meetings attended	Whether attended last AGM (01.09.2023)	No. of other Directorships and Committee Memberships / Chairmanships held in other Companies		
					Other Directorships ^b	Other Committee Memberships ^c	Other Committee Chairmanships ^c
7.	Shri Harshavardhan Neotia	Independent	4	No	8	1	-
8.	Shri R. V. Kanoria	Independent	5	No	7	4	2
9.	Shri Sandip Somany	Independent	4	No	6	2	-
10.	Shri Shailendra Swarup ³ (ceased w.e.f. 23 rd August 2023)	Independent	2	N.A.	N.A.	N.A.	N.A.
11.	Shri S.K. Roongta	Non- Executive Non-Independent	5	No	7	9	3
12.	Smt. Vinita Singhania	Non- Executive Non-Independent	5	No	5	-	-
13.	Shri A.S. Mehta, President & Director	Executive	5	Yes	8	4	-

N.A.-Not Applicable

¹Shri Bharat Hari Singhania has stepped down as Chairman and Director of the Company and has been appointed as Chairman Emeritus and Strategic Advisor to the Board with effect from 1st April 2024.

²Shri Harsh Pati Singhania has been redesignated as Chairman & Managing Director of the Company with effect from 1st April 2024.

³Shri Shailendra Swarup ceased to be Director of the Company on completion of his second term as an Independent Director of the Company.

The appointment of Independent Directors is in accordance with the provisions of the Companies Act, 2013 ('the Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Independent Directorships held by the Directors are in accordance with the Listing Regulations.

Based on the declarations received from the Independent Directors, the Board confirms that in its opinion, all the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.

- DIN of the above named Directors in seriatim: 1. 00041156, 2. 00086742, 3. 00239653, 4. 02806475, 5. 07862942, 6. 00153773, 7. 00047466, 8. 00003792, 9. 00053597, 10. 00167799, 11. 00309302, 12. 00042983 and 13. 00030694.
- Excludes Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act.

- Includes only Memberships/Chairmanships of Audit Committee and Stakeholders' Relationship Committee of Public Companies (Listed and Unlisted).

Details of Directorships in other listed companies and the category of Directorship:

Name of Director: Name of the Listed Company (Category of Directorship)

Shri Bharat Hari Singhania: JK Lakshmi Cement Limited (NED till 31st March 2024), JK Tyre & Industries Limited (NED), JK Agri Genetics Limited (NED) and Bengal & Assam Company Limited (NED)

Shri Harsh Pati Singhania: Graphite India Limited (Ind w.e.f. 1st April 2024)

Smt. Deepa Gopalan Wadhwa: J.K. Cement Limited (Ind), Bengal & Assam Company Limited (Ind), Artemis Medicare Services Limited (Ind), NDR Auto Components Limited (Ind), Sapphire Foods India Limited (Ind) and Subros Limited (Ind w.e.f. 1st April 2024)

Shri Dharendra Kumar: The Scottish Assam (India) Limited (NED) and Bengal Tea & Fabrics Limited (Ind till 31st March 2024)

Shri R.V. Kanoria: Kanoria Chemicals & Industries Limited (ED), Nestle India Limited (Ind) and Ludlow Jute & Specialities Limited (NED)

Shri Sandip Somany: AGI Greenpac Limited (ED), Hindware Home Innovation Limited (NED) and Indraprastha Medical Corporation Limited (Ind w.e.f. 1st April 2024)

Shri S.K. Roongta: Jubilant Pharmova Limited (Ind), Jubilant Ingrevia Limited (Ind), Titagarh Rail Systems Limited (Ind), Zuari Industries Limited (Ind) and Adani Power Limited (Ind)

Smt. Vinita Singhania: JK Lakshmi Cement Limited (ED), Bengal & Assam Company Limited (NED), HEG Limited (NED) and Udaipur Cement Works Limited (NED)

Shri Bharat Anand: Syrma SGS Technology Limited (Ind), Sandhar Technologies Limited (Ind) and Mankind Pharma Limited (Ind)

Shri A.S. Mehta, President & Director: Umang Dairies Limited (NED)

Note: Shri Harshavardhan Neotia and Shri Anoop Seth are not holding directorship in any other Listed Company.

ED - Executive Director, NED - Non-Executive Non-Independent Director and Ind - Independent Director

The Board periodically reviews Compliance Reports outlining 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 place for Management Cadre Staff (including Executive Directors). In terms of provisions of Regulation 17(5) of the Listing Regulations and contemporary practices of good corporate governance, the Board has laid down a code of conduct for all Board Members and Senior Management of the Company and the same is available on the website of the Company viz. www.jkpaper.com. All the Board Members and Senior Management Personnel have affirmed compliance with the said code. This report contains a declaration to this effect signed by the Chairman & Managing Director. The Board is also satisfied that plans are in place for orderly succession for appointments to the Board and to Senior Management. Shri Bharat Hari Singhania and Shri Harsh Pati Singhania are related to each other.

Number of Equity Shares of ₹10/- each of the Company held by the Non-Executive Directors as on 31st March 2024 are: Shri Bharat Hari Singhania (2,45,600 Equity Shares) and Smt. Vinita Singhania (7,32,350 Equity Shares). None of the other Non- Executive Directors hold any equity shares of the Company. The Company does not have any outstanding convertible instruments.

3. Separate Meeting of the Independent Directors

In accordance with the provisions of Schedule IV of the Act and Regulation 25 of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on 7th February 2024. Shri Sandeep Somany was unanimously elected as Chairman of the meeting and all other Independent Directors of the Company were present at the said Meeting except Shri R. V. Kanoria and Shri Bharat Anand.

4. Familiarisation Programme for Independent Directors

In accordance with the provisions of Regulation 25(7) of the Listing Regulations, the Company has been conducting various familiarisation programmes for Independent Directors. The details of such familiarisation programmes for Independent Directors have been disclosed on the website of the Company, the web link for which is https://jkpaper.com/wp-content/uploads/2024/02/Familiarisation_Programme_for_Independent_Directors__1_.pdf

5. Board Skills, Expertise or Competence

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

The core skills, experience and knowledge of individual Directors are: (a) Shri Bharat Hari Singhania, Shri Harsh Pati Singhania and Smt. Vinita Singhania are business persons and entrepreneurs having requisite skills, experience and knowledge required in the context of the Company's operations; (b) Shri A.S. Mehta and Shri S.K. Roongta - professionals having operational, marketing, financial & industry experience and corporate governance skills; (c) Other Non-Executive Directors of the Company - Shri Harshavardhan Neotia, Shri Dharendra Kumar, Shri R.V. Kanoria and Shri Sandip Somany are businessmen and entrepreneurs having management, financial and corporate governance skills, experience and knowledge; Smt. Deepa Gopalan Wadhwa, former ambassador, has international experience of education, community service, global political and economic developments; Shri Anoop Seth is a finance professional having knowledge and experience in finance, corporate banking and infrastructure sector, both domestic and international and Shri Bharat Anand, a dual qualified Lawyer (India and England Wales),

has specialization in mergers & acquisitions, joint ventures, private equity transactions and strategy.

6. Performance Evaluation

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

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

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

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee Members on the basis of the criteria such as composition of committees, terms of reference of committees,

effectiveness of the committee meetings, participation of members in meetings of the committees, etc.

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

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

7. Audit Committee

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

Five meetings of the Committee were held during the financial year 2023-24.

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

Name	Position	Category	No. of Meetings attended
Shri R.V. Kanoria	Chairman	Independent Director	4
Shri Harshavardhan Neotia	Member	Independent Director	5
Shri Sandip Somany	Member	Independent Director	4
Shri A.S. Mehta	Member	Executive Director	5

Dates of the meetings and number of Members attended are:

Dates of meetings	No. of Members attended
16 th May 2023	3
24 th July 2023	4
3 rd November 2023	4
7 th February 2024	3
7 th February 2024	4

The Committee Meetings were attended by Chairman & Managing Director, Chief Finance Officer, Senior Vice President (Accounts & Finance), Internal Auditor, Company Secretary and the representatives of Statutory Auditors.

8. Stakeholders’ Relationship Committee

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

Three meetings of the Committee were held during the financial year 2023-24.

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

Name	Position	Category	No. of Meetings attended
Shri R. V. Kanoria	Chairman	Independent Director	3
Smt. Deepa Gopalan Wadhwa	Member	Independent Director	3
Shri S.K. Roongta	Member	Non-Executive Non-Independent Director	3
Shri A.S. Mehta	Member	Executive Director	3

Dates of the meetings and number of Members attended are:

Dates of meetings	No. of Members attended
16 th May 2023	4
24 th July 2023	4
3 rd November 2023	4

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

Three investor complaints were received during the financial year ended 31st March 2024 and the same were promptly resolved to the satisfaction of the concerned investors. There are no pending complaints as on 31st March 2024.

9. Risk Management Committee

The Company has an elaborate Risk Mitigation & Management System to inform Board Members about risk assessment and minimization procedures. The Composition and the "Terms of Reference" of the Committee are in conformity with the provisions of the Regulation 21 of the Listing Regulations.

Two meetings of the Committee were held during the financial year 2023-24.

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

Name	Position	Category	No. of Meetings attended
Shri R. V. Kanoria	Chairman	Independent Director	2
Shri S.K. Roongta	Member	Non-Executive Non-Independent Director	2
Shri A.S. Mehta	Member	Executive Director	2
Shri KR. Veerappan	Member	Chief Finance Officer	2
Shri Partha Biswas	Member	Chief (Marketing & Sales)	2

Dates of the meetings and number of Members attended are:

Dates of meetings	No. of Members attended
8 th June 2023	5
3 rd November 2023	5

10. Corporate Social Responsibility & Sustainability Committee

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

During the financial year 2023-24, the Board of Directors in its meeting held on 3rd November 2023, renamed the Committee as "Corporate Social Responsibility & Sustainability Committee" and revised the terms of reference to, inter-alia, include review Environmental, Social & Governance (ESG) and Sustainability initiatives of the Company.

Two Meetings of the Committee were held during the financial year 2023-24.

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

Name	Position	Category	No. of Meetings attended
Shri Harsh Pati Singhanian	Chairman	Executive Director	2
Smt. Deepa Gopalan Wadhwa	Member	Independent Director	2
Shri Shailendra Swarup*	Member	Independent Director	1
Shri Harshavardhan Neotia**	Member	Independent Director	1
Shri A.S. Mehta	Member	Executive Director	2

*Shri Shailendra Swarup ceased to be Member of the Committee w.e.f. 23rd August 2023.

**Shri Harshavardhan Neotia appointed as Member of the Committee w.e.f. 23rd August 2023.

Dates of the meetings and number of Members attended are:

Dates of meetings	No. of Members attended
16 th May 2023	4
7 th February 2024	4

11. Nomination and Remuneration Committee

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

Three meetings of the Committee were held during the financial year 2023-24.

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

Name	Position	Category	No. of Meetings attended
Shri Sandip Somany	Chairman	Independent Director	2
Shri Bharat Hari Singhanian*	Member	Non-Executive Non-Independent Director	2
Smt. Deepa Gopalan Wadhwa	Member	Independent Director	3
Shri R.V. Kanoria	Member	Independent Director	3

*Shri Bharat Hari Singhanian ceased to be Member of the Committee w.e.f. 1st April 2024 on stepping down as Chairman & Director of the Company.

Dates of the meetings and number of Members attended are:

Dates of meetings	No. of Members attended
16 th May 2023	3
3 rd November 2023	4
7 th February 2024	3

During the financial year 2023-24, attendance of Directors/Members of the Committees in Board/Committee meetings includes participation through Video Conferencing or Other Audio Visual Means. The Company Secretary acts as the Secretary of all the Committees of the Board.

12. Nomination and Remuneration Policy

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

<https://jkpaper.com/wp-content/uploads/2022/05/Nomination-and-Remuneration-Policy.pdf>. The said policy provides as follows:

- (i) The Nomination and Remuneration Committee of Directors (the Committee) shall take into consideration the following criteria for recommending to the Board for appointment of a Director of the Company: (a) Qualifications & Experience (b) Positive attributes like respect for Company's core values, professional

integrity, strategic capability with business vision, etc. (c) In case the proposed appointee is an Independent Director, he should fulfill the criteria for appointment as an Independent Director as per the provisions of the Act, Listing Regulations and other applicable laws & regulations and should have the capabilities identified in the description of the role and capabilities required of an independent director as may be prepared by the Committee. (d) The incumbent should not be disqualified for appointment as Director pursuant to the provisions of the Act or other applicable laws & regulations.

- (ii) The Committee will recommend to the Board appropriate compensation to Executive Directors subject to the provisions of the Act, Listing Regulations and other applicable laws & regulations. The Committee shall periodically review the compensation of such Directors in relation to other comparable companies and other factors, the Committee deems appropriate. Proposed changes, if any, in the compensation of such Directors shall be reviewed by the Committee subject to approval of the Board.
- (iii) The evaluation of performance of the Board, its Committees and individual Directors will be carried out by the Board, in the manner specified by the Committee from time to time and in accordance with other applicable provisions of the Act and the Listing Regulations, in this regard.
- (iv) The Committee will review from time to time Board diversity to bring in professional performance in different areas of operations, transparency, corporate governance, financial management, risk assessment & mitigation strategy and human resource management in the Company. The Company will keep succession planning and board diversity in mind in recommending any new name of Director for appointment to the Board.
- (v) The eligibility criteria for appointment of Key Managerial Personnel (KMPs) and other senior management personnel shall vary for different positions depending upon the job description of the relevant position. In particular, the position of KMPs shall be filled by Senior Personnel having relevant qualifications and experience. The Compensation structure for KMPs and other senior management personnel shall be as per Company's remuneration structure taking into account factors such as level of experience, qualification and suitability which shall be reasonable and sufficient to attract, retain and motivate them. The remuneration would be linked to appropriate

performance benchmarks. The remuneration may consist of fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

13. Senior Management

Particulars of Senior Management of the Company are as stated below:

Shri KR. Veerappan, Chief Finance Officer, Shri Vinay Dwivedi, Executive VP (Works), Unit-JKPM, Shri Mukul Sharadkumar Verma, Executive VP (Works), Unit-CPM, Shri K L Viswanathan, Chief Executive (Delopt Business), Shri Partha Biswas, Chief - Marketing & Sales, Shri Ashok Varma, Vice President (HR), Shri Nitin Gupta, Vice President (Procurement), Shri Kavish Agrawal, Chief General Manager- Internal Audit, Shri Subhendu Kesh, Head-Digital & IT and Shri Deepak Gupta, Vice President & Company Secretary

During the financial year 2023-24, Shri Nitin Gupta, Vice President (Procurement) and Shri Subhendu Kesh, Head-Digital & IT have been included as Senior management of the Company with effect from 16th May 2023, by the Board of Directors of the Company, as recommended by the Nomination & Remuneration Committee.

14. Remuneration paid to Directors

A. Executive Directors

Details of Remuneration of Executive Directors for the financial year ended 31st March 2024 are as follows: Shri Harsh Pati Singhanian, Chairman & Managing Director- Salary: ₹849 lac, Perquisites, benefits & allowances: ₹544.08 lac, Others (Retiral Benefits etc.): ₹8.53 lac & Commission: ₹3000 lac and Shri A.S. Mehta, President & Director- Salary: ₹201.75 lac, Perquisites, benefits & allowances: ₹338 lac, Others (Retiral Benefits etc.): ₹46.16 lac & Commission: ₹100 lac. The tenure of office of the Chairman & Managing Director and President & Director is five years and three years, respectively, from their respective dates of re-appointment. In the case of Executive Directors, notice period is 6 months. Severance fee for the Chairman & Managing Director is remuneration for the unexpired residue of term or for 3 years, whichever is shorter and for the President & Director, 6 months' salary in lieu of notice period. The Company does not have any Stock Option Scheme.

B. Non-Executive Directors

Details of sitting fees paid by the Company to all Non-Executive Directors for attending the meetings of the Board and/or Committees of Directors (including

sitting fee for a separate meeting of Independent Directors), during the financial year 2023-24 are as follows: Shri Bharat Hari Singhania, Chairman: ₹6.25 lac; Shri Anoop Seth: ₹3.25 lac; Smt. Deepa Gopalan Wadhwa: ₹6 lac; Shri Dharendra Kumar: ₹2.40 lac; Shri Harshavardhan Neotia: ₹5.40 lac, Shri R.V. Kanoria: ₹7 lac; Shri Sandip Somany: ₹5.15 lac, Shri Shailendra Swarup: ₹1.70 lac; Shri S.K. Roongta: ₹4.25 lac; Shri Bharat Anand: ₹2.40 lac; and Smt. Vinita Singhania: ₹3.00 lac. In addition to sitting fees, commission of ₹275 lac is payable to Shri Bharat Hari Singhania and ₹20 lac to each of

Shri Anoop Seth, Smt. Deepa Gopalan Wadhwa, Shri Dharendra Kumar, Shri Harshavardhan Neotia, Shri R.V. Kanoria, Shri Sandip Somany, Shri S.K. Roongta and Smt. Vinita Singhania, and ₹15.03 lac to Shri Bharat Anand and ₹7.87 lac to Shri Shailendra Swarup in accordance with the Special Resolution passed by the Members of the Company at the Annual General Meeting held on 31st August 2021.

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

15. General Body Meetings

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

Financial Year	Location	Date	Time
2022-23	Registered Office: P.O. Central Pulp Mills – 394 660, Fort Songadh, Distt. Tapi, Gujarat	01-09-2023	12.30 P.M.
2021-22	Registered Office of the Company as mentioned above	06-09-2022	12.30 P.M.
2020-21	Through Video Conferencing (Deemed venue of the meeting: Registered Office of the Company as mentioned above)	31-08-2021	12.30 P.M.

(B) Special Resolutions (SRs) passed in previous three Annual General Meetings: Five SRs were passed at the AGM held on 31st August 2021 and Three SRs were passed at the AGMs held on 6th September 2022 and 1st September 2023.

(C) No Special Resolution was passed through postal ballot during the financial year 2023-24.

(D) There is no immediate proposal for passing any resolution through postal ballot.

16. Disclosures

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

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

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

The Company has a Policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions. This Policy is available on the website of the Company and the weblink for the same is <https://jkpaper.com/wp-content/uploads/2022/05/Policy-on-Materiality-of-RPT-and-on-dealings-with-RPT.pdf>

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: There were no cases of non-compliance of any matter related to capital markets during the last three years.

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

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

(iv) Prevention of Sexual Harassment of Women at Workplace: The Company is sensitive to women employees at workplace. As required under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has a formal policy to ensure safety of women and prevention of sexual harassment and has set up an Internal Complaints Committee (ICC) at its work place(s) to redress the complaints of women employees. During the financial year ended 31st March

2024, no complaint has been filed with ICC with allegation of sexual harassment. Further, there were no complaints pending as at the end of the financial year ended 31st March 2024.

- (v) Disclosure of commodity price risks and commodity hedging activities: The Company manages fluctuations in raw material prices through stocking by advance procurement when the prices are perceived to be low and also enters into annual buying contracts as strategic sourcing initiative in some cases in order to keep raw material availability and prices under check.
- (vi) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of the Listing Regulations: During the financial year ended 31st March 2024, the Company has not raised any funds through preferential allotment or qualified institutions placement.
- (vii) A certificate has been issued by Shri Namo Narain Agarwal, Company Secretary in Practice (FCS No. 234, CP No. 3331) that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.
- (viii) There were no instances where the Board had not accepted any recommendation of any Committees of the Board which is mandatorily required during the financial year ended 31st March 2024.
- (ix) During the financial year ended 31st March 2024, the Company and its subsidiaries, The Sirpur Paper Mills Limited, Horizon Packs Private Limited, Securipax Packaging Private Limited, and JKPL Packaging Products Limited have paid total fees of ₹68.10 lac including taxes, to the Statutory Auditors, Lodha & Co. LLP, Chartered Accountants, for various services including statutory audit. Further, no fees was paid by any of the subsidiaries or by the Company to any other entity in the network firm/network entity of which the Statutory Auditors are part.
- (x) Subsidiary Companies: The financial statements, in particular, the investments made by unlisted subsidiary companies, if any, are reviewed by the Audit Committee of the Company.

The minutes of the Board meetings of unlisted subsidiary companies are placed at the Board meeting of the Company. A statement of all significant

transactions and arrangements entered into by unlisted subsidiary companies, if any, are also placed at the Board meeting of the Company.

The Company has a policy for determining material subsidiary as required under Regulation 16 of the Listing Regulations. This Policy is available on the website of the Company and the weblink for the same is <https://jkpaper.com/wp-content/uploads/2022/05/Policy-for-determining-Material-Subsidiary.pdf>

As on 31st March 2024, The Sirpur Paper Mills Limited (SPML) and Horizon Packs Private Limited (HPPL) were material unlisted subsidiaries of the Company in terms of Regulation 16 of the Listing Regulations.

SPML was incorporated on 17th November 1938 in Hyderabad. Lodha & Co. LLP, Chartered Accountants, were appointed as statutory auditors of SPML at the Annual General Meeting (AGM) held on 28th June 2019.

HPPL was incorporated on 20th August 2001 in Mumbai. Lodha & Co. LLP, Chartered Accountants, were appointed as statutory auditors of HPPL at the AGM held on 27th June 2023.

- (xi) Disclosure by listed entity and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount: During the financial year ended 31st March 2024, the Company and its subsidiaries have not given any loans to firms or companies in which directors are interested.
- (xii) Dividend Distribution Policy: The Company has a Dividend Distribution Policy as required under Regulation 43A of the Listing Regulations. This Policy is available on the website of the Company and the weblink for the same is <https://jkpaper.com/wp-content/uploads/2022/05/Dividend-Distribution-Policy.pdf>

Dividend payout is in accordance with the Dividend Distribution Policy of the Company.

17. Means of Communication

Quarterly, half yearly and annual financial results of the Company are generally published in Business Standard newspaper (all editions including Gujarati edition) and are promptly furnished to the Stock Exchanges for display on their respective websites. The results are also displayed on the website of the Company, www.jkpaper.com.

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

18. General Shareholders' Information

(i) Annual General Meeting (AGM)	
(a) Date and Time	Tuesday, 3 rd September 2024 at 12.30 P.M.
Venue	At the Registered Office of the Company i.e. P.O. Central Pulp Mills- 394 660, Fort Songadh, Distt. Tapi, Gujarat or on such other date/time/place or through video conferencing/other permissible audio visual means as may be decided by the Committee of Directors.
(b) A brief resume and other particulars of Director(s) seeking redesignation/ appointment/ re-appointment at the aforesaid AGM are given in the Notes to the Notice convening the said Meeting.	
(ii) Book Closure/Record date :	Wednesday, 21 st August 2024 to Tuesday, 3 rd September 2024 (both days inclusive)
(iii) Dividend Payment Date :	Within four weeks of conclusion of AGM
(iv) Financial Year :	April 1 to March 31
(v) Financial Calendar (tentative) :	Year Ending March 31
Financial Reporting:	
(a) 1 st Quarter ending June 30, 2024	} Within 45 days of the end of the quarter or within such time limits as may be permissible.
(b) 2 nd Quarter ending September 30, 2024	
(c) 3 rd Quarter ending December 31, 2024	
(d) Annual and 4 th Quarter ending March 31, 2025	Within 60 days of the end of the 4 th quarter or within such time limits as may be permissible.
(e) Annual General Meeting for the financial year ending March 31, 2025	Between July and September 2025

(vi) Names and address of Stock Exchanges (including Stock Code) where equity shares of the Company are listed:

The Equity Shares of the Company are listed on the following Stock Exchanges:

BSE Ltd.	National Stock Exchange of India Ltd.
(Scrip Code - 532162)	(Symbol - JKPAPER)
Phiroze Jeejeebhoy Towers	"Exchange Plaza"
Dalal Street	Bandra-Kurla Complex, Bandra (East)
Mumbai – 400 001	Mumbai-400 051

The annual listing fee for the financial year 2024-25 has been paid to both the aforesaid Stock Exchanges.

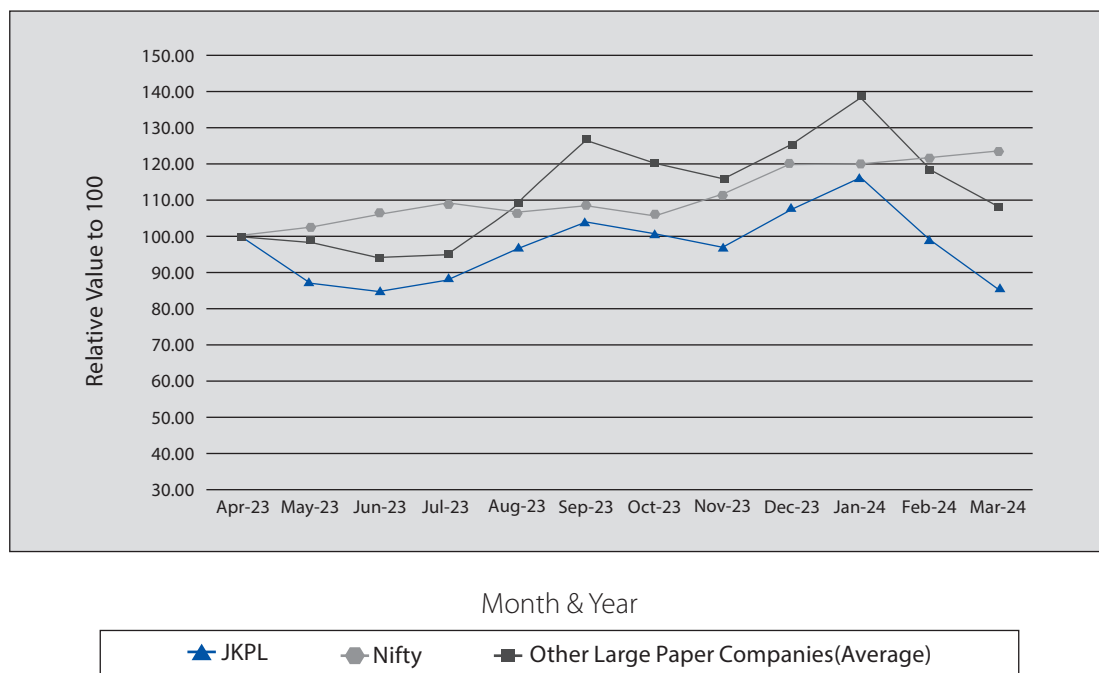
(vii) Stock Market Price Data

Month	Stock Market Price on BSE Limited (BSE)		Stock Market Price on National Stock Exchange of India Limited (NSE)	
	High (₹)	Low (₹)	High (₹)	Low (₹)
2023				
April	390.00	363.40	390.00	363.80
May	390.00	327.00	389.90	327.00
June	336.40	312.30	338.00	312.30
July	336.35	306.60	336.00	306.40
August	383.50	327.75	383.45	327.05
September	409.00	362.20	409.00	362.20
October	415.50	365.00	415.30	365.05
November	386.20	364.10	386.25	364.00
December	420.00	367.00	419.95	366.95
2024				
January	452.00	386.10	452.00	386.00
February	441.95	362.35	441.10	363.55
March	378.65	319.20	379.00	319.10

(Source: www.bseindia.com)

(Source : www.nseindia.com)

(viii) JK Paper Limited's Share Performance vs. Nifty & Other Large Paper Companies' Share Performance (Average)
[April 2023 to March 2024]

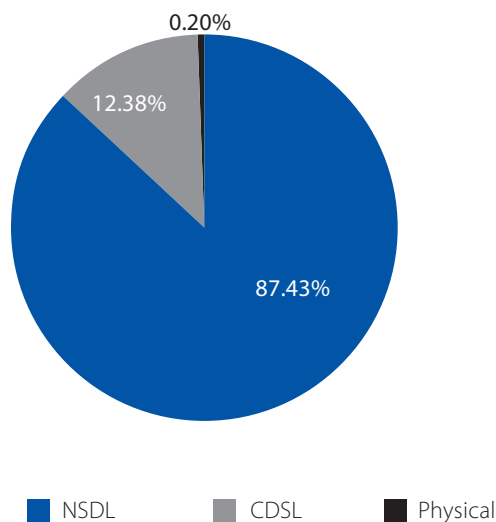


(Source: www.nseindia.com)

(ix) Dematerialisation of Shares and Liquidity: The Equity Shares of the Company are presently tradeable in compulsory demat segment. The ISIN for Equity Shares of the Company for both the depositories is INE789E01012. As on 31st March 2024, 99.80% of the Company's Equity Share Capital was in dematerialised form.

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

Shares held in Physical/Demat form (With NSDL & CDSL) as on 31st March 2024



(x) Share Transfer System: SEBI has mandated that securities of listed companies can be transferred/traded only in dematerialised form. Further, SEBI vide its circulars/notifications, mandated that all service requests for issue of duplicate certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, subdivision/splitting/ consolidation of certificate, transmission and transposition be also processed in dematerialised form only. On receipt of any such request the Company/RTA will issue a “Letter of Confirmation”, in the prescribed format.

In case of shares held in dematerialised form, the transfers are processed by National Securities Depository Limited (NSDL)/ Central Depository Services (India) Limited (CDSL) through the respective Depository Participants.

(xi) Distribution of Equity Shareholding (both in physical and electronic form) as on 31st March 2024:

Number of Equity Shares held	Shareholders		Shares Held	
	Number	%	Number	%
1 to 500	1,33,268	92.80	95,53,357	5.64
501 to 1,000	4,563	3.18	36,09,689	2.13
1,001 to 5,000	4,454	3.10	99,33,671	5.86
5,001 to 10,000	595	0.41	43,72,702	2.58
Over 10,000	734	0.51	14,19,32,925	83.79
Total	1,43,614	100.00	16,94,02,344	100.00

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

(xiii) Commodity price risk or foreign Exchange risk and hedging activities: During the financial year ended 31st March 2024, the Company has managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts, swaps & options for hedging foreign exchange exposures against imports and exports.

The Company is having a Risk Management framework for identifying various risks and for formulating plans for mitigating the same. The risks as well as mitigating plans are reviewed from time to time and are updated as may be required. The Company has also identified various risks involved in respect of key raw material and has drawn risk mitigation plans for the same. Hardwood & Bamboo are considered material commodities, as their consumption in comparison to the overall cost of raw materials consumed, is around 47%. During the financial year ended 31st March 2024, the Company consumed 10.85 lac MT of Hardwood & Bamboo, valuing ₹1,175 crore. The Company does not have any exposure hedged through commodity derivatives.

(xiv) Plant locations:

(i) JK Paper Mills (Unit JKPM) Jaykaypur – 765 017 Distt. Rayagada(Odisha)	(ii) Central Pulp Mills (Unit CPM) P.O. Central Pulp Mills - 394 660 Fort Songadh Distt. Tapi (Gujarat)	(iii) Delopt Division Bengaluru, Karnataka
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(xv) Address for correspondence for Share Transfer and related matters

1. Registrar and Share Transfer Agent MCS Share Transfer Agent Limited, F-65, 1 st Floor, Okhla Industrial Area, Phase – I, New Delhi-110 020 Ph. 011- 41406149-52 Fax No. 011- 41709881 E-mail: admin@mcsregistrars.com Website: www.mcsregistrars.com	2. Company Secretary JK Paper Limited Gulab Bhawan (Rear Block - 3 rd Floor) 6A, Bahadur Shah Zafar Marg New Delhi-110 002 Ph. 011-68201100 Fax No. 91-11-23739475 Email : sharesjkpaper@jkm.com Website : www.jkpaper.com
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(xvi) Credit ratings obtained by the Company along with any revisions thereto during the financial year ended 31st March 2024:

CRISIL Ratings Limited (CRISIL) – CRISIL has reaffirmed its rating on the Long term and Short term borrowing facilities. Current Long Term Rating is CRISIL AA/Stable, Short Term Rating is CRISIL A1+ and Fixed Deposit is CRISIL AA/Stable.

India Ratings and Research (Ind-Ra): Ind-Ra has reaffirmed its rating for Current Long Term Rating and Short term borrowing facilities. Current Long Term Rating is IND AA/Stable, Short Term Rating is IND A1+ and Fixed Deposit Rating is IND AA/Stable.

(xvii) This Corporate Governance Report of the Company for the financial year ended 31st March 2024 is in compliance with the requirements of Corporate Governance under the Listing Regulations, as applicable.

(xviii) Adoption of discretionary requirements specified in Part E of Schedule II of the Listing Regulations:

(a) Shareholder Rights: Half-yearly and other quarterly financial results are published in newspapers and uploaded on Company's website www.jkpaper.com. At present, the half yearly financial performance and the summary of the significant events in last six months are not sent to each household of shareholders; (b) Modified opinion(s) in audit report: The Company is in the regime of unqualified financial statements. Auditors have not raised any qualification on the financial statements (both standalone and consolidated) of the Company for the financial year ended 31st March 2024; (c) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: Chairman was Non-Executive Director of the Company till 31st March 2024, and related to Managing Director of the

Company. W.e.f. 1st April, 2024 Shri Harsh Pati Singhania is the Chairman & Managing Director of the Company; and (d) Reporting of Internal Auditor: The Internal Auditor of the Company administratively reports to the President & Director. However, Internal Audit Reports are placed before the Audit Committee.

(xix) The Company has complied with all the applicable requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(xx) Disclosure with respect to demat suspense account/ unclaimed suspense account: There were no shares in the demat suspense account or unclaimed suspense account during the financial year 2023-24. Further, during the financial year 2023-24, the Company had transferred 9,575 Equity Shares to Investor Education and Protection Fund Authority pursuant to the provisions of Section 124 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

19. 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 2024.

Harsh Pati Singhania
Chairman & Managing Director

Independent Auditors' Certificate on Corporate Governance

To
The Members of
JK Paper Limited

1. We have examined the compliance of the conditions of Corporate Governance by JK Paper Limited ("the Company") for the year ended 31st March 2024, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations') as amended.

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance as stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

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

4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Report or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraph C, D and E of Schedule V of the SEBI Listing Regulations during the year ended 31st March 2024.

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

Restriction on Use

9. This certificate is issued solely for the purpose of complying with the aforesaid Regulations. Our Certificate should not to be used for any other purpose or by any person other than the addressees of this Certificate. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this Certificate is shown or into whose hands it may come without our prior consent in writing.

For **LODHA & CO LLP**
Chartered Accountants
Firm Registration No. 301051E/E300284

Place: New Delhi
Date: 16th May 2024
UDIN: 24509325BKABTZ1572

Shyamal Kumar
Partner
Membership No.: 509325

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. DETAILS

1	Corporate Identity Number (CIN) of the Listed Entity	L21010GJ1960PLC018099
2	Name of the Listed Entity	JK Paper Limited
3	Year of incorporation	1960
4	Registered office address	P. O. Central Pulp Mills - 394 660, Fort Songadh, District Tapi, Gujarat
5	Corporate address	Nehru House, 4 Bahadur Shah Zafar Marg, New Delhi-110002
6	E-mail	sharesjkpaper@jkm.com
7	Telephone	011- 68201100
8	Website	www.jkpaper.com
9	Financial Year for which reporting is being done	1 st April 2023 to 31 st March 2024
10	Name of the Stock Exchange(s) where shares are listed	1. BSE Limited 2. National Stock Exchange of India Limited
11	Paid-up Capital	₹169.40 crore
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Shri A.S. Mehta E-mail: asmehta@jkm.com Contact No: 011-68201100
13	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Standalone basis
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the entity's Turnover):

S. No.	Description of main activity	Description of business activity	% of turnover of the entity
1	Paper and Board	Manufacturing and selling of Paper and Packaging boards including value added products viz. Copier, Bond, Security paper, Coated paper and Maplitho.	99.41

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Paper and Packaging Board	1701	99.41

III. OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	4	7
International	-	-	-

19. Markets served by the entity:

a. Number of locations

Location	Number
National (No. of States & Union Territories)	29
International (No. of Countries)	52

b. What is the contribution of exports as a percentage of the total turnover of the entity?

5.6%

c. A brief on types of customers

The Company serves wide range of customers depending on the product category. Product wise details of customers are:

- Cut pack (Office Paper, Bond and ledger) - Offices, Jobbers, Institutes, Students and Household.
- Writing and printing (Maplitho, WFPP) - Publishers, Printers, Institutes.
- Coated and specialty - Publishers, Industry, Business and Catalogues.
- Packaging Board and cup stock - Pharma, FMCG, Electronics, Food and beverages, Quick service outlets.

IV. EMPLOYEES

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1.	Permanent (D)	1653	1567	95	86	5
2.	Other than Permanent (E)	9	5	56	4	44
3.	Total employees (D + E)	1662	1572	95	90	5
WORKERS						
4.	Permanent (F)	1226	1219	99	7	1
5.	Other than Permanent (G)	4760	4441	93	319	7
6.	Total workers (F + G)	5986	5660	95	326	5

b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	4	4	100.00	-	-
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total differently abled employees (D + E)	4	4	100.00	-	-
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	6	6	100.00	-	-
5.	Other than Permanent (G)	-	-	-	-	-
6.	Total differently abled workers (F + G)	6	6	100.00	-	-

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	12	2	16.67
Key Management Personnel**	4	-	0.00

Note:

* As on 31st March 2024.

** Key Management Personnel includes two Executive Directors.

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	10%	14%	12%	9.50%	22.00%	10.00%	9.0%	18.0%	8.0%
Permanent Workers	2%	-	2%	0.16%	0.00%	0.16%	0.24%	0.0%	0.24%

V. HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Jaykaypur Infrastructure & Housing Ltd.	Subsidiary	100	No
2.	Songadh Infrastructure & Housing Ltd.	Subsidiary	100	No
3.	Enviro Tech Ventures Ltd.	Subsidiary	96.08	No
4.	JK Paper International (Singapore) Pte. Ltd.	Subsidiary	100	No
5.	JKPL Packaging Products Ltd.	Subsidiary	100	No
6.	The Sirpur Paper Mills Ltd.*	Subsidiary	96.27	No
7.	Horizon Packs Pvt. Ltd.	Subsidiary	85 [#]	No
8.	Securipax Packaging Pvt. Ltd.	Subsidiary	85 [#]	No
9.	JKPL Utility Packaging Solutions Pvt. Ltd. (Formerly Manipal Utility Packaging Solutions Pvt. Ltd.)	Subsidiary	100	No

* % of shares held represents aggregate % of shares held by the Company alongwith its subsidiary.

100% effective May 17, 2024

VI. CSR DETAILS

24. CSR Details

i. Whether CSR is applicable as per section 135 of Companies Act, 2013	Yes
ii. Turnover (in ₹)	6178.04 crore
iii. Net worth (in ₹)	4552.44 crore

VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) if Yes, then provide web-link for grievance redress policy	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes, a mechanism is in place to interact with community leaders to understand and address their concerns, if any	0	0	No major grievance	12	2	No major grievance
Investors (other than shareholders)	Yes, through emails and personal interaction	-	-	-	-	-	-
Shareholders	<p>Yes, the Company has a dedicated email id wherein shareholders may lodge grievance/concern/query. A dedicated employee regularly keeps track of the emails received from the shareholders and promptly responds to them and ensures that the query/complaint is resolved to the satisfaction of the shareholder. All the complaints of shareholders received during a quarter, if any, and actions taken thereon are placed before a Board Level Committee.</p> <p>Further, Shareholders can register their grievances at (https://scores.sebi.gov.in/ & https://smartodr.in/login) and also on web links of BSE (http://tiny.cc/m112vz) and NSE (http://tiny.cc/s112vz) for Arbitration.</p>	3	-	-	1	-	-
Employees and workers	Yes, a mechanism is in place to address grievance/concern of employees. Vigil mechanism/ Whistle Blower Policy is placed at the website of the Company i.e. www.jkpaper.com	-	-	-	-	-	-
Customers	Yes Complaints registered / addressed through SAP	716	703	-	597	131	All are closed as on date
Value Chain Partners	Yes, through emails and personal interaction	-	-	-	-	-	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Talent Management, Attraction, Retention	O	This may enhance competence, skills and knowledge which is vital for organizational growth	<ol style="list-style-type: none"> 1. Skill up gradation through continuous training program 2. Enhancing multi-tasking ability through planned inter & intra department job rotations 3. Mapping of Right Talent with Critical Position 	Positive Implications
2	Raw material (wood)	R	Being a key raw material, reliable source of supply is essential.	<ol style="list-style-type: none"> 1. Increase in % of departmental harvesting 2. Introduction of schemes to build long term relationship with farmers and to become preferred customer for farmers 3. Company provides assistance to farmer through its farm forestry plantation activities which make the Company wood and carbon positive 	Negative Implications
3	Business Ethics	R	This may influence the brand and trust of stakeholders	Code of Conduct, Monitoring Mechanism to ensure ethical conduct	Negative Implications
4	Regulatory Issues and Compliance	R	Non-compliance may affect the brand image and customer trust and engagement	Adherence to compliance monitoring system	Negative Implications
5	Reducing Carbon Footprint	O	Mitigates the effects of global climate change, improves energy efficiency, improves climate change impacts	Focus on renewable sources of energy, energy efficient equipment etc. to reduce carbon emissions	Positive Implications

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

THIS SECTION IS AIMED AT HELPING BUSINESSES DEMONSTRATE THE STRUCTURES, POLICIES AND PROCESSES PUT IN PLACE TOWARDS ADOPTING THE NGRBC PRINCIPLES AND CORE ELEMENTS.

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	(a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	(b) Has the policy been approved by the Board? (Yes/No)*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	(c) Web Link of the Policies, if available	https://jkpaper.com/companys-policy/								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	Most of the policies are aligned to various standards like: ISO 9001: 2015 (Quality Management System), ISO 14001: 2015 (Environment Management System), ISO 45001: 2018 (Occupational Health and Safety Management System), BIS Certification, FSC COC (Chain of custody) and FSC Controlled wood.								
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Goals and targets are set annually and specific commitments are set periodically. Specific sustainability targets have been identified and timelines for achieving carbon neutrality are being defined. We, at JK Paper pursue a Quality Journey. Our Mission statement, Manufacturing Excellence, specific long term & short-term goals are all approved by top management								
6	Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	Performance of identified commitments/targets are reviewed periodically by the Senior Management in its Business Review meetings.								

* Policies not statutorily required to be approved by the Board are approved by the Vice Chairman & Managing Director and w.e.f. 1st April 2024 by Chairman & Managing Director/President & Director.

Governance, leadership and oversight

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

The Company is committed to integrate environmental, social and governance (ESG) principles into its businesses to improve the quality of life of the communities to which it serves. The Company is also committed to conduct beneficial and fair business

practices to the labour, human capital and to the community. It provides employees and business associates with working conditions that are clean, safe, healthy and fair.

The Company strives to be responsible and friendly neighbour in the communities in which it operates and contributes to their equitable and inclusive development. To deliver and achieve these commitments, the Company has a separate CSR Policy and Code of Conduct.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies)

Shri A.S. Mehta, President & Director (DIN: 00030694), under the supervision of Board of Directors and Committees thereof is responsible for implementation and oversight of the Business Responsibilities policy(ies).

9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If Yes, provide details.

Yes, matters relating to sustainability are discussed in Corporate Social Responsibility & Sustainability Committee of the Board and also in the Board meetings. Additionally, these matters are also discussed in Business Review Meetings.

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	As a practice, Business Responsibility policies of the Company are reviewed periodically or on a need basis in Business Review meetings headed by Chairman & Managing Director/ President & Director. During the assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	The Company is in compliance with the existing regulations as applicable. The Company has a Compliance Tool wherein respective Process Owners affirm statutory compliances and Process Heads approve the same. Quarterly report of which is submitted to the Audit Committee of Directors of the Company. Statutory Compliance Certificate on applicable laws is provided by the President & Director/Chief Finance Officer/Senior Vice President (Finance & Accounts)/ Company Secretary to the Board of Directors.																	

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide the name of the agency.

P1	P2	P3	P4	P5	P6	P7	P8	P9
Periodic review of the policies and their working is internally done by the Senior Management and wherever required support of external agency is taken.								

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	All principles are covered by policies.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1

BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE.

ESSENTIAL INDICATORS

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Cyber Security function was briefed	100%
Key Managerial Personnel	1	Cyber Security function was briefed	100%
Employees other than BoD and KMPs	25	Training on Vision, Mission & Values	100%
Workers	10	Training on Vision, Mission & Values	60%

NOTE:

- All constituents/all stakeholders have been sensitized towards the need for sustainable business.
 - To sync in with changing business dynamics, various operations/ processes of the Company are being digitalized to eliminate the element of human involvement and human error.
2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1	Labour Court, Surat	50,000	Accident of Contract Worker occurred during the course of operations at Unit CPM, Songadh, Gujarat	No
Penalty/ Fine	P1	Asstt. Commissioner (ST), Gujarat	41,91,220	Adjustment in Turnover for the financial year 2017-18	Yes
Penalty/ Fine	P1	Asstt. Commissioner (ST), Rajasthan	36,000	Absence of e-way bill by job-worker during transit of equipment	No

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	P1	Asstt. Commissioner (MS), Uttar Pradesh	4,33,156	Minor mismatch in address of Customer in e-way bill and invoice during transit of goods	Yes
Penalty/ Fine	P1	Asstt. Commissioner (ST), Odisha	3,65,073	Disallowance of input tax credit availed by the Company during the period July 2017 to March 2020	Yes
Penalty/ Fine	P1	Asstt. Commissioner (ST), Odisha	5,54,490	Disallowance of input tax credit availed by the Company during the financial year 2017-18 to 2018-19	Yes
Penalty/ Fine	P1	Asstt. Commissioner (ST), Odisha	14,50,480	Disallowance of input tax credit availed by the Company during the financial year 2017-18 to 2019-20	Yes
Penalty/ Fine	P1	Add. Commissioner (ST), Odisha	31,65,002	Disallowance of input tax credit availed by the Company during the financial year 2017-18 to 2019-20	Yes
Penalty/ Fine	P1	Asstt. Commissioner (CGST), New Delhi	55,59,187	Disallowance of transitional credit availed by the Company during the financial year 2017-18	Yes
Penalty/ Fine	P1	Asstt. Commissioner (ST), Odisha	5,35,719	Short/delayed payment of tax for the financial year 2017-18 and 2019-20	Yes
Penalty/ Fine	P1	GST Officer, Delhi	12,16,464	Short payment of tax and excess claim of input tax credit during the financial year 2017-18	Yes
Penalty/ Fine	P1	Asstt. Commissioner (ST), Tamil Nadu	30,076	Short payment of tax during the financial year 2017-18	Yes
Penalty/ Fine	P1	Deputy Commissioner (Customs), Maharashtra	30,000	Not getting registration under Paper Import Monitoring system within the prescribed timeline	Yes
Penalty/ Fine	P1	Add. Superintendent of Stamps, Gujarat	1,00,80,000	Deficit Stamp Duty on registration of Mortgage Deed with office of Sub-Registrar, Songadh, Gujarat	Yes
Penalty/ Fine	P1	Add. Superintendent of Stamps, Gujarat	2,07,96,900	Deficit Stamp Duty on various deeds of hypothecation executed in connection with the borrowings availed by the Company	Yes
Penalty/ Fine	P1	Superintendent of Central Tax, West Bengal	7,91,932	Claiming of excess input tax credit by the Company during the financial year 2018-19	Yes
Penalty/ Fine	P1	Office of State Tax Officer, Gujarat	20,000	Disallowance of input tax credit claimed by the Company during the financial year 2018-19	No
Settlement					
Compounding fee				Nil	

Non-Monetary				
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment		Nil		

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Details as provided in Question 2 above.

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the Company has a Code of Conduct for its Directors and Senior Management and Corporate Ethics and Code of Conduct for employees. The Company's Code of Conduct policy provides a formal mechanism to employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. In addition, the Company also has Whistle-blower Policy and Vigil Mechanism to provide a formal mechanism to the Directors, employees and other external stakeholders to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides for adequate safeguards against victimization of employees who avail the mechanism. No personnel of the Company have been denied access to the Chairperson of the Audit Committee.

Web link of Code of Conduct for Directors and Senior Management is https://jkpaper.com/wp-content/uploads/2022/09/Code_of_Conduct-JKPL.pdf and Corporate Ethics and Code of Conduct for employees is available on the intranet.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24	FY 2022-23
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	Nil	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payable	54	57

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	71%	51%
	b. Number of trading houses where purchases are made from	192	132
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	35%	41%
Concentration of Sales	a. Sales to dealers/distributors as % of total sales	93%	92%
	b. Number of dealers / distributors to whom sales are made	346	296
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	22%	29%
Shares of RPTs in	a. Purchases (Purchases with related parties / total purchases)	24.7%	25.3%
	b. Sales (Sales to related parties / Total Sales)	0.16%	0.50%
	c. Loans & advances (Loans & advances given to related parties /Total loans & advances)	24.8%	30.6%
	d. Investments (Investments in related parties / Total Investments made)	57.1%	55.9%

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

S. No.	Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
1	8	Dealer portal management, product knowledge	75

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same.

Yes, every Director of the Company discloses his/her concern or interest in the Company or companies or body corporates or firms or other association of individuals and any change therein, annually or upon any change, which also includes the shareholding. Further, a declaration is also taken annually from the Directors under the Code of Conduct confirming that they will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and their role therein. The Senior Management also affirms quarterly that they have not entered into any material, financial and commercial transactions, which may have a potential conflict with the interest of the Company at large. In the Board/Committee meetings, the Directors abstain from participating in the discussion and voting of items in which they are concerned or interested.

PRINCIPLE 2

BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	26.82%	16.6%	These investments demonstrate a commitment to advancing technological capabilities, ensuring environmental compliance, and achieving sustainability goals in line with industry standards. R&D Investments are focused at chemical consumption reduction, improving pulp yield, increase in plantation area to contribute to carbon sequestration from environment, revenue generation, livelihood, and employment opportunities for farmers and the surrounding community, emphasizing our commitment to sustainable and responsible plantation agriculture. besides helping increasing farmers income
Capex	9.23%	6.2%	Upgradation of plantation division nursery with Setting up additional mist chambers to create a controlled environment for plant propagation, reducing water usage and enhancing plant health, upgradation of existing plantation mist chambers, tissue culture lab, Acquisition of an ambulance to support workplace health and safety, ensuring timely medical assistance and promoting social well-being, upgradation of ETP 2 with belt filter press to efficiently manage waste and reduce environmental pollution.

2. **a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes, the Company has a Sustainable Procurement Policy and the same is available on the website of the Company at <https://jkpaper.com/>

- b. If yes, what percentage of inputs were sourced sustainably?**

18.57%

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**

- (a) Plastics (including packaging)**

Waste packaging plastic is collected, stored and disposed-off through the contracting process.

- (b) E-waste**

All E-waste generated in-house is handed over to certified vendors for safe disposal.

- (c) Hazardous waste**

Collection, Storage, and disposal of hazardous waste is done as per GPCB, CCA guidelines to authorized vendors.

- (d) other waste.**

NA

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to JK Paper and we are registered under EPR. We have hired service provider who collects the equivalent volume of category wise plastic from different zones as per the declared volume for the year. The service provider collects the

plastic and recycles it on behalf of JK Paper. We have also filed our annual return of Producer, Brand owner & Importer for year 2022-23. Targets for year 2023-24 has already been finalized and uploaded on EPR portal and collections for this liability will be completed within stipulated time frame. Data of EPR is calculated based on the usage of plastic i.e. packing material used for packing of Finished goods, plastic material received in mills as packing material used to pack the raw material, plastic received from imported parts of machinery or chemicals, plastic granules used by JK for polycoating of board etc.

LEADERSHIP INDICATORS

- 1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

No

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	If yes, provide the web-link.
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Life cycle assessment is not initiated

- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
---------------------------	-----------------------------------	--------------

Not Applicable

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24	FY 2022-23

Nil

- 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	-	457.08	-	-	437.07	-
E-waste	-	32.015	-	-	16.543	-
Hazardous waste	292.08	45.51	6.32	287.29	52.46	7.349
Other waste (Fly ash, ETP sludge, NFL Reject, Salker sludge) *	166894.61	-	18691	123976.02	-	12233

Note: *In FY 2023-24 started monitoring new category of waste - other disposal operation.

There is a change in waste generation methodology in FY 2023-24 and accordingly the values for FY 2022-23 have been restated to enable comparability of information with FY 2023-24.

- 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
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Not Applicable

PRINCIPLE 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	1567	1567	100	1567	100	NA	-	NA	-	NA	-
Female	86	86	100	86	100	86	100	NA	-	NA	-
Total	1653	1653	100	1653	100	86	5	-	-	-	-
Other than Permanent employees											
Male	5	5	100	2	40	NA	-	NA	-	NA	-
Female	4	4	100	2	50	4	100	NA	-	NA	-
Total	9	9	100	4	44	4	44	-	-	-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent workers											
Male	1219	1002	82	1219	100	-	NA	NA	-	NA	-
Female	7	7	100	7	100	7	100	NA	-	NA	-
Total	1226	1009	82	1226	100	7	0.6	-	-	-	-
Other than Permanent workers											
Male	4441	2196	49	2245	51	NA	-	NA	-	NA	-
Female	319	307	96	12	4	319	100	NA	-	NA	-
Total	4760	2503	53	2257	47	319	7	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the Company	0.066%	0.046%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI	2	14	Yes	2	15	Yes

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, most of the Company's working locations are accessible for differently abled employees and workers.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company is committed to provide equal opportunity to all its employees and to all eligible applicants for employment. The Company's Code of Conduct endeavours to pursue healthy human resource policies without any discrimination on account of caste, religion or sex, promote meritocracy, uphold self respect and human dignity. Web link of Company's Code of Conduct is as under:

https://jkpaper.com/wp-content/uploads/2022/09/Code_of_Conduct-JKPL.pdf

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	100	100	100	100
Total	100	100	100	100

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Yes, the Company has an effective system of grievance redressal of its employees and workers, brief details of which are given below:

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	<p>Yes</p> <p>Sampark, A grievance redressal forum is organized on the last Saturday of every month between 5-6 PM wherein the Top management of the plant remains present to listen / solve the grievances raised by any permanent employee.</p> <p>Employee/Worker - The grievances raised by the employees are registered and sent to the concerned HOD (under whose jurisdiction the grievance lies) once the action is taken and problem is solved same is informed to the complainant. If any action could not be taken the same is also informed to the concerned employee giving the reasons for the inaction.</p>

	Yes/No (If Yes, then give details of the mechanism in brief)
Other than Permanent Workers	Yes There is a Contract Grievance Cell to redress the Grievances of Contract labour. Grievance boxes are there in the plant from where the grievances are collected and a meeting is organized every fortnight, where all Contractors are present along with the Contractual manpower representative to redress the grievances. The meeting is coordinated by Sr. Manager (IR) of JK Paper.
Permanent Employees	Yes
Other than Permanent Employees	Monthly Forum: On receipt of any concern through email, letter, verbal, etc., it is registered Monthly forum which is headed by Plant Head, Commercial Head and Plant HR head. Any employee having any grievance whatsoever shall bring it to the notice of his superior during Internal Communication Meeting. Superior should approach the authority where the solution lies directly and should keep the employee informed about the action taken. In case no action is taken, he can approach Personnel Department Directly with his grievance recorded in the prescribed form. Personnel department takes appropriate action to resolve the grievance. In case, the employee does not get any reply from the Personnel Department within a month, he/she can refer the matter to the President & Director.

7. Membership of employees and workers in association(s) or Unions recognised by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1653	-	-	1560	-	-
Male	1567	-	-	1481	-	-
Female	86	-	-	79	-	-
Total Permanent Workers	1226	1170	95	1228	1209	98
Male	1219	1168	96	1223	1208	99
Female	7	2	29	5	1	20

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1567	1567	100	1001	64	1481	1481	100	1310	88
Female	86	86	100	40	47	79	79	100	73	92
Total	1653	1653	100	1041	63	1560	1560	100	1383	89
Workers										
Male	1219	1219	100	671	55	1223	1223	100	1214	99
Female	7	7	100	2	29	5	5	100	4	80
Total	1226	1226	100	673	55	1228	1228	100	1218	99

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1567	1567	100	1481	1481	100
Female	86	86	100	79	79	100
Total	1653	1653	100	1560	1560	100
Workers						
Male	1219	0	0	1223	0	0
Female	7	0	0	5	0	0
Total	1226	0	0	1228	0	0

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company has Occupational Health and Safety Management System which covers it's all manufacturing locations and Offices. ISO 45001:2018 is in place and periodically audited by DNV.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has a process for Risk Management which is essential for preventing incidents, injuries, occupational disease, emergency control & prevention and business continuity. Considering the risks associated with operations and hazardous chemicals used, sites have deployed structured Hazard Assessment, Risk Assessment and Management Process - both qualitative and quantitative which are regularly reviewed and mitigation plans are put in place for high-risk areas. The process also considers roles and responsibilities, monitoring control measures, competency training and awareness of individuals associated with such activities. Formal risk assessment training has been provided as appropriate. For all activities including routine or non-routine (permit / project activities) hazards are identified by a trained cross-functional team and risk assessment and management is done through Hazard Identification and Risk Assessment/Job Safety Analysis/ Standard Operating Procedures. The Company has procedures for process safety and functional safety. Identified hazards and associated risks are addressed through operational control measures using hierarchy of control approach. On a day-to-day basis unsafe conditions and hazards are also identified by employees and reported. It is also extended to contractors working on sites to ensure their concerns are addressed. Each Work location has a Safety Committee which reviews the Safety Mechanism and cases of accidents and near miss incidents.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, employees are encouraged to report near-miss incidents identified which are analysed and corrective actions are taken. All sites have specific procedure for reporting of work-related hazard, injuries, unsafe condition and unsafe act. For mitigation of work related hazards, various mechanisms are in place to receive feedback, monitor and take appropriate actions viz. Safety Patrol, Work Place inspections, Safety Audits, Safety Committee meetings, Mock Drills etc. Feedbacks/ Suggestions received, audit observations etc. are recorded and reviewed as part of continual improvement.

d. Do the employees/ workers of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, all employees are covered under health insurance scheme / ESI scheme. In addition, each manufacturing location has qualified medical staff wherein employees/workers including their family members can get medical treatment for non-occupation medical illness. The Company also has Ambulance facility for any medical emergency.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	1.05	1.4
	Workers	4.1	3.8
Total recordable work-related injuries	Employees	-	4
	Workers	-	6
No. of fatalities	Employees	-	-
	Workers	-	1
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

Safety and health measures are being regularly monitored with the objective of providing safe and healthy work place. Various mechanisms have been devised to monitor and get feedback on the prevalent systems and procedures viz. Safety Instruction are displayed at various sites at work places, Proactive monitoring through Safety tours, Safety Committee meetings, work place inspections and audits, mock drills etc., Recognitions & Awards for encouraging good safety practices, on the job safety training and reviewing of cases of accidents and near miss incidents by the Top Management wherein root cause analysis and comparative performance analysis are reviewed.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL		NIL	NIL	
Health & Safety	NIL	NIL		NIL	NIL	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100
Working Conditions	100

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All incidents are investigated by cross-functional team. All critical factors involved in an incident are determined through root cause analysis & investigation. Corrective/Preventive actions are identified to prevent recurrence. The detailed investigation and root causes identified by cross-functional team are reviewed by the Senior Management. Learning from incident is further discussed in the Safety Committee meetings, to bring awareness and prevent recurrence of incidents. The closure of investigation action points are reviewed on a periodic basis. Learnings from investigation reports are also shared across all work locations for deployment of corrective actions to stop recurrence of such incidents.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (a) Employees (Y/N) (b) Workers (Y/N)

Yes, both employees and workers, are covered under Group Personal Accident Policy and Benevolent fund.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company monitors remittance of statutory dues by value chain partners as part of processing their bills on a regular basis with periodic audits.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Employees	Nil	Nil	Nil	Nil
Workers	Nil	Nil	Nil	Nil

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	10
Working Conditions	10

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable as no audit was conducted during FY 2023-24.

PRINCIPLE 4

BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company believes that an effective stakeholder engagement process is necessary for achieving its operational goals in a sustainable and inclusive manner. The Company has identified and mapped all concerned internal and external stakeholders. The Company has put in place systems and processes to identify, prioritize and address the needs and concerns of its stakeholders across all plant locations and other areas of its presence. Various mechanisms are in place for engagement with these stakeholders such as employee engagement study, customer satisfaction surveys, organizing plant visits for the suppliers, customers and other concerned stakeholders, dealers’ meet and lenders’ meet etc. There is also a dedicated email id for all stakeholders to engage with the Company.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Communication meetings, trainings, group discussions, email, intranet, newsletters	Regularly	Industry scenario, challenges/issues, employee well-being, Grievance handling, career Development, health, safety and engagement activities
Shareholders	No	Email, Meetings, investor/ analyst meets, Newspaper, Website of the Company, Media releases, Publication of Financial Results, Annual Reports, intimations/ filings with Stock exchanges and other Regulatory authorities	Regularly	Financial performance, Grievance redressal, Company updates with a view to keep them updated and obtaining their approval on corporate actions, where required
Vendors	No	Meetings	Need based, periodically	Quality, timely delivery and payments, ESG consideration (sustainability, safety checks, compliances, ethical behaviour), collaboration and digitalisation opportunities
Customers	No	Website, Meetings/visits, customer plant visits, focus group discussion, complaints management, emails	Regularly	Product quality and availability, responsiveness to needs, New Product development, feedback survey, complaint handling and Technical Services besides commercials
Communities	Yes	Community meetings with local people, Public representatives, NGOs, Government Departments, etc.	Regularly	Education, community health, livelihood and sustainability and other CSR interventions.
Statutory bodies	No	Meetings/Interactions directly and through Industry forums	Need based	Compliance, Industry concerns, Govt. expectations

LEADERSHIP INDICATORS

- 1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

The Company through its executives regularly interacts with its key stakeholders i.e., investors, customers, suppliers, employees, etc. Progress and concerns on key issues of Safety, Health, Environment and Sustainability is regularly updated to the Senior Management and is also reported to the Board where their inputs and guidance is required.

- 2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, through various studies and interactions the Company engages with its stakeholders in terms of identifying and prioritizing the issues pertaining to economic, environmental and social topics.

- 3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

The Company has always consciously acted as a responsible organization and engages with the marginalized and vulnerable sections of society. Major channels are communities and other stakeholders nearby villagers benefiting through our CSR interventions. Engage with them continuously through need assessment and other methods of participation to understand their needs and impact of our interventions.

PRINCIPLE 5

BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

ESSENTIAL INDICATORS

- 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees/ workers covered (D)	% (D / C)
Employees						
Permanent	1653	1653	100	1560	1560	100
Other than permanent	9	9	100	-	-	-
Total Employees	1662	1662	100	1560	1560	100
Workers						
Permanent	1226	1226	100	1228	1228	100
Other than permanent	4760	4760	100	4734	4734	100
Total Workers	5986	5986	100	5962	5962	100

- 2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1653	-	-	1653	100	1560	-	-	1560	100
Male	1567	-	-	1567	100	1481	-	-	1481	100
Female	86	-	-	86	100	79	-	-	79	100

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Other than permanent	9	-	-	9	100	-	-	-	-	-
Male	5	-	-	5	100	-	-	-	-	-
Female	4	-	-	4	100	-	-	-	-	-
Workers										
Permanent	1226	-	-	1226	100	1228	-	-	1228	100
Male	1219	-	-	1219	100	1223	-	-	1223	100
Female	7	-	-	7	100	5	-	-	5	100
Other than permanent	4760	2484	52	2276	48	4734	2480	52	2239	47
Male	4441	2467	56	1974	44	4302	2466	57	1938	45
Female	319	17	5	302	95	432	14	3	301	70

3. Details of remuneration/salary/wages, in the following format:

a. Median remuneration/wages

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	10	25,27,500	2	24,50,000
Key Managerial Personnel (excluding Vice Chairman & Managing Director and President & Director)**	2	1,90,12,056	-	-
Employees other than BoD and KMP	1563	7,60,344	86	6,33,773
Workers	1219	3,69,008	7	3,36,240

* Remuneration of one Independent Director, who ceased to be Director on completion of his second term w.e.f. 23rd August 2023 is not considered in Median calculation as his remuneration was only for part of the year and remuneration of one Independent Director who was appointed during the year has been included in calculation of Median remuneration.

** Vice Chairman & Managing Director has been redesignated as Chairman & Managing Director w.e.f. 1st April 2024

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	4%	3.8%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company recognises, respects and reinforces 'Human Rights' and is also committed towards protection of such rights by creating a safe, secure and healthy working environment for all its employees/workers and other stakeholders. Senior Management is responsible for addressing human rights issues highlighted by Company's employees/workers and other stakeholders. The Company has also POSH policy and Internal Complaints Committee to redress the grievances raised by women employees/workers with respect to Sexual Harassment.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has robust mechanism to address grievances related to human rights. Any issue pertaining to human rights by any employee/worker, can be reported to Complaints Committee through e-mail, letter or verbal. The Complaints Committee identifies the resources who would conduct the investigation based on the nature of the issue reported and after submission of investigation report, the Committee takes necessary actions to address the issue in the best interest of the aggrieved person and the Company.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NA	NA	NIL	NA	NA
Discrimination at workplace	NIL	NA	NA	NIL	NA	NA
Child Labour	NIL	NA	NA	NIL	NA	NA
Forced Labour/Involuntary Labour	NIL	NA	NA	NIL	NA	NA
Wages	NIL	NA	NA	NIL	NA	NA
Other human rights related issues	NIL	NA	NA	NIL	NA	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees / workers	NIL	NIL
Complaints on POSH upheld	NIL	NIL

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Whistle Blower Policy/Vigil Mechanism and POSH Policy to ensure protection of the complainant against victimization for the disclosures made by him/her and all reported matters are dealt confidentially.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company recognizes, respects, and reinforces 'Human Rights' and is committed towards protection of such rights. The Company always encourages suppliers/vendors/customers to be fully compliant with applicable laws and to adhere environmental, social and corporate governance standards (ESG Standards).

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Not applicable (as no child labour in employment)
Forced/involuntary labour	Not applicable (as no Forced Labour in employment)
Sexual harassment	100% by Internal Complaints Committee
Discrimination at workplace	100% by Internal assessment
Wages	100% by Internal assessment
Others - please specify	Nil

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There were no audit concerns in the above areas from assessments in FY 2023-24.

LEADERSHIP INDICATORS

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No such grievances on Human Rights violations.

2. Details of the scope and coverage of any Human rights due diligence conducted.

Considering that the Company has not come across any human rights issue so far, no due diligence of human rights has been conducted. Going forward, such due diligence will be conducted based on requirement.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Most of the working locations are accessible for differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	Nil
Forced/involuntary labour	Nil
Sexual harassment	Nil
Discrimination at workplace	Nil
Wages	Nil
Others - please specify	Nil

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

Not Applicable

PRINCIPLE 6

BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

ESSENTIAL INDICATORS

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A) (in GJ)	0	0
Total fuel consumption (B) (in GJ)	12022437.46	9303544.3
Energy consumption through other sources (C) (in GJ)	0	0
Total energy consumption from renewable sources (A+B+C) (in GJ)	12022437.46	9303544.3
From non-renewable sources		
Total electricity consumption (D) (in GJ)	39735	105563
Total fuel consumption (E) (in GJ)	7360788.74	8184184.11
Energy consumption through other sources (F) (in GJ)	0	0
Total energy consumption from non-renewable sources (D+E+F) (in GJ)	7400523.74	8289747.11

Parameter	FY 2023-24	FY 2022-23
Total energy consumed (A+B+C+D+E+F) (in GJ)	19422961.2	17593291.41
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees) (GJ/Rs of turnover)	0.000366326	0.000331756
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)*	0.01481423	0.01341621
Energy intensity (optional) - the relevant metric may be selected by the entity	28.90	27.11

Note : No Electricity from renewable sources was consumed. Black liquor generated from process was considered as a biomass (renewable fuel), as calculated in point B resulting in change in financial year data of previous financial year 2022-23.

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2023 by World Bank for India which is 20.22

Note : Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, Mandatory Energy Audits conducted by TMCC in Unit CPM and Zenith Energy Service Private Limited, Hyderabad evaluated Unit JKPM.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Yes, Unit JKPM, Jaykaypur - Odisha and Unit CPM, Songadh - Gujarat are designated consumer under PAT Scheme and targets have been achieved.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)			
(i) Surface water	kilolitres	19378869	20500154
(ii) Groundwater	kilolitres	-	-
(iii) Third party water	kilolitres	-	-
(iv) Seawater / desalinated water	kilolitres	-	-
(v) Others	kilolitres	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	kilolitres	19378869	20500154
Total volume of water consumption (in kilolitres)	kilolitres	19378869	20500154
Water intensity per rupee of turnover (Total Water consumption / Revenue from operations)	kilolitres	0.0003	0.0003
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Water consumption / Revenue from operations adjusted for PPP) *	kilolitres	0.0074	0.0077
Water intensity in terms of physical output	Kilolitres/ Ton of Production	28.8	31.6
Water intensity (optional) - the relevant metric may be selected by the entity	-	-	-

*The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2023 by World Bank for India which is 20.22.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Provide the following details related to water discharged:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment			
(i) To Surface water	kiloliters	10560742	11171775
- No treatment			
- With treatment – please specify level of Treatment	kiloliters	10560742	11171775
(ii) To Groundwater		-	-
- No treatment			
- With treatment – please specify level of Treatment			
(iii) To Seawater		-	-
- No treatment			
- With treatment – please specify level of Treatment			
(iv) Sent to third-parties		-	-
- No treatment			
- With treatment – please specify level of Treatment			
(v) Others (Irrigation, Horticulture, internal use)	kiloliters	4834941	6603614
- No treatment			
- With treatment – please specify level of Treatment	kiloliters	4834941	6603614
Total water discharged (in kilolitres)	kiloliters	15395683	17775389

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.**

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	Åµg/m ³	27.45	14.005
SOx	Åµg/m ³	17.98	16.905
Particulate matter (PM)	Åµg/m ³	44.81	44.10
Persistent organic pollutants (POP)		NA	NA
Volatile organic compounds (VOC)		NA	NA
Hazardous air pollutants (HAP)		NA	NA
Others - please specify		-	-

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.**

Yes, NIT Rourkela, Odisha and Pollucon Laboratory, Surat

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	767744	847561

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	9084	24129
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Kg/Rs of Revenue from Operations	0.0159	0.0164
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)		0.320662035	0.3307734
Total Scope 1 and Scope 2 emission intensity in terms of physical output		1.15	1.30
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Scope 1 and Scope 2 have been recomputed due to changes in methodology and a change in the emission factor in FY 2023-24. Accordingly, the values for FY 2022-23 have been restated to enable comparability of the information with FY 2023-24.

*Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) based on the latest PPP conversion factor published for the year 2023 by World Bank for India which is 20.22.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the same has been done internally.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes.

Production of SPCC with flue gas and lime

The Process of Producing SPCC involves the following steps, 1. Feeding Process: - Quick lime (CaO) pebbles feeding to the lime Silo by using a Feeding system. 2. Slacking & Screening Process: - Water & Quicklime are mixed in the slaker to make Hydrate slurry. This process involved the following exothermic reaction. $\text{CaO} + \text{H}_2\text{O} \rightarrow \text{Ca}(\text{OH})_2$ 3. Carbonation & Screening Process: Hydrate Slurry added in the Pressure Reactor. Flue gas from JK's Lime Kiln is purified to remove all particulates as well as all SOx and NOx. The cleaned flue gas is then injected to the lime slurry. The CO2 in the flue gas then reacts with the lime slurry to produce calcium carbonate while allowing CO2 free gas to escape. Once the conditions indicating the end of the reaction, the SPCC product is drained from the reactor and screened by 325# mesh & transfer to the product tank. This process involved the following exothermic reaction. $\text{Ca}(\text{OH})_2 + \text{CO}_2 \rightarrow \text{CaCO}_3 + \text{H}_2\text{O}$ This SPCC product is then provided to JK to incorporate into their paper products, thus sequestering the CO2 into a marketable product.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total Waste generated (in metric tonnes)		
Plastic waste (A)	457.08	437.07
E-waste (B)	26.33	9.91
Bio-medical waste (C)	0.436	1.857
Construction and demolition waste (D)	0	0
Battery waste (E)	5.68	6.63
Radioactive waste (F)	0	0
Other Hazardous waste. Please specify, if any. (G) (metric tonnes)	343.47	345.24
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector) (IN MT)	185585.61	136209.02
Total (A+B + C + D + E + F + G + H)	186418.61	137009.73

Parameter	FY 2023-24	FY 2022-23
Waste intensity per rupee of turnover (Total Waste generated / Revenue from operations)	0.000003729	0.00000254
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Waste generated / Revenue from operations adjusted for PPP)	0.000000754	0.00005135
Waste intensity in terms of physical output	0.277388	0.2109
Waste intensity (optional) - the relevant metric may be selected by the entity For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)	-	-
Category of waste		
(i) Recycled	794.67	776.82
(ii) Re-used	166894.61	123876
(iii) Other recovery operations (SCIENTIFIC LAND FILLING)	0	7.5
Total	167689.28	124660.32
(i) Incineration	6.32	7.35
(ii) Landfilling	18691	12233
(iii) Other disposal operations*	32.02	16.54
Total	18729.34	12256.89

*In FY 2023-24 started monitoring new category of waste - other disposal operation.

Note : There is a change in waste generation methodology in FY 2023-24 and accordingly the values for FY 2022-23 have been restated to enable comparability of information with FY 2023-24. The restatement has led an increase of 36.06% in the restated value from the reported value for waste generated during the FY 2022-23

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency.**

Yes, State Pollution Control Board, Schedule-1 Auditors

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Management and disposal of the solid waste and hazardous waste materials is as follows -

Non-Hazardous Waste:

- Fly Ash:** Fly ash generated as a by-product of our operations is carefully collected in ash silos and transferred into the closed trucks. We have established protocols for the safe handling and transportation of fly ash to authorized facilities for reuse in applications such as cement manufacturing and construction activities, in accordance with applicable regulations.
- ETP Primary Sludge:** The primary sludge generated from our Effluent Treatment Plant (ETP) undergoes a treatment process to remove contaminants and is subsequently utilized as a raw material in the production of boards. We have established contractual agreements with authorized vendors for the sale and utilization of ETP primary sludge, ensuring compliance with environmental regulations and promoting resource efficiency.
- Lime Grit:** Lime grit, a by-product of our industrial processes, is collected and stored in designated containment areas to prevent environmental contamination. We have implemented measures to minimize the generation of lime grit and ensure its safe handling and disposal in compliance with regulatory requirements.

Hazardous Waste:

- Used Oil:** Used oil generated from our operations is collected and stored in designated containers equipped with secondary containment systems to prevent spills or leaks. We have established contracts with licensed hazardous waste management companies for the safe disposal and recycling of used oil, ensuring compliance with hazardous waste regulations and environmental protection standards.

2. **Oil-Soaked Cotton Waste:** Oil-soaked cotton waste is segregated and stored in designated containers to prevent contamination of other waste streams. We work with authorized hazardous waste management vendors for the proper disposal of oil-soaked cotton waste, adhering to regulatory requirements and best practices for hazardous waste management.
3. **Empty Carbuoys:** Empty carbuoys are thoroughly cleaned and rinsed to remove any residual hazardous materials before being sent for recycling or disposal. We ensure proper handling and transportation of empty carbuoys to authorized recycling facilities or waste disposal sites, in compliance with applicable regulations and industry standards.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N)	If no, the reasons there of and corrective action taken, if any.
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Not Applicable - The Company does not have any of its manufacturing facilities in ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
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Not Applicable

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the Company is compliant of applicable environmental law/regulations/guidelines.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
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Not Applicable

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

Not applicable as both the Units of the Company are not located in areas of water stress.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	194118	245629
Total Scope 3 emissions per rupee of turnover	Kg/Rs per turnover	0.0036552	0.00455445

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No, the same has been done internally.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative	Corrective action taken, if any
1	Effluent color reduction	<ol style="list-style-type: none"> Trials are taken to reduce color of effluent water before it is discharged Tertiary clarifier is commissioned for better treatment of water 	<ol style="list-style-type: none"> Colour reduced and is better than CPCB norm. Water quality improved 	Continuous process. Better water quality is maintained.
2	Reduction of water consumption	Efforts are in progress to reduce water consumption through various project across the processes.	We are the industry benchmark as far as integrated pulp and paper industries are concerned	Continuous process
3	Production of SPCC with flue gas and lime	The Process of Producing SPCC involves the following steps, 1. Feeding Process: - Quick lime (Cao) pebbles feeding to the lime Silo by using a Feeding system. 2. Slacking & Screening Process: - Water & Quicklime are mixed in the slaker to make Hydrate slurry. This process involved the following exothermic reaction. $\text{CaO} + \text{H}_2\text{O} \rightarrow \text{Ca}(\text{OH})_2$ 3. Carbonation & Screening Process: Hydrate Slurry added in the Pressure Reactor. Flue gas from JK's Lime Kiln is purified to remove all particulates as well as all SOx and NOx. The cleaned flue gas is then injected to the lime slurry. The CO2 in the flue gas then reacts with the lime slurry to produce calcium carbonate while allowing CO2 free gas to escape. Once the conditions indicating the end of the reaction, the SPCC product is drained from the reactor and screened by 325# mesh & transfer to the product tank. This process involved the following exothermic reaction. $\text{Ca}(\text{OH})_2 + \text{CO}_2 \rightarrow \text{CaCO}_3 + \text{H}_2\text{O}$ This SPCC product is then provided to JK to incorporate into their paper products, thus sequestering the CO2 into a marketable product.	We have sequestered approximately 16057 metric tons of CO2 from JK's process to produce PCC which is used as a filler in paper manufacturing process.	

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, mock drills are conducted in presence of local administration at definite frequencies. Health & Safety policy covering various aspects such as personal injury, property damage and environmental issues. Hazard Identification and Risk Assessment for all the activities has been prepared and being reviewed as and when required. SOP & SMP of all critical jobs are made available in each department. The roles, responsibility and accountability, Operational Control Procedure for common activities and overall safety management system has been defined in our integrated OHS manual and communicated to all employees. An on-site emergency plan has been prepared and approved by the Directorate of Factories & Boilers of the State Government for all possible

disasters / emergencies which may arise during the Pulp & Paper manufacturing process. Apart from that, Strategy has been documented to deal with any kind of calamities, manmade or natural disasters, including pandemic, recessions, earthquakes & hurricanes etc. Emergency teams have been well trained with all advisory and guidelines and kept ready round the clock to handle any such situation and eliminate the risk to all resources. Plant inspections teams formed in different levels which identify the abnormalities related to activities and property to take required action for prevention of loss. Our employees continued to stay apprised of new updates, protection schemes and technological advances through our membership and involvement in the response process. Each of our employees has got specialized training to deal with highly challenging situations.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No significant adverse impact.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

No such impact assessment was carried out during the year.

PRINCIPLE 7

BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

6

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	Indian Paper Manufacturers Association (IPMA)	National
3	Indian Pulp & Paper Technical Association	National
4	International Chamber of Commerce (ICC), India	National
5	All India Management Association (AIMA)	National
6	Utkal Chamber of Commerce & Industry	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	None	

LEADERSHIP INDICATORS

1. Details of public policy positions advocated by the entity:

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link if available
1.	Single Use Plastic Ban Policy	Through Public awareness and industry-related trade associations to which the Company belongs.	No	As required	-

S. No.	Public Policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link if available
2.	Encouragement to development indigenous Paper industry	Through Industry bodies and industry-related trade associations to which the Company belongs.	No	As and when required	-
3.	Protection from Import/Dumping and Unfair Trade Practices	Through Industry bodies and industry-related trade associations to which the Company belongs.	No	As and when required	-

The Company's approach to achieving the Government, policy and community objectives focuses on engaging ecosystems at the national, regional and local levels.

The Company focuses on developing and maintaining partnerships with relevant government officials, business chambers and association like ASSOCHAM, CII, FICCI, PHD Chamber of Commerce and Industry, Paper Industry associations IPMA, Central Pulp & Paper Research Institute (CPPRI) and community organizations for the purpose of developing mutually beneficial partnerships. Leadership team of the Company regularly engages itself with various government bodies and chambers of giving industry feedback on various government policies and suggestions for development of policies etc.

PRINCIPLE 8

BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

ESSENTIAL INDICATORS

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has a grievance mechanism to receive and address complaints or any concerns raised by the community. A joint field visit/investigation is done, and the concern is addressed appropriately in a timely manner. In addition, the Company proactively engages with the community and CSR initiative are taken as a part of the development work for community in following manner:

1. Assessment of community needs and requests received from them;
2. Project planning based on community needs after discussion with stakeholders;
3. Preparing the plan for implementation of projects for larger benefit of community as whole;
4. Implementing the project directly or through implementing agencies in co-ordination with the community members;
5. Periodic progress reports and status of the action plan are shared with the top management;
6. Impact assessment, if required, is also done.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	3.92%	4%
Directly from within India	81.89%	79.59%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2023-24	FY 2022-23
Rural	81%	83%
Semi-urban	-	-
Urban	-	-
Metropolitan	19%	17%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

LEADERSHIP INDICATORS

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent
1.	Odisha	Rayagada	₹543.23 lac

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

No, the Company does not have any preferential procurement policy which gives preference to any supplier comprising marginalized/vulnerable group. Procurement allocation is purely based on parameters like quality, cost and delivery and Company gives an equal opportunity to all suppliers. However, large quantity of wood, one of the main raw materials, is procured from local farmers for which adequate support is also given by superior quality saplings having short rotation cycle.

(b) From which marginalized /vulnerable groups do you procure?

Local Farmers, directly and through intermediaries.

(c) What percentage of total procurement (by value) does it constitute?

53%

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
	Not Applicable	

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Education (Nutan Gyan Vardhani/AAS Vidyalaya/ DLC/JKLU)	11555	99
2	Environment (Single use Plastic Waste Management)	425790	60
3	Livelihood (Promotion of Sustainable Agriculture/Rural Haat)	54345	100
4	Youth (BYST/ Skill & Entrepreneurship Development)	14805	100
5	Women Empowerment (SHG/ Producer Group/FPO/VDVK/Rural Mart etc.)	119355	100
6	Infra/ Rural Development (Water Shed Project/Water Pipeline/Public Toilet etc.)	173405	100
7	Sports Development	445	100
8	Health (Rural Health Clinics/Camps)	149875	100
9	Skill Development (Tailoring & Fashion Designing/ Block printing/ Dairy Farming)	12840	100

PRINCIPLE 9

BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

ESSENTIAL INDICATORS

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The complaints received are registered and appropriate follow-up action is taken. Samples are analysed and trials taken, wherever required. Based on reports and discussion with the customer/dealer, complaint is resolved.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	All necessary information as per regulatory requirements are disclosed on all our products.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)		Remarks	FY 2022-23 Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	NIL	NIL		NIL	NIL	
Advertising	NIL	NIL		NIL	NIL	
Cyber-security	NIL	NIL		NIL	NIL	
Delivery of essential services	NIL	NIL		NIL	NIL	
Restrictive Trade Practices	NIL	NIL		NIL	NIL	
Unfair Trade Practices	NIL	NIL		NIL	NIL	
Other	716	703		597	131	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	NIL	Not Applicable
Forced recalls	NIL	Not Applicable

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, we are aligned with Information Security Management system (ISMS) & upgrading framework/ policies as per the compliance.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

There have been no issues relating to advertising and delivery of essential services. No action has been taken by any regulatory authority, and there has been no case of product recall on safety issue.

Active monitoring of the cyber security is being done through IT Department of the Company which regularly reviews and takes corrective actions to improve the cyber security systems.

Systems and process are being reviewed and improved to enhance the protection of PI (Personal Information) data. There has been no instance of complaints regarding cyber security and data privacy.

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

No instances of data breaches occurred.

b. Percentage of data breaches involving personally identifiable information of customers

Not Applicable

c. Impact, if any, of the data breaches

Not Applicable

LEADERSHIP INDICATORS

1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).

website: <https://jkpaper.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

We provide material Safety data sheet to the customers as per requirement. We also provide information through Product training, Expo, Customer meets, social media, platforms and website.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

The company informs through its website, e-mails, phone calls and channel partners.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, product information is specified as per regulations. Company tracks consumer satisfaction and behavior very closely. Company has undertaken various customer surveys, both inhouse and through 3rd party, including Customer Satisfaction Study, which was redrawn in line with the Company's journey towards Total Quality Management (TQM).

INDEPENDENT AUDITOR'S REPORT

To
The Members of
JK Paper Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of JK Paper Limited ("the Company"), which comprise the standalone Balance Sheet as at 31st March 2024, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (herein after referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its Profit (including Other comprehensive income), changes in equity and its cash flows for the year ended on that date.

We have determined the matters described below to be the key audit matters to be communicated in our report:-

S.No.	Description of Key Audit Matter	How our audit addressed the key audit matters
1.	Revenue is recognized when the control of the products being sold has transferred to the customer. Revenue is measured net of any discounts and rebates. Recognition and measurement of discounts and rebates accruals, involves judgement and estimates. This leads to a risk of revenue being misstated due to inaccurate estimation over discounts and volume rebates.	Our audit procedures includes: <ul style="list-style-type: none">Assessing the compliance of revenue recognition accounting policies, including those relating to discounts and rebates, with reference to Ind AS 115 Revenue from contracts with customers (applicable accounting standard);Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls over recognition of revenue and computing discounts and volume rebates in the general ledger accounting system;

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.No.	Description of Key Audit Matter	How our audit addressed the key audit matters
	<p>(Refer Note 1(II) (i) of accounting policy and Note - 41 (B) in standalone financial statements)</p> <p>We identified the recognition of revenue from sale of products as a key audit matter because:</p> <ul style="list-style-type: none"> The Company and its external stakeholders focus on revenue as a key performance indicator. This could create an incentive for higher revenue to be recognised throughout the period (including period end), i.e., before the control of underlying goods have been transferred to the customer 	<ul style="list-style-type: none"> Performing substantive testing (including for period end cut-off) by selecting statistical samples of revenue transactions recorded for the year and agreeing to the underlying documents, which included sales invoices and shipping documents; Performing substantive testing by agreeing statistical samples of discounts and rebate accruals and disbursements to underlying documents; Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; and Assessing manual journals posted to revenue to identify unusual items. Evaluating adequacy of disclosures given in Note to the standalone financial statements.

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone financial statements and our auditor’s report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Standalone Financial Statements

The Company’s management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position/ state of affairs, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS)

specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a

material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matters stated in paragraph 2 (h)(vi) below on reporting under Rule 11(g) of The Companies (Audit and Auditors) Rules, 2014 (as amended) (“ the Rules”).
- c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the rules.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”. Our report expresses unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 36 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2024.
 - iv. a) The management has represented that to the best of its knowledge and belief, no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
 - b) The management has represented that, no funds (which are material either individually or in aggregate) have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

- c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) above as required by Rule 11 (e) of Companies (Audit & Auditors) Rules, 2014, as amended, contain any material mis-statement.
- v. The dividend declared and paid during the year by the Company is in compliance with section 123 of the Companies Act, 2013.
- vi. Based on our examination which included test checks, the Company has a widely used ERP as its accounting software for maintaining its books of accounts during the year ended March 31, 2024 , which has a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the said software except (a) the audit trail feature was not enabled throughout the year for certain relevant tables at the application level ; (b) for privileged access to specific users to make direct changes to audit trail setting and (c) that the audit trail (edit log) for certain information at database level (which records only modified values) was not enabled during the year. During the course

of performing our audit procedures, we did not notice any instance of the audit trail feature being tempered with in respect of the accounting software during the year the audit trail feature was enabled.

During the course of performing our procedures, we did not notice any instance of the audit trail feature being tempered with, for the period the audit trail feature was enabled.

- i) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V to the Act.

For LODHA & CO LLP

Chartered Accountants

Firm's Registration No. 301051E/ E300284

(N. K. Lodha)

Partner

Place: New Delhi

Date: 16th May, 2024

Membership No. 085155

UDIN:24085155BKFNNGG2444

Annexure-A to the Auditor's Report

Annexure "A" referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date on the Standalone Financial Statements of JK Paper Limited for the year ended 31st March, 2024.

- i (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which Property, Plant and Equipment are verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and nature of its Property, Plant and Equipment. As per the programme certain Property, Plant and Equipment have been verified during the year, based on information and records provided, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the registered sale deed/ transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, Right to use assets, Capital work-in progress and investment property are held in the name of the Company as at the balance sheet date, except for the following:

(₹ In Crore)

Description of property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in name of company
Freehold Land	20.24	Not Applicable	No	2006	Land acquired through land acquisition order of The Hon'ble High court and registration is pending as matter is sub- judice

Refer Note no.2 of the standalone financial statements.

- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) According to the information and explanations given to us and records provided, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) As per the physical verification program, the inventories were physically verified during the year by the Management at reasonable intervals (except for stock lying with the third parties and in transit which have been verified based on confirmations). In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its

operations. Discrepancies noticed were not of 10% or more in the aggregate for each class of inventories on such physical verification of inventories when compared with books of account have been properly adjusted.

- (b) During the year, the company has been sanctioned working capital limits in excess of ₹5 crore, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns/ statements with such banks, which are in agreement with the books of account of the company other than those as set out below:-

(₹ In Crore)

Name of the Bank (a)	Aggregate working capital limits sanctioned (b)	Quarter ended (c)	Amount disclosed as per quarterly return/ statement (d)	Amount as per books of account (e)	Difference (d-e) (f)	Reason for variance* (g)
State Bank of India and consortium of Banks #	250.00	June 30,2023	67.73	532.09	464.36	For Bank's quarterly reporting, only creditors for goods being considered as Trade Payables.
		September 30,2023	158.38	570.89	412.51	
		December 31, 2023	240.67	648.73	408.06	
		March 31, 2024	111.02	563.98	452.96	

*The above differences represents balance of creditors as at each reporting date.

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts.

Refer Note no. 49(iii)(f) of the standalone financial statements.

- iii. The Company has made investments in and granted loans to Companies and other parties during the year and has not provided guarantee or security and granted advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year.

- (a) The Company has granted loans to Companies and other parties during the year and has not provided guarantee or security and granted advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which details are given below:

	Loans
A. Aggregate amount granted / provided during the year:	
- Subsidiaries	₹33.00 Crore
- Joint Ventures	-
- Associates	-
- Others	-
B. Balance outstanding as at balance sheet date in respect of above stated loan:	
- Subsidiaries	₹91.90 Crore
- Joint Ventures	-
- Associates	-
- Others	₹15.00 Crore

- (b) During the year, the investments made and the terms and conditions of the grant of all the above-mentioned loans are, in our opinion, prima facie, not prejudicial to the Company's interest. Further, during the year, the Company has not provided guarantees, provided security and granted advances in the nature of loans to Companies, Firms, Limited Liability Partnerships or any other parties.

- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are been regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) During the year , the Company has renewed loans given to a subsidiary company which fallen due during the year. The details such loans that fallen due and those granted during the year are stated below:

Name of the Party	Aggregate amount of loans that fallen due during the year (Rupees in crore)	Date they fell due	Amount of fresh loans granted/ renewed during the year (Rupees in crore)	Date of Grant/ Renewed	Details of the loan(s) granted/ renewed during the year	Percentage of the aggregate to the total loans granted during the year
Securipax Packaging (P) Ltd.	3.90	13 th March 2023	13.00	11 th March 2024	Extended for further one year	68%
	5.00	28 th March 2023		11 th March 2024		

- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.
- iv. According to information and explanation given to us, the Company has complied with the provisions of section 185 and Section 186 of the Act in respect of loans granted, investments made and guarantees and securities provided to the parties covered under section 185 and section 186 of the Act.
- v. In our opinion the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act in respect of the Company's products and services to which the said rules are made applicable and are of the opinion that prima facie, the prescribed records have been made and maintained. We have, however, not made a detailed examination of the said records with a view to determine whether they are accurate or complete.
- vii. (a) According to the records of the Company, the Company is generally been regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues with the appropriate authorities to the extent applicable.

There were no undisputed payable to appropriate authorities as at 31st March 2024 which were outstanding for a period more than six months from the date they become payable except ₹0.07 Crore of Provident fund dues for the period from April 2022 to September 2023 which could not be deposited due to non-completion of KYC of Individual employees at PF portal and discrepancies in details of Aadhar card of respective employees.

- (b) According to the records and information & explanations given to us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31st March, 2024 on account of disputes are given below:

Name of The Statute	Nature of Dues	Amount (₹ in Crore)	Period to which amount relates to	Forum where dispute is pending
Central Excise Act, 1944	Central Excise	0.41	1982-1983	Supreme Court
		2.82	2009-2021	CESTAT Ahmedabad
		7.43	2015-2016	CESTAT, Mumbai
Custom Act, 1962	Custom Duty	0.69	2011-2012 & 2012-2013	CESTAT Ahmedabad
Goods & Services Tax Act, 2017	Goods & Services Tax	5.81	2017-2020	Joint/Additional Commissioner (Appeals), CGST, Bhubaneswar
		0.03	2019-2020	Joint Commissioner (Appeals), Sales Tax, Raipur
		3.18	2017-18	Commissioner (Appeals), GST, Delhi
		0.50	2017-18	High Court, Delhi
Sales Tax	Sales Tax	0.15	2005-2009	Sales Tax Tribunal – Cuttack
		5.85	2012-2013	High Court, Cuttack
		0.59	2013-14 & 2014-15	Addl. Commissioner of Sales Tax, Cuttack
		0.21	2015-2016	Sales Tax, Tribunal, Cuttack, Orissa
		0.14	2015-2016	Sales Tax, Tribunal, Cuttack, Orissa
0.22	2006-2007	Gujarat VAT Tribunal, Ahmedabad		
Income Tax Act, 1961	Income Tax	65.56	AY 2020-21	Commissioner (Appeal)*

(Refer Note no.36(a))

*The company has filed appeal for rectification against assessment order.

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company and based on the representations of the Company, we report that the Company has neither taken any funds from any entity or person during the year nor it has raised funds through issue of shares or borrowings on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its Subsidiaries or joint ventures or associate companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- xi. (a) Based on the audit procedures performed and on the basis of information and explanations provided by the management, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) As represented to us by the management, there were no whistle blower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations and records made available by the management of the Company and audit procedures performed, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.
- xiv. (a) In our opinion the Company has an internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.
- xv. On the basis of records made available to us and according to information and explanations given to us, the Company has not entered into non-cash transactions with the directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934 and hence reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable. As per the information and representation provided by the management, there are Two CIC within the group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016).
- xvii. The Company has not incurred cash losses in the financial year covered by our audit and in the immediately preceding financial year respectively.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company and/or certificate with respect to meeting financial obligations by the Company as and when they fall due. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there are no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.
- xxi. The reporting under clause 3 (xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For LODHA & CO LLP
Chartered Accountants
FRN: 301051E/ E300284

(N. K. Lodha)
Partner

Place: New Delhi
Date: 16th May, 2024

Membership No. 085155

Annexure B to Independent Auditor's Report

Annexure "B" to the Independent Auditor's report of even date on the Standalone Financial Statements of JK Paper Limited for the year ended 31st March, 2024

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of JK Paper Limited ("the Company") as of 31st March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Director of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements

were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For LODHA & CO LLP

Chartered Accountants
FRN: 301051E/ E300284

(N. K. Lodha)

Partner

Membership No. 085155

Place: New Delhi

Date: 16th May, 2024

Standalone Balance Sheet as at March 31, 2024

₹ in Crore (10 Million)

Particulars	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	4,175.41	4,309.66
Capital Work-in-Progress	2.1	49.16	25.97
Goodwill		0.10	0.10
Other Intangible Assets	3	22.00	30.89
Intangible Assets Under Development	3.1	4.79	4.24
Financial Assets			
Investments	4	1,186.60	1,034.31
Loans	5	65.00	189.90
Other Financial Assets	6	79.34	103.12
Other Non-Current Assets	7	17.60	17.61
		5,600.00	5,715.80
Current Assets			
Inventories	8	777.96	677.72
Financial Assets			
Investments	9	842.02	776.75
Trade Receivables	10	167.68	163.12
Cash and Cash Equivalents	11	53.43	24.32
Bank Balances other than above	12	7.90	8.22
Loans	13	41.90	43.00
Other Financial Assets	14	25.17	26.86
Current Tax Assets (Net)	15	-	0.76
Other Current Assets	16	386.07	364.69
		2,302.13	2,085.44
Total Assets		7,902.13	7,801.24
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	169.40	169.40
Other Equity		4,383.04	3,605.02
		4,552.44	3,774.42
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
Borrowings	18	1,367.24	1,739.38
Lease Liabilities	18.1	63.10	54.15
Other Financial Liabilities	19	101.64	99.65
Provisions	20	11.66	9.65
Deferred Tax Liabilities (Net)	21	554.97	699.37
		2,098.61	2,602.20
Current Liabilities			
Financial Liabilities			
Borrowings	22	443.39	590.00
Lease Liabilities	18.1	12.18	9.86
Trade Payables	23		
Micro & Small Enterprises		12.11	10.61
Others		551.87	569.77
Other Financial Liabilities	24	107.51	126.92
Other Current Liabilities	25	109.20	105.14
Provisions	26	11.42	11.99
Current Tax Liabilities	27	3.40	0.33
		1,251.08	1,424.62
Total Equity and Liabilities		7,902.13	7,801.24
Material Accounting Policies	1		

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

As per our report of even date attached for **LODHA & CO LLP**
Chartered Accountants
Firm's Registration Number 301051E/E300284

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 16th May, 2024

For and on behalf of the Board of Directors
Harsh Pati Singhania
(DIN No. 00086742)
Chairman & Managing Director

A.S.Mehta
(DIN No. 00030694)
President & Director

KR Veerappan
Chief Finance Officer

Shri Anoop Seth (DIN No. 00239653)
Smt. Deepa Gopalan Wadhwa (DIN No. 07862942)
Shri R.V. Kanoria (DIN No. 00003792)
Shri S.K. Roongta (DIN No. 00309302)
Smt. Vinita Singhania (DIN No. 00042983)
Shri Sandip Somany (DIN No. 00053597)

Directors

Deepak Gupta
Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2024

₹ in Crore (10 Million)

Particulars	Note	2023-24	2022-23
Revenue :			
Sales		6,178.04	6,543.68
Less : Discounts		341.03	335.36
Net Sales		5,837.01	6,208.32
Other Operating Revenue	28	23.01	23.74
Revenue from Operations		5,860.02	6,232.06
Other Income	29	122.78	97.63
Total Income		5,982.80	6,329.69
EXPENSES			
Cost of Materials Consumed	30	2,515.63	2,317.04
Purchases of Stock-in-Trade		930.39	1,008.31
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	31	(38.94)	(40.18)
Employee Benefits Expense	32	420.35	405.89
Finance Costs	33	180.27	188.45
Depreciation and Amortisation Expenses	34	242.60	236.84
Other Expenses	35	736.25	879.25
Total Expenses		4,986.55	4,995.60
Profit Before Interest, Depreciation & Tax (EBITDA)		1,419.12	1,759.38
Profit/(Loss) Before Exceptional Items and Tax		996.25	1,334.09
Exceptional Items	46	-	22.56
Profit/(Loss) Before Tax		996.25	1,311.53
Tax Expense			
Current Tax		251.84	313.42
MAT Credit written off		5.55	-
Provision / (Credit) for Deferred Tax		(163.57)	112.78
Profit for the period		902.43	885.33
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		(2.55)	(4.83)
(ii) Tax on (i) above		0.64	1.69
(iii) Equity Instruments through Other Comprehensive Income		5.14	8.50
(iv) Tax on (iii) above		(0.59)	-
Total Comprehensive Income for the period		905.07	890.69
Earnings per Equity Shares			
1) Basic (in ₹)		53.27	52.26
2) Diluted (in ₹)		53.27	52.26
Material Accounting Policies	1		

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

As per our report of even date attached
for **LODHA & CO LLP**
Chartered Accountants
Firm's Registration Number 301051E/E300284

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 16th May, 2024

For and on behalf of the Board of Directors

Harsh Pati Singhania
(DIN No. 00086742)
Chairman & Managing Director

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Smt. Vinita Singhania (DIN No. 00042983)
Shri Sandip Somany (DIN No. 00053597)

Directors

Deepak Gupta
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2024

A. Equity Share Capital

₹ in Crore (10 Million)

April 1, 2022	Changes in Equity Share Capital during 2022-23	March 31, 2023	Changes in Equity Share Capital during 2023-24	March 31, 2024
169.40	0.00	169.40	-	169.40

B. Other Equity

₹ in Crore (10 Million)

Particulars	Reserve and Surplus						Other Comprehensive Income (OCI)		Total
	Retained Earnings	Capital Reserve	Capital Redemption Reserve	Securities Premium Reserve	Debenture Redemption Reserve	General Reserve	Items that will not be Reclassified to profit or loss		
							Re-measurement of the net defined benefit plans	Equity Instruments through OCI	
April 1, 2022	1,247.75	29.92	11.84	438.32	4.74	1,141.75	(8.74)	9.68	2,875.26
Changes in Equity for the year ended March 31, 2023									
Profit for the year	885.33	-	-	-	-	-	-	-	885.33
Transfer from Retained Earnings	(300.00)	-	-	-	-	300.00	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	(3.14)	8.50	5.36
Final dividend paid for the F.Y. 2021-22	(93.17)	-	-	-	-	-	-	-	(93.17)
Interim dividend paid for the F.Y. 2022-23	(67.76)	-	-	-	-	-	-	-	(67.76)
March 31, 2023	1,672.15	29.92	11.84	438.32	4.74	1,441.75	(11.88)	18.18	3,605.02
Changes in Equity for the year ended March 31, 2024									
Profit for the year	902.43	-	-	-	-	-	-	-	902.43
Transfer from Retained Earnings	(300.00)	-	-	-	-	300.00	-	-	-
Other Comprehensive Income for the year	-	-	-	-	-	-	(1.91)	4.55	2.64
Final dividend paid for the FY 2022-23	(67.76)	-	-	-	-	-	-	-	(67.76)
Interim dividend paid for the FY 2023-24	(59.29)	-	-	-	-	-	-	-	(59.29)
March 31, 2024	2,147.53	29.92	11.84	438.32	4.74	1,741.75	(13.79)	22.73	4,383.04

Notes:

- Securities Premium Reserve** represents the amount received in excess of par value of Securities issued by the Company, which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
- General Reserve** represents accumulated profits set apart by way of transfer from current year Profits/or/and Surplus in P/L Statement comprised in Retained Earnings for "other than specified purpose".
- Capital Redemption Reserve** Represents the statutory reserve created at the time redemption of Preference Share Capital and buy back of Equity Share Capital, which can be applied for issuing fully paid-up bonus shares.
- Capital Reserve** represents the excess of consideration received against the sale of identifiable assets.
- Debenture Redemption Reserve** created out of the profits which is available for the purpose of redemption of debentures.

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

As per our report of even date attached for **LODHA & CO LLP**
Chartered Accountants
Firm's Registration Number 301051E/E300284

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 16th May, 2024

For and on behalf of the Board of Directors
Harsh Pati Singhania
(DIN No. 00086742)
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Shri Sandip Somany (DIN No. 00053597)

Directors

Deepak Gupta
Company Secretary

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES.

I. CORPORATE INFORMATION

JK Paper Ltd (the Company) is a Public Limited Company listed on the National Stock Exchange of India Ltd and the Bombay Stock Exchange Limited. The Registered office of the Company is situated at Fort Songadh, Dist- Tapi- 394660, Gujarat. The Company is India's largest producer of branded papers and JK Group has over eight decades of Industry experience. The Company is a leading player in segments like Office Paper, Writing & Printing, Packaging Boards, Coated Paper and Specialty Paper. The Company's state-of-the-art manufacturing units are located at strategic locations: Unit JKPM in East (Rayagada, Odisha), Unit CPM in West (Songadh, Gujarat). It has a pan India Sales presence and exports to several countries. It is a carbon and wood positive Company.

These financial statements were approved and adopted by the Board of Directors of the Company in their meeting held on May 16, 2024.

I. Basis of Preparation of Financial Statements

(i) Statement of Compliance:

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013.

(ii) Basis of Preparation:

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (India Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

The financial statements have been prepared on an accrual basis and under the historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in INR and all values are rounded to the nearest INR Crore (10 Million), except when otherwise indicated.

(iii) Use of Estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(iv) Classification of Assets and Liabilities as Current and Non Current

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of product & activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

III. Material Accounting Policies for the year ended 31st March, 2024.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised, when control of goods being sold is transferred to customer and where there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers.

Revenue from the sale of goods is measured on transaction price excluding estimates of variable consideration that is allocated to performance obligations. Sales as disclosed, are exclusive of Goods and Services Tax.

The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods to a customer, excluding amount collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

The transaction price is allocated by the company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer.

Export Incentives

Income from export incentives and duty drawbacks is recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Interest income

Interest income is recognized on time proportion basis using the effective interest method.

Dividend Income

Dividend income is recognized when the right to receive payment is established by the reporting date, which is generally when shareholders approve the same.

Renewal Energy Certificate

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on sale of REC's.

(ii) Inventory Valuation

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade, Stores & Spares and Renewable Energy Certificates are valued at the lower of cost or net realisable value (except scrap/waste which are value at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and demand deposits with banks with an original maturity of three months or less which are subject to an insignificant risk of change in value.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

(iv) Property Plant and Equipment

On transition to IND AS, the company had adopted optional exception under IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value. Consequently the fair value had been assumed to be deemed cost of PPE on the date of transition. Subsequently PPE were carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

PPE acquired are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Capital work-in-progress includes cost of PPE under installation / under development as at the balance sheet date. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation on Buildings, Plant & Machinery, Railway Siding and Other Assets of all Units is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 10 to 40 years for plant and machinery and 8 to 60 years for buildings.

Depreciation on additions due to exchange rate fluctuation is provided on the basis of residual life of the assets. Depreciation on assets costing up to ₹5000/- and on Temporary Sheds is provided in full during the year of additions.

Depreciation will be charged from the date the asset is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leased Assets

Leasehold lands are amortized over the period of lease, Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

(v) Research and Development Costs

Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

Items of Property, Plant and equipment and acquired intangible assets utilised for research and development are capitalised and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

(vi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company had adopted Ind AS 116 "Leases" effective April 1, 2019(Transition date) using the simplified approach (Retrospective cumulative was effective from 1st April 2019)

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in Note 2 of Property, Plant and Equipment (PPE) and Note 18 of Non-current Financial Liabilities -Borrowings. Lease payments have been classified as cash used in financing activities.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

(vii) Impairment

The carrying amount of PPEs, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(viii) Financial Assets & Liabilities

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

(a) Financial Assets at Amortised Cost

At the date of initial recognition, Financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

(b) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, Financial asset are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(c) Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade Receivables.

With the exception of trade receivables that do not contain a significant financing component, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, net of transaction costs. Trade receivables do not contain a significant financing component and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (i) Revenue recognition.

In respect of trade receivables, the company applies the simplified approach of IND AS 109 "Financial Instruments", which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Investment in Equity Shares.

Investment in equity instruments which are held for trading are classified as at fair value through profit or loss ('FVTPL'). For all other equity instruments, the company makes an irrevocable choice upon initial recognition, on an instrument by

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

instrument basis, to classify the same as fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL'). Amount presented in other comprehensive income are not subsequently transferred to profit or loss.

Investment in Joint Ventures and Subsidiaries.

The Company has accounted for its investment in subsidiaries and joint venture at cost less diminution in value of Investment.

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at fair value through profit and loss. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

Derecognition.

Financial Asset is primarily derecognised when:

- (i) The right to receive cash flows from asset has expired, or.
- (ii) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and either:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities.

Initial Recognition and Measurement.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent Measurement.

The measurement of financial liabilities depends on their classification, as described below :

a) Financial Liabilities at Fair Value through Profit or Loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date with all the changes recognized in the Statement of Profit and Loss.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

b) Financial Liabilities measured at Amortised Cost.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

c) Loans and Borrowings.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

d) Trade and Other Payables.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of Financial Liability.

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative Financial Instruments.

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Compound Financial Instruments.

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(ix) Foreign Exchange Transactions / Translations / Hedge Accounting

Financial statements are presented in Indian Rupee, which is Company's functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Financial instruments designated as Hedge Instruments are mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement except exchange differences on borrowings taken for qualifying assets are treated as borrowing cost and adjusted with qualifying assets. Non Monetary Foreign Currency items are stated at cost.

The Company has continued capitalisation of foreign currency fluctuation on long term foreign currency liabilities outstanding on Ind AS transition date.

(x) Employee Benefits

a) Defined Contribution Plan:

The Company makes defined contribution to Superannuation Funds, which are accounted on accrual basis as expenses in the statement of Profit and Loss

b) Defined Benefit Plan:

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19, 'Employee Benefits'. Liability against Gratuity are funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

The Defined Benefit Plan can be short term or Long terms which are defined below:

i) Short-term Employee Benefit.

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) Long-term employee Benefits

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

c) Termination benefits

Termination benefits are recognized as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(xi) Earnings per Share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(xii) Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(xiii) Provisions and Contingent Liabilities /Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(xiv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xvi) Fair Value Measurements

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- **Level 1**- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- **Level 2**- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- **Level 3**- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 1 - COMPANY OVERVIEW, BASIS OF PREPARATION & MATERIAL ACCOUNTING POLICIES. (Contd.)

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xvii) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

a. Income taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

b. Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

c. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

d. Defined Benefit Plans.

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair Value Measurement of Financial Instruments.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore (10 Million)

Description	Gross Carrying Value					Depreciation					Net Carrying Value	
	April 1, 2023	Additions/ Adjustments	Sales/ Adjustments	Other Adjustments	Mar 31, 2024	April 1, 2023	For the year	On Sales/ Adjustments	Asset Impairment	Mar 31, 2024	Mar 31, 2024	March 31, 2023
Land - Freehold (a)	553.44	-	-	-	553.44	-	-	-	-	-	553.44	553.44
- Right-of-use Asset	76.93	-	-	-	76.93	5.81	3.42	-	-	9.23	67.70	71.12
Building	534.12	3.29	-	-	537.41	99.19	21.79	-	-	120.98	416.43	434.93
Plant & Equipment (b)	4,030.33	57.47	1.93	-	4,085.87	874.48	187.52	1.44	-	1,060.56	3,025.31	3,155.85
Right-of-use Asset	113.00	26.84	7.76	-	132.08	52.00	12.63	4.95	-	59.68	72.40	61.00
Furniture and Fixture	5.58	1.02	-	-	6.60	2.09	0.64	-	-	2.73	3.87	3.49
Office Equipment	17.82	6.63	1.41	-	23.04	9.33	3.18	1.32	-	11.19	11.85	8.49
Vehicles & Locomotive	29.35	8.38	3.16	-	34.57	9.24	3.92	1.90	-	11.26	23.31	20.11
Railway Siding	2.57	-	-	-	2.57	1.34	0.13	-	-	1.47	1.10	1.23
Total	5,363.14	103.63	14.26	-	5,452.51	1,053.48	233.23	9.61	-	1,277.10	4,175.41	4,309.66
Previous year	5,260.25	136.49	33.60	-	5,363.14	831.20	228.03	28.30	22.55	1,053.48	4,309.66	4,429.05

Notes:

- a) Includes cost of 4.67 acres land given on lease to Employees State Insurance Corporation for construction of Hospital for Employees.

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ Crore)	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held (i.e. dates of Capitalisation)	Reason for not being held in name of company
Freehold Land	20.24	Not Applicable	No	2006	Land acquired through land acquisition order of the High court and registration is pending as the matter is sub-judice.

- b) During the year ₹0.03 Crore (Previous year ₹0.74 Crore) has been deducted in Plant & Equipment due to Foreign Exchange Fluctuation (Net).

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 2.1 CAPITAL WORK-IN-PROGRESS (CWIP)

Capital Work-In-Progress ageing schedule

₹ in Crore (10 Million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress					
March 31, 2024	35.54	12.46	0.18	0.98	49.16
March 31, 2023	23.72	1.27	0.06	0.92	25.97
Projects temporarily suspended					
March 31, 2024	-	-	-	-	-
March 31, 2023	-	-	-	-	-

NOTE 3 : Other Intangible Assets

₹ in Crore (10 Million)

Description	Gross Carrying Value					Amortisation					Net Carrying Value	
	April 1, 2023	Additions/ Adjustments	Sales/ Adjustments	Other Adjustments	Mar 31, 2024	April 1, 2023	For the year	On Sales/ Adjustments	Asset Impairment	Mar 31, 2024	Mar 31, 2024	March 31, 2023
Computer Software	34.04	0.05	-	-	34.09	18.80	5.47	-	-	24.27	9.82	15.24
Design & Prototype	14.79	0.43	-	-	15.22	2.96	0.90	-	-	3.86	11.36	11.83
Non Compete Fees	4.50	-	-	-	4.50	0.68	3.00	-	-	3.68	0.82	3.82
Total	53.33	0.48	-	-	53.81	22.44	9.37	-	-	31.81	22.00	30.89
Previous year	50.73	2.60	-	-	53.33	13.62	8.81	-	0.01	22.44	30.89	37.11

NOTE 3.1 Intangible Assets Under Development

Intangible Assets Under Development ageing schedule

₹ in Crore (10 Million)

Particulars	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress					
March 31, 2024	0.98	1.30	2.51	-	4.79
March 31, 2023	1.40	2.84	-	-	4.24
Projects temporarily suspended					
March 31, 2024	-	-	-	-	-
March 31, 2023	-	-	-	-	-

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 4 : NON- CURRENT INVESTMENTS

₹ in Crore (10 Million)

Particulars	Face Value ₹/Share	March 31, 2024		March 31, 2023	
		No of Share	Value	No of Share	Value
Quoted, Equity shares/ INVIT Fund fully paid up					
Investment Carried at Fair Value through OCI					
JK Lakshmi Cement Limited	5/-	1,91,000	16.67	1,91,000	15.11
TCPL Packaging Limited	10/-	42,915	9.56	42,915	6.05
Life Insurance Corporation	10/-	4,293	0.39	4,293	0.23
IndiGrid InvIt Fund Ltd.	100/-	30,000	0.40	30,000	0.40
Powergrid Infrastructure Investment Trust Ltd	100/-	33,045	0.31	33,045	0.41
Unquoted, Equity shares fully paid up					
Investments Carried at Cost					
Investment in Equity instruments of Subsidiaries					
Enviro Tech Ventures Limited	10/-	2,04,32,052	32.68	2,04,32,052	32.68
Enviro Tech Ventures Limited - Equity Component**			65.35		29.94
JKPL Utility Packaging Solutions Private Limited	10/-	4,07,00,810	89.34		-
Songadh Infrastructure & Housing Limited	10/-	79,50,000	11.70	49,50,600	4.95
Jaykaypur Infrastructure & Housing Limited	10/-	60,32,000	21.82	49,50,600	4.95
JKPL Packaging Products Limited	10/-	8,50,00,000	85.00	8,50,00,000	85.00
JK Paper International (Singapore) Pte. Ltd.	USD 1	33,70,000	22.37	33,30,000	22.21
Advance given for Share application money (JK Paper International(Singapore) Pte Ltd)		-	-	40,000	0.16
The Sirpur Paper Mills Limited - (Step-down Subsidiary)	10/-	90,00,000	9.00	90,00,000	9.00
The Sirpur Paper Mills Limited - (Step-down Subsidiary)- Equity Component**			5.30		5.30
Horizon Packs Private Limited	10/-	26,92,40,899	528.22	26,92,40,899	528.22
Securipax Packaging Private Limited	100/-	4,63,250	58.11	4,63,250	58.11
Unquoted, Preference shares fully paid up					
Enviro Tech Ventures Limited	100/-	2,11,00,000	215.41	2,11,00,000	236.90
The Sirpur Paper Mills Ltd (Step-down Subsidiary)	100000/-	1,000	26.07	1,000	5.79
Investment in Others					
JK Paper Mills Employees' Co-operative Stores Ltd. (CY ₹2500/-, PY ₹2500/-)	10/-	250	0.00	250	0.00
			1,197.70		1,045.41
Less : Provision for diminution in value of investments*			11.10		11.10
			1,186.60		1,034.31
Aggregate book value of unquoted investments			1,159.27		1,012.11
Aggregate market value of quoted investments			27.33		22.20

* Refer note 40 (a)

** Equity Component of cumulative redeemable preference shares.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 5 : NON CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Unsecured considered good unless otherwise specified:-		
Loans to related parties (Subsidiaries)-at amortised cost		
Jaykaypur Infrastructure & Housing Limited	-	18.20
Songadh Infrastructure & Housing Limited	-	6.70
The Sirpur Paper Mills Limited - (Step-down Subsidiary)	50.00	150.00
Loans to Other (at amortised cost)		
Others	15.00	15.00
TOTAL	65.00	189.90

NOTE 6 : NON CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Deposits with Government Authorities	2.99	1.68
Derivative Financial Instruments (at fair value through P&L)	55.05	81.80
Others Deposit	19.20	19.44
Fixed Deposit with Banks (Remaining Maturity more than 12 months)	2.10	0.20
TOTAL	79.34	103.12

NOTE 7 : OTHER NON CURRENT ASSETS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Capital Advances	6.34	3.76
Deposits with Government Authorities and Others	11.26	13.85
TOTAL	17.60	17.61

NOTE 8 : INVENTORIES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
(at cost or Net realisable value whichever is lower)		
Raw Materials #	383.36	407.56
Work-in-Progress @	34.75	35.19
Finished Goods	190.03	149.80
Stock in Trade #	0.46	1.33
Stores & Spares #	169.19	83.69
Renewable Energy Certificates	0.17	0.15
TOTAL	777.96	677.72

Includes Raw Materials in transit ₹63.94 Crore (Previous year ₹37.45 Crore), Stores & Spares in transit ₹7.52 Crore (Previous year ₹5.95 Crore)

@ Includes Pulp in process ₹8.75 Crore (Previous year ₹7.58 Crore) and Semi Finished Goods ₹26 Crore (Previous year ₹27.61 Crore).

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 9 : CURRENT INVESTMENTS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Measured at amortised Cost		
Investment in Bonds / Debentures	249.69	345.32
Measured at fair value through P&L(FVTPL)		
Investment in Mutual Fund #	592.33	431.43
# ₹25.33 crore(Fair value as on 31.03.2024 ₹31.37 crore) invested during last year in mutual funds as per Escrow agreement pursuant to Share Purchased and agreement between JK Paper Limited and shareholder's of Horizon Packs Private Limited		
TOTAL	842.02	776.75
Aggregate book value of quoted investments	592.33	431.43
Aggregate book value of unquoted investments	249.69	345.32

NOTE 10 : TRADE RECEIVABLES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Unsecured		
Considered Good	167.68	163.12
Credit Impaired	2.53	2.53
	170.21	165.65
Less: Allowance for credit impairment	2.53	2.53
TOTAL	167.68	163.12

(Refer note no. 49 (i) for ageing)

Note 11 : CASH AND CASH EQUIVALENTS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Balances with Bank-Current Accounts	53.03	24.03
Cash on Hand	0.40	0.29
TOTAL	53.43	24.32

NOTE 12 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Other Bank Balances		
Unclaimed Dividend Accounts	0.81	0.66
Fixed Deposit with Banks #	7.09	7.56
TOTAL	7.90	8.22

Includes ₹0.23 Crore (Previous year ₹0.22 Crore) pledged with Government Authorities.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 13 : CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Unsecured considered good :-		
Loans to related parties		
JKPL Packaging Products Limited - (Subsidiary)	20.00	-
Securipax Packaging Pvt Ltd - (Subsidiary)	21.90	28.00
Bengal & Assam Co. Limited - (Associate)	-	15.00
TOTAL	41.90	43.00

All the above loans and advances have been given for general business purpose (Read with Note no. 39)

NOTE 14 : CURRENT FINANCIAL ASSETS - OTHER

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Unsecured considered good :-		
Advances Recoverable	0.91	0.97
Interest Accrued but not due	11.69	11.66
Advances to Employees	1.31	0.77
Derivative Financial Instruments (at fair value through P&L)	11.26	13.46
TOTAL	25.17	26.86

NOTE 15 : CURRENT TAX ASSETS (Net)

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Advance Income Tax/ Tax deducted at source (Net of Provision)	-	0.76
TOTAL	-	0.76

NOTE 16 : OTHER CURRENT ASSETS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Advances Recoverable	14.56	19.41
Advances to Suppliers	122.29	86.79
Balance with Government Authorities	236.21	246.99
Other Deposits	13.01	11.50
Other	0.35	0.35
	386.42	365.04
Less : Allowance for Doubtful Advances	0.35	0.35
TOTAL	386.07	364.69

NOTE 17 : SHARE CAPITAL

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Authorised :		
Equity Shares - 30,00,00,000 of ₹10 each (Previous Year 30,00,00,000 Equity Share of ₹10 each)	300.00	300.00
Redeemable Preference Shares - 2,00,00,000 of ₹100 each (Previous Year 2,00,00,000 Share of ₹100 each)	200.00	200.00
	500.00	500.00

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 17 : SHARE CAPITAL (Contd.)

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Issued, Subscribed and Paid-up :		
Equity Shares - 16,94,02,344 (Previous Year 16,94,02,344	169.40	169.40
Equity Share of ₹10 each fully paid up)		
	169.40	169.40

Notes :

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

Particulars	March 31, 2024	March 31, 2023
Shares outstanding at the beginning of the year	16,94,02,344	16,94,02,344
Add : Shares issued during the year	-	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	16,94,02,344	16,94,02,344

(b) Equity Shares:

The Equity Shareholders have:-

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

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

Particulars	March 31, 2024	March 31, 2023
Bengal & Assam Company Limited	7,96,27,228	7,96,27,228

(d) Promoter's shareholding

Particulars	March 31, 2024	March 31, 2023
Promoter Name	Bengal & Assam Company Limited	Bengal & Assam Company Limited
No. of shares at the beginning of the year	7,96,27,228	7,96,27,228
Change during the year	-	-
No. of shares at the end of the year	7,96,27,228	7,96,27,228
% of Total Shares	47.00%	47.00%
% change during the year	--	--

- (e) The Company has not issued any Bonus Share, shares other than Cash in immediately preceding five years from the Balance Sheet date. During the financial year 2020-21 the company has Buy Back 88,41,241 no's of Equity Shares.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 18 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
SECURED		
Term Loan		
From Banks	1,014.49	1,388.12
From Financial Institutions	301.61	370.37
Non Convertible Debentures (NCDs)	348.64	407.34
UNSECURED		
Public Deposits	37.65	57.91
	1,702.39	2,223.74
Less : Current Maturities of Long Term Borrowings	335.15	484.36
TOTAL	1,367.24	1,739.38

NOTE 18.1 NON CURRENT FINANCIAL LIABILITIES - LEASE

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
UNSECURED		
Lease Liabilities	75.28	64.01
Less : Current Maturities of Lease Liability	12.18	9.86
TOTAL	63.10	54.15

- A.** NCD of ₹244.55 Crore are secured by means of first pari passu mortgage/charge on the fixed assets of the company. These Term Loans are/shall be repayable as under:
- NCDs of ₹244.55 Crore is repayable in 9 Half yearly installment from September 2024 to July 2028.
- B.** Term Loans of ₹195.55 Crore (FIs – ₹ Nil, Banks ₹199.55 Crore) and NCD of ₹105.78 Crore is secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment , both present and future, of Unit JKPM of the company. These Term Loans are/shall be repayable as under :-
- Term Loan of ₹195.55 Crore is repayable in total 14 quarterly instalments from June 2024 to September 2027.
 - NCDs of ₹105.78 Crore is repayable in 11 Half yearly instalments from May 2024 to May 2029.
- C.** Term Loans of ₹1123.86 Crore (FIs – ₹302.83 Crore, Banks ₹821.03 Crore) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit CPM of the company. These Term Loans are/shall be repayable as under :-
- Term Loans aggregating to ₹402.69 Crore are repayable in total 93 equal Quarterly-instalments from June 2024 to March 2032.
 - Term Loans aggregating to ₹469.13 Crore are repayable in total 26 half-yearly instalments from June 2024 to June 2031.
 - Term Loans of ₹252.04 Crore are repayable in 30 quarterly instalments from June 2024 to September 2031.
- D.** Secured Term loans from Financial Institutions and Banks have been reduced by ₹3.31 Crore (FIs – ₹1.22 Crore, Banks ₹2.09 Crore) and NCDs have been reduced by ₹1.69 Crore due to effective rate of interest.
- E.** Secured Term loans from Financial Institutions and Banks include ₹740.99 Crore foreign currency loans. Certain charges are in the process of satisfaction.
- F.** Lease Liabilities aggregating to ₹75.28 Crore is repayable in total 629 equal monthly installments from April 2024 to Sep 2041.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 18 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS (Contd.)

G. Public deposits are due for repayment in 2024-25,2025-26 & 2026-27.

NOTE 19 : NON CURRENT FINANCIAL LIABILITIES - OTHER

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Trade Deposits	98.20	94.97
Interest Accrued but not due on FDR	1.98	1.98
Derivative Financial Instruments (at fair value through P&L)	1.11	2.24
Others	0.35	0.46
TOTAL	101.64	99.65

NOTE 20 : NON CURRENT PROVISIONS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Provision for Employee Benefits (refer note 50)	11.66	9.65
TOTAL	11.66	9.65

NOTE 21 : DEFERRED TAX LIABILITIES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax	503.75	681.52
Tax on Others	51.22	37.07
a Total Deferred Tax Liability	554.97	718.59
Opening MAT Credit Entitlements	(19.22)	(98.94)
Current MAT Credit Entitlement	-	-
Utilization and Reversal of MAT Credit*	19.22	79.72
b Total MAT Credit Entitlement	-	(19.22)
c Net Deferred Tax Liability (a+b)	554.97	699.37

*Refer note 59

NOTE 22 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
SECURED		
Working Capital Borrowings from Bank	74.51	69.76
UNSECURED		
Working Capital Borrowings from Bank	30.00	30.00
Public Deposits	3.73	5.88
Current Maturities of Long Term Borrowings	335.15	484.36
TOTAL	443.39	590.00

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 22 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS (Contd.)

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

NOTE 23 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Trade Payable		
Total outstanding dues of Micro and Small Enterprises (refer note 48)	12.11	10.61
Total Outstanding dues of Creditors other than Micro and Small Enterprises	551.87	569.77
TOTAL	563.98	580.38

(Refer note no. 49 (ii) for ageing)

NOTE 24 : CURRENT FINANCIAL LIABILITIES - OTHER

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Interest Accrued but not due	16.04	12.21
Unclaimed Dividends #	0.81	0.66
Unclaimed Matured Deposits #	2.04	2.44
Unclaimed Interest on Unclaimed Matured Deposits #	0.09	0.28
Derivative Financial Instruments (at fair value through P&L)	2.76	1.02
Capital Creditors @	14.21	41.08
Other Payables	71.56	69.23
TOTAL	107.51	126.92

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

@ includes ₹0.53 Crore (PY ₹1.47 Crore) payable to Micro & Small Enterprises.

NOTE 25 : OTHER CURRENT LIABILITIES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Advance from Customers	24.26	24.55
Statutory Dues	25.11	24.89
Other Payables	59.83	55.70
TOTAL	109.20	105.14

NOTE 26 : SHORT TERM PROVISIONS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Provision for Employee Benefits	11.42	11.99
TOTAL	11.42	11.99

NOTE 27 : CURRENT TAX LIABILITIES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Provision for Income Tax (Net of Advance tax)	3.40	0.33
TOTAL	3.40	0.33

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 28 : OTHER OPERATING REVENUES

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Insurance Charges Recovered	0.99	1.54
Excess Provision no longer required written back	8.77	7.32
Miscellaneous Income *	13.25	14.88
TOTAL	23.01	23.74

* Includes Sale of Renewal Energy Certificate (REC) of ₹8.50 Crore (P.Y. ₹7.92 Crore).

NOTE 29 : OTHER INCOME

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Interest Income	54.52	61.13
Dividend Income	0.11	0.14
Profit on sale of Property, plant and equipment	0.86	3.16
Gain on Sale/Fair value of Current investment *	65.79	33.10
Foreign Exchange Fluctuation&Others	1.50	0.10
TOTAL	122.78	97.63

* Includes Fair Valuation Gain of ₹36.16 Crore (P.Y. ₹6.97 Crore).

NOTE 30 : COST OF MATERIALS CONSUMED

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Hardwood & Bamboo	1,175.03	794.17
Pulp	684.80	802.26
Chemicals	510.97	556.22
Packing Material	129.68	147.33
Others	15.15	17.06
TOTAL	2,515.63	2,317.04

NOTE 31 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Inventories at the beginning of the year		
Finished Goods	149.80	105.10
Stock In Trade	1.33	1.82
Work-in-Progress	35.19	39.32
Renewable Energy Certificates	0.15	0.05
	186.47	146.29
Inventories at the end of the year		
Finished Goods	190.03	149.80
Stock In Trade	0.46	1.33
Work-in-Progress	34.75	35.19
Renewable Energy Certificates	0.17	0.15
	225.41	186.47
(Increase)/ Decrease in Stock	TOTAL (38.94)	(40.18)

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 32 : EMPLOYEE BENEFIT EXPENSES

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Salaries, Wages, Allowances, etc.	398.69	386.01
Contribution to Provident and Other Funds	15.73	15.26
Staff Welfare Expenses	5.93	4.62
TOTAL	420.35	405.89

NOTE 33 : FINANCE COST

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Interest on:		
Term Loan and Fixed Deposits	135.09	128.35
Others	14.23	11.77
Other Borrowing Costs:		
Financial Charges	3.78	6.01
Premium on Forward Exchange Contracts	1.93	2.11
Interest on Lease Liabilities	6.76	6.03
Net (Gain) or Loss on Foreign Currency Transaction	18.48	34.18
TOTAL	180.27	188.45

NOTE 34 : DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Depreciation on Property Plant & Equipment	233.23	228.03
Amortisation of Other Intangible Assets	9.37	8.81
TOTAL	242.60	236.84

NOTE 35 : OTHER EXPENSES

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Consumption of Stores and Spares	90.79	74.75
Power, Fuel and Water	386.86	546.18
Repairs to Building	6.81	6.35
Repairs to Machinery	55.16	52.32
Rent (Net)	28.83	27.64
Insurance	11.63	10.55
Rates and Taxes	1.66	1.34
Commission on Sales	1.80	2.67
Directors' Fees	0.47	0.46
Directors' Commission	4.58	4.55
Freight, Clearing and Forwarding Charges	27.01	48.47
Loss on Foreign Exchange Fluctuation	-	1.13
Asset Written off	0.07	3.12
Bad Debts	-	0.27
Provision for Doubtful Debts	-	1.19
Other Miscellaneous Expenses*	120.58	98.26
TOTAL	736.25	879.25

*Refer note 45

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 36 : CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contingent Liabilities:		
a) Claim against the company not acknowledged as debts #		
Excise duty/ Custom duty/Service tax/GST liability in respect of matter in appeals	11.75	12.95
Sales tax/VAT/Octroi liability in respect of matter in appeals	1.28	1.28
Other matters	10.62	8.83
b) Commitments:		
Contracts remaining to be executed on capital account (Net of Advances)	61.57	72.51

In respect of certain disallowances and additions made by the income tax authorities, appeals are pending before the appellate authorities and adjustments, if any, will be made after the same are finally determined.

NOTE 37: In respect of levy of Octroi demand pertaining to Unit - CPM by Songadh Group Gram Panchayat, the Company has paid ₹1.25 Crore till 31st March 1997 under protest and also created a liability of the similar amount. As the matter is still pending in the court of law, the necessary adjustment, if any, would be made on final disposal.

NOTE 38 : EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITIES

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of Companies Act, 2013 read with Schedule III are as below

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
1. Gross amount required to be spent by the Company during the year	16.15	12.52
2. Amount spent during the year		
Promotion of Education	4.13	4.61
Health Care	0.60	0.46
Others	10.03	9.19
Total	14.76	14.26
Total Previous year's shortfall/(Excess)	(0.15)	1.59
Shortfall/(Excess) at the end of the year	1.24	(0.15)

Nature of CSR activities:

Conservation of natural resources, Promotion of Education, Health care, rural development and livelihood interventions, Disaster relief, Digital Literacy amongst others.

Note-Unspent CSR amount of ₹1.24 crore for the financial year 2023-24, has been transferred to Unspent Corporate Social Responsibility Bank account as per the provisions of Section 135 of the Companies Act, 2013. This amount will be spent in succeeding years on CSR projects/activities of the Company

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 39 :

- i Disclosure of loan and advances as per regulation 34(3) and 53(f) read with Schedule V of SEBI (LODR) regulation of listing regulation with Stock Exchanges:

₹ in Crore (10 Million)

Name of the Company	Balance as at		Maximum outstanding during	
	March 31, 2024	March 31, 2023	2023-24	2022-23
a) Loans and advances in the nature of loans given to subsidiaries and Associates of				
Enviro Tech Ventures Limited	-	-	-	15.00
Jaykaypur Infrastructure & Housing Limited	-	18.20	18.20	19.50
Songadh Infrastructure & Housing Limited	-	6.70	6.70	7.00
JKPL Packaging Products Limited	20.00	-	20.00	21.25
The Sirpur Paper Mills Limited (Step-down Subsidiary)	50.00	150.00	150.00	270.00
Bengal & Assam Co. Limited (Associates of)	-	15.00	15.00	40.00
Securipax Packaging Private Limited	21.90	28.00	41.00	28.00
ii Loans given to JK LakshmiPat University	15.00	15.00	15.00	15.00

iii Details of loans given, investments made and guarantee given covered U/s 186(4) of the Companies Act 2013

The company has given loan to Subsidiaries amounting to ₹33.00 Crore (Previous year ₹34.50 Crore) and other parties amounting to ₹ NIL (Previous year ₹ NIL) mentioned above for general business purpose. There are no investment made by the company other than those stated under Note no 4 and 9 of the financial statements

NOTE 40 :

- a) The Company had invested ₹27.10 Crore in a Jointly Controlled Entity (JCE) which has plantation operations in Myanmar through its subsidiary in Singapore. Operations at JCE has been impacted due to economic disruptions and Banking restrictions in Myanmar. Plantation / biological assets are in satisfactory condition. However considering the facts stated above, as a matter of prudence the Company had made provision of ₹11.10 Crore against its investment in subsidiary of ₹22.37 Crore.
- b) Sales include export incentives of ₹7.94 Crore (Previous year ₹10.38 Crore).
- c) Interest Income includes ₹0.59 Crore (Previous year ₹0.44 Crore) on Deposits with Banks and ₹53.93 Crore (Previous year ₹60.69 Crore) on others.
- d) Scrap sale of ₹28.37 Crore (Previous year ₹25.42 Crore) has been netted off from Consumption of Stores and Spares.
- e) The Board of Directors has recommended a final Dividend of ₹5 /- per share (50%), on the Equity Share Capital for the financial year ended 31st March, 2024. This is in addition to Interim Dividend of ₹3.50/- (35%) per Equity Share declared and paid by the Board of Directors during the said financial year.
- f) The software used by the company includes an audit trail feature, which is enabled from 1st April 2023 to 31st March 2024. The audit trail has feature of recording each and every transactional changes made in the books of account along with the date when such changes were made.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 41:

A. LEASES

The Company has adopted Ind AS 116 "Leases" effective 1st April ,2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to its leases using the simplified approach. This has resulted in recognising right – of – use assets and corresponding lease liabilities.

- 1 The following is the break-up of current and non-current lease liabilities as at March 31, 2024 and March 31, 2023:

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current lease liabilities	12.18	9.86
Non-current lease liabilities	63.10	54.15
Total	75.28	64.01

- 2 The following is the movement in lease liabilities during the year ended March 31, 2024 and March 31, 2023:

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning	64.01	69.44
Addition during the year	26.84	6.87
Deletion during the year	(3.20)	-
Finance cost accrued during the period	6.76	6.03
Payment of lease liabilities	(19.13)	(18.33)
Balance at the end	75.28	64.01

- 3 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis:

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Not later than one year	17.99	14.90
Later than one year and not later than five years	62.45	45.59
Later than five years	18.55	28.15

B. Ind AS 115 Disclosure

i) Contract Balances

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Trade Receivables	167.68	163.12
Contract Liabilities	24.26	24.55

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 41: (Contd.)

ii) Reconciling the amount of revenue recognised in the Statement of Profit and Loss with the Contracted Prices

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Revenue as per contracted prices	6178.04	6,543.68
Adjustments:		
Less : Discounts	341.03	335.36
Revenue from contract with customers	5,837.01	6,208.32

iii) Revenue recognised that was included in the contract liability balance at the beginning of the period

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Sale of goods	24.55	22.44

NOTE 42 : EXPENDITURE ON RESEARCH AND DEVELOPMENT (R&D) ACTIVITIES

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Revenue Expenditure *		
Employee Cost	5.41	5.03
Cost of Materials	0.52	0.34
Other Expenses	2.14	1.15
Sub Total	8.07	6.52
b) Capital Expenditure	2.44	3.01
Total (a+b)	10.51	9.53

* Included in respective revenue accounts.

NOTE 43 : OTHER DISCLOSURE REQUIRED BY STATUTE

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Auditors Remuneration(Excluding applicable Taxes)		
1. Statutory Auditors		
i. Audit Fee	0.27	0.21
ii. Tax Audit Fee	0.03	0.03
iii. Certification/other Services	0.04	0.04
iv. Out of Pocket Expenses	0.01	0.01
Total	0.35	0.29
2. Cost Auditors		
i. Audit Fee	0.01	0.01
ii. Out of Pocket Expenses	-	-
Total	0.01	0.01

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 44 : EXPENSES INCLUDED UNDER OTHER HEADS OF ACCOUNT

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, Wages and Allowances etc.	7.85	10.35
Contribution to Provident and Other Funds	0.60	0.55
Employees' Welfare and Other benefits	0.47	0.46
Consumption of Stores and Spares	1.16	1.03
Rent	0.07	0.09
Insurance	0.09	0.06
Rates and Taxes (PY ₹26,583/-)	0.01	0.00
Miscellaneous Expenses/Receipts	1.47	(1.89)
	11.72	10.65

NOTE 45: Miscellaneous expenses include contribution of ₹0.50 crore made to a political party/electoral bond under section 182 of the Companies Act, 2013.

NOTE 46: The exceptional items during the previous year represents impairment charges ₹22.56 crore in respect of property, plant and equipment at unit CPM. As required by Ind AS 36, an assessment of impairment of assets was carried out and based on such assessment, the Company has accounted impairment losses ₹22.56 crore during the previous year.

NOTE 47 : EARNING PER SHARE

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Profit after tax	902.43	885.33
b) Weighted Average Number of Ordinary Shares	16,94,02,344	16,94,02,344
c) Nominal Value of Ordinary Shares	₹10/-	₹10/-
d) Earning Per Ordinary Share (₹)		
Basic	53.27	52.26
Diluted	53.27	52.26

NOTE 48 : THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

Based on the information available, there are certain vendors who have confirmed that they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. Disclosures relating to dues of Micro and Small enterprises under section 22 of 'The Micro, Small and Medium Enterprises Development Act, 2006, are given below:

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Principal amount and Interest due thereon remaining unpaid to any supplier as on	NIL	NIL
b) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	NIL	NIL

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 48: (Contd.)

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
c) the amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	NIL	NIL
d) the amount of interest accrued and remaining unpaid	NIL	NIL
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	NIL	NIL

NOTE 49 :

(i) Trade Receivables ageing schedule as on March 31, 2024 and March 31, 2023 is as follows:

₹ in Crore (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good							
March 31, 2024	109.57	58.42	0.35	0.06	0.00	0.00	168.40
March 31, 2023	104.67	54.03	3.69	0.66	0.79	0.00	163.84
(ii) Undisputed Trade Receivables – considered doubtful							
March 31, 2024	-	-	-	-	-	0.44	0.44
March 31, 2023	-	-	-	-	0.01	0.43	0.44
(iii) Disputed Trade Receivables considered good							
March 31, 2024	-	-	-	-	0.74	0.63	1.37
March 31, 2023	-	-	-	0.74	0.13	0.50	1.37
(iv) Disputed Trade Receivables considered doubtful							
March 31, 2024	-	-	-	-	-	-	-
March 31, 2023	-	-	-	-	-	-	-
(v) Less: Allowance for credit impairment							
March 31, 2024	-	-	-	-	-	-	2.53
March 31, 2023	-	-	-	-	-	-	2.53
(vi) Total							
March 31, 2024							167.68
March 31, 2023							163.12

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 49: (Contd.)

(ii) Trade payables ageing schedule as on March 31, 2024 and March 31, 2023 is as follows:

₹ in Crore (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME						
March 31, 2024	12.11	-	-	-	-	12.11
March 31, 2023	10.61	-	-	-	-	10.61
(ii) Others						
March 31, 2024	63.95	407.38	14.38	17.93	48.23	551.87
March 31, 2023	5.26	490.50	21.89	17.94	34.18	569.77
(iii) Disputed dues – MSME						
March 31, 2024		-	-	-	-	-
March 31, 2023		-	-	-	-	-
(iv) Disputed dues - Others						
March 31, 2024		-	-	-	-	-
March 31, 2023		-	-	-	-	-

(iii) Other Information in terms of the amendment in Schedule III of the Companies Act vide notification G.S.R. 207(E) dated 24th March 2021.

- a) The Company does not have any transactions with companies struck off.
- b) The Company does not have any benami property, and no proceeding has been initiated or pending against the Company for holding any benami property.
- c) The Company have not traded or invested in crypto currency or virtual currency during the financial year.
- d) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - (i). Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
 - (ii). Provide any Guarantee, Security, or the like to or on behalf of the Ultimate Beneficiaries.
- e) The Company have not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - (i). Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - (ii). Provide any Guarantee, Security, or the like on behalf of the ultimate beneficiaries.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 49: (Contd.)

- f) The Company has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

₹ in Crore (10 Million)

Name of the Bank	Aggregate working capital limits sanctioned	Quarter ended	Amount disclosed as per quarterly return/statement	Amount as per books of account	Difference	Reason for variance*
State Bank of India and consortium of Banks #	250.00	June 30,2023	67.73	532.09	464.36	For Bank's quarterly reporting, only creditors for goods being considered as Trade Payables.
	250.00	September 30,2023	158.38	570.89	412.51	
	250.00	December 31, 2023	240.67	648.73	408.06	
	250.00	March 31, 2024	111.02	563.98	452.96	

* The above differences represents balance of creditors as at each reporting date.

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts.

- g) The Company has no such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h) The Company have not been declared willful defaulter by any Banks or any other Financial Institution at any time during the financial year.

NOTE 50 : EMPLOYEE BENEFITS

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) Defined Contribution Plans:-

Amount recognized as an expense and included in Note 32 Item "Contribution to Provident and Other Funds ₹0.44 Crore (Previous year ₹0.70 Crore) for Superannuation Fund.

b) Other long-term benefits

Amount recognized as an expense and included in Note 32 Item "Salaries, Wages, Allowances etc. ₹6.73 Crore (Previous year ₹4.57 Crore) for long term compensated Absences.

c) Defined benefits plans

- (i) Amount recognized as an expense and included in Note 32 & Note 44 "Contribution to Provident and Other Funds" ₹12.05 Crore (Previous year ₹11.29 Crore) for Provident and other fund.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 50 : EMPLOYEE BENEFITS (Contd.)

- (ii) Gratuity Expense ₹3.84 Crore (Previous year ₹3.82 Crore) has been recognized in "Contribution to Provident and Other Funds" under Note 32. as per Actuarial Valuation

I Change in present value of obligation during the year

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
	Gratuity	Gratuity
	Funded	Funded
Present value of obligation at the beginning of the year	55.93	50.90
Included in statement of profit and loss:		
- Current Service Cost	3.11	3.06
- Interest Cost	4.19	3.71
- Past Service Cost		0.38
- Actuarial Gain/(Loss)	-	-
Included in OCI:		
Actuarial losses/(gains) arising from:		
- Experience adjustments	4.19	3.27
- Financial assumption		
Actuarial (Gains)/Losses on Obligations - Due to Change in Demographic Assumptions		
Others		
Benefits Paid	(5.45)	(5.39)
Impact of Slump Sale		
Present Value of obligation as at year-end	61.96	55.93

II Change in Fair Value of Plan Assets during the year

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
	Gratuity	Gratuity
	Funded	Funded
Plan assets at the beginning of the year	46.10	45.68
Included in statement of profit and loss:		
Expected return on plan assets	3.54	3.33
Included in OCI:		
Actuarial Gain/(Loss) on plan assets	1.64	(1.56)
Others:		
Employer's contribution	8.51	3.54
Benefits paid	(5.45)	(4.89)
Plan assets at the end of the year	54.34	46.10

The plan assets are managed by the Gratuity Trust formed by the Company.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 50 : EMPLOYEE BENEFITS (Contd.)

III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
	Gratuity	Gratuity
	Funded	Funded
1 Present Value of obligation as at year-end	(61.96)	(55.93)
2 Fair value of plan assets at year -end	54.34	46.10
3 Funded status {Surplus/(Deficit)}	(7.62)	(9.83)
Net Asset/(Liability)	(7.62)	(9.83)

IV Expenses recognised in the Statement of Profit and Loss

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
	Gratuity	Gratuity
	Funded	Funded
1 Current Service Cost	3.11	3.06
2 Interest Cost	4.19	3.71
3 Past service Cost	-	0.38
4 Expected return on plan assets	(3.54)	(3.33)
Total Expense	3.76	3.82

V Expenses recognised in the Statement of Other Comprehensive Income

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
	Gratuity	Gratuity
	Funded	Funded
1 Net Actuarial (Gain)/Loss	4.19	3.27
2 Expected return on plan assets excluding interest income	(1.64)	1.56
Total Expense	2.54	4.83

VI Constitution of Plan Assets

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
	Gratuity	Gratuity
	Funded	Funded
1 Equity Instruments	-	-
2 Debt Instruments	-	-
3 Property	-	-
4 Insurance	54.34	46.10

VII Bifurcation of PBO at the end of the year

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
	Gratuity	Gratuity
	Funded	Funded
1 Current Liability	7.62	8.58
2 Non-Current Liability	-	1.25

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 50 : EMPLOYEE BENEFITS (Contd.)

VIII Actuarial Assumptions

₹ in Crore (10 Million)

Particulars	March 31, 2024		March 31, 2023	
	Gratuity		Gratuity	
	Funded		Funded	
1 Discount Rate	7.21%		7.29%	
2 Expected rate of return on plan assets	7.21%		7.29%	
3 Mortality Table	IALM (2012-14)		IALM (2012-14)	
4 Salary Escalation	5.00%		5.00%	
5 Turnover Rate	Age up to 30-3%, up to 44-2%, above 44-1%		Age up to 30-3%, up to 44-2%, above 44-1%	

IX The expected contribution for Defined Benefit Plan for the next financial year will be ₹9.35 Crore

X Experience Adjustment:

₹ in Crore (10 Million)

Gratuity	2023-24	2022-23	2021-22	2020-21	2019-20
Present Value of obligation	61.96	55.93	50.90	47.51	45.32
Fair value of Plan assets	54.34	46.10	45.68	47.05	40.42
Net Asset/(Liability)	(7.62)	(9.83)	(5.22)	(0.45)	(4.89)
Actuarial (Gain)/Loss on plan obligation	4.19	3.27	2.02	(1.03)	(2.16)
Actuarial Gain/(Loss) on plan assets	1.64	(1.56)	(0.50)	1.48	(2.27)

XI Sensitivity Analysis

₹ in Crore (10 Million)

Gratuity	March 31, 2024		March 31, 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(3.54)	4.08	(3.18)	3.65
Future salary growth (1% movement)	4.06	(3.62)	3.67	(3.25)
Employee turnover (1% movement)	0.64	(0.73)	0.68	(0.76)

XII Maturity Profile of projected benefit obligation: from the fund

₹ in Crore (10 Million)

Particulars	March 31, 2024		March 31, 2023	
	Gratuity		Gratuity	
	Funded		Funded	
1 st Following Year	16.91		15.96	
2 nd Following Year	3.07		2.30	
3 rd Following Year	3.97		3.79	
4 th Following Year	4.37		3.63	
5 th Following Year	3.35		3.90	
Sum of Years 6 To 10	25.60		23.04	
Sum of Years 11 and above	56.09		52.45	

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 51 : RELATED PARTY DISCLOSURES

a) List of Related Parties

i. Subsidiaries (Wholly Owned)

- Songadh Infrastructure & Housing Limited (SIHL)
- Jaykaypur Infrastructure & Housing Limited (JIHL)
- JKPL Packaging Products Limited (JKPPL)
- JK Paper International (Singapore) Pte Ltd. {JKPI (S) PL}
- JKPL Utility Packaging Solutions Private Limited (JUPSPL) (w.e.f 21.11.2023)

ii. Subsidiary

- Enviro Tech Ventures Limited (ETVL)
- Horizon Packs Private Limited (HPPL)
- Securipax Packg Private Limited (SPPL)

iii. Step-down Subsidiary

- The Sirpur Paper Mills Limited

iv. Joint Venture

- Habras MZZ Plantation Myanmar Company Limited

v. Enterprise which holds more than 20% of Equity Share

- Bengal & Assam Company Limited (BACL)

vii. Trust under common control

- JK Paper Ltd (JK Paper Mills) Compulsory Employees Provident Fund
- JK Paper Ltd Employees Gratuity Fund
- JK Paper Ltd Officers Superannuation Scheme

viii. Key Management Personnel (KMP)

Executive Directors	Non-Executive Directors
Shri Harsh Pati Singhania, - Vice Chairman & Managing Director (till 31.03.2024) - Chairman & Managing Director (w.e.f 01.04.2024)	Shri Bharat Hari Singhania, Chairman (till 31.03.2024)
Shri Amar Singh Mehta, President and Director	Shri Dharendra Kumar Shri R.V.Kanoria
Executives	Shri Sandip Somany
Shri KR. Veerappan (Chief Finance Officer)	Shri Shailendra Swarup(till 22.08.2023)
Shri Deepak Gupta (Company Secretary)	Smt. Vinita Singhania Smt. Deepa Gopalan Wadhwa
	Shri Sushil Kumar Roongta Shri Harshavardhan Neotia
	Shri Anoop Seth Shri Bharat Anand(w.e.f 01.07.2023)

ix. Relative of Key Management Personnel (KMP)

- Sh.Chaitanya Hari Singhania

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 51 : RELATED PARTY DISCLOSURES (Contd.)

b) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis :

₹ in Crore (10 Million)

Sl. No	Nature of Transactions	Subsidiaries (Wholly Owned)								Subsidiary	
		JIHL		SIHL		JKPPL		JKPI (S) PL		ETVL	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
(i)	Rent Paid (with GST)	11.40	10.35	5.00	4.67	-	-	-	-	-	-
(ii)	Interest Received	0.96	1.45	0.35	0.53	0.56	0.09	-	-	-	0.25
(iii)	Loans Given	-	-	-	-	20.00	6.50	-	-	-	-
(iv)	Loan Instalment Received	18.20	1.30	6.70	0.30	-	23.75	-	-	-	15.00
(v)	Investment in Equity share	16.87	-	-	-	-	44.95	-	0.17	-	-
(vi)	Purchase of Goods	-	-	-	-	-	-	-	-	15.65	12.87
(vii)	Reimbursement of Expenses – Received	0.06	-	-	-	0.08	0.45	-	-	-	-
(viii)	Sale of goods	-	-	-	-	-	-	-	-	1.41	-
(ix)	Outstanding at end of the period - Receivable	6.75	25.05	2.92	9.61	20.01	-	-	-	206.37	209.56

₹ in Crore (10 Million)

Sl. No	Nature of Transactions	Step-down Subsidiary		Subsidiary		Subsidiary		Subsidiary	
		The Sirpur Paper Mills Ltd		Horizon Packs Private Limited		Securipax Packg Private Limited		JKPL Utility Packaging Solutions Private Limited	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
(i)	Reimbursement of Expenses – Received (Previous year ₹33,674/-)	0.03	0.00	-	-	-	-	-	-
(ii)	Interest Received	6.59	18.81	-	-	2.30	0.17	-	-
(iii)	Sale of Material including Pulp	5.50	31.14	-	-	-	-	2.43	-
(iv)	Sale of Capital Equipment's	0.49	0.05	-	-	-	-	-	-
(v)	Loans Given	-	-	-	-	13.00	28.00	-	-
(vi)	Loan Instalment Received	100.00	120.00	-	-	19.10	-	-	-
(vii)	Purchase of Goods	930.52	931.39	-	-	-	-	-	-
(viii)	Lease of Godown and Maintenance Charges	0.38	0.41	-	-	-	-	-	-
(ix)	Reimbursement of Expenses – Paid	0.03	-	-	-	-	-	-	-
(x)	Outstanding at end of the period - Receivable	99.59	150.09	-	-	23.18	28.17	0.28	-

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 51 : RELATED PARTY DISCLOSURES (Contd.)

₹ in Crore (10 Million)

Sl. No	Nature of Transactions	Enterprise which holds more than 20% of Equity Share	
		BACL	
		2023-24	2022-23
(i)	Rent Paid	0.08	0.08
(ii)	Sharing of Expenses(Current Year ₹48,100/-)	0.00	0.03
(iii)	Loan received back	15.00	25.00
(iv)	Interest Received	0.74	2.92
(v)	Outstanding at end of the period - Receivable"	-	15.00

₹ in Crore (10 Million)

Sl. No	Nature of Transactions	Trust Under Common Control					
		Employees Provident Fund		Employees Gratuity Fund		Officers Superannuation Scheme	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
(i)	Contribution	5.38	5.47	3.49	3.84	0.44	0.70
(ii)	Outstanding at end of the period- Payable	0.46	1.08	7.70	9.83	0.76	1.00

Key Management Personnel (KMP) :

₹ in Crore (10 Million)

Sl. No	Particulars	2023-24	2022-23
(i)	Short-term Employee Benefits #	54.06	52.10
(ii)	Commission and other benefits to Non-Executive Directors *	5.05	5.01

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

* Including sitting fees and commission

Relative of Key Management Personnel (KMP) :

₹ in Crore (10 Million)

Sl. No	Particulars	2023-24	2022-23
(i)	Short-term Employee Benefits #	0.76	0.40

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 52 : FINANCIAL INSTRUMENTS

Financial Assets

₹ in Crore (10 Million)

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2024		As at March 31, 2023	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial assets designated at fair value through profit and loss						
	a) Derivatives - not designated as hedging instruments	A	Level-2	66.31	66.31	95.26	95.26
	b) Investments :						
	In mutual funds and others	B	Level-1	592.33	592.33	431.43	431.43
2	Financial assets designated at fair value through other comprehensive income						
	Investment In Equity shares	C	Level-1	27.33	27.33	22.20	22.20
3	Financial assets designated at amortised cost						
	a) Investment in Bonds / Debentures			249.69	249.69	345.32	345.32
	b) Other Bank Balances *			7.90	7.90	8.22	8.22
	c) Cash & Cash Equivalents *			53.43	53.43	24.32	24.32
	d) Trade receivables *			167.68	167.68	163.12	163.12
	e) Other receivables			106.90	106.90	232.90	232.90
	f) Other financial assets			38.20	38.20	34.72	34.72
4	Investment in subsidiary companies and joint venture	D		1,159.27	1,159.27	1,012.11	1,012.11
				2,469.04	2,469.04	2,369.60	2,369.60

Financial Liabilities

₹ in Crore (10 Million)

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2024		As at March 31, 2023	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial liability designated at fair value through profit and loss						
	a) Derivatives - not designated as hedging instruments	A	Level-2	3.87	3.87	3.26	3.26
2	Financial liability designated at amortised cost						
	a) Borrowings	E		1885.91	1,885.91	2393.39	2,393.39
	b) Trade payables *			563.98	563.98	580.38	580.38
	c) Other financial liability			205.28	205.28	223.31	223.31
				2,659.04	2,659.04	3,200.34	3,200.34

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 52 : FINANCIAL INSTRUMENTS (Contd.)

The following methods and assumptions were used to estimate the fair values.

- A The fair values of derivatives are on MTM as per Bank
- B Company has opted to fair value its mutual fund investment through statement of profit & loss
- C Company has opted to fair value its quoted investments in equity share through OCI
- D As per Para D-15 of Appendix D of Ind AS 101, the first time adopter may chose to measure its investment in subsidiaries, JVs and Associates at cost or at fair value. Company has opted to value its investments in subsidiaries, JVs and Associates at cost.
- E Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTE 53 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

53.1 Financial risk factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. Whenever, the currency cover costs are such as to neutralize the advantage in foreign currency, loans are hedged so as to not to lose advantage. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

i. Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company. The company has stop supply mechanism in place in case outstanding goes beyond agreed limits.

ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 53 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

a.) Foreign Currency Risk and sensitivity

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

The following table analyzes foreign currency risk from financial instruments as of March 31, 2024:

₹ in Crore (10 Million)

Particulars	USD	Euro	AED	SEK/Other curr	Total
Financial Assets					
Trade receivables	79.55	1.18	0.27	-	81.00
Financial liabilities					
Trade payables	(28.01)	(1.60)	-	-	(29.61)
Borrowings	(271.86)	(469.13)	-	-	(740.99)
Interest Accrued but not due	(1.54)	(6.24)	-	-	(7.78)
Net assets / (liabilities)	(221.86)	(475.79)	0.27	-	(697.38)

The following table analyzes foreign currency risk from financial instruments as of March 31, 2023:

₹ in Crore (10 Million)

Particulars	USD	Euro	AED	SEK/Other curr	Total
Financial Assets					
Trade receivables	71.20	1.61	1.29	-	74.10
Financial liabilities					
Trade payables	(99.97)	(6.12)	-	-	(106.09)
Borrowings	-	(685.43)	-	-	(685.43)
Interest Accrued but not due	-	(4.56)	-	-	(4.56)
Net assets / (liabilities)	(28.77)	(694.50)	1.29	-	(721.98)

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate	
	March 31, 2024	March 31, 2023
USD	83.37	82.22
EUR	90.22	89.61
GBP	105.29	101.87
AED	22.71	22.38

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 53 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax

₹ in Crore (10 Million)

Particulars	2023-24		2022-23	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
USD Sensitivity	0.12	(0.12)	0.10	(0.10)
Euro Sensitivity	(0.06)	0.06	(0.14)	0.14
AED Sensitivity CY ₹6,639/- (PY ₹32,350/-)	0.00	(0.00)	0.00	(0.00)
SEK Sensitivity	-	-	-	-
CNY Sensitivity	-	-	-	-
Increases/ (decrease) in profit or loss	0.06	(0.06)	(0.04)	0.04

Summary of Exchange difference accounted in Statement of Profit and loss:

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	-	1.13
Net foreign exchange (gain)/ losses shown as Finance Cost	(17.03)	27.87
Net foreign exchange (gain)/ losses shown as Other Income	(1.50)	(0.10)
Derivatives		
Currency forwards (gain) / losses shown as operating expenses	-	-
Interest rate swaps (gain) / losses shown as finance cost	35.51	6.31
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Total	16.98	35.21

b. Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates exposes to cash flow risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Interest Rate Risk Exposure

₹ in Crore (10 Million)

Particulars	March 31, 2024		March 31, 2023	
	(₹ in Crore)	% of Total	(₹ in Crore)	% of Total
Fixed Rate Borrowings	606.79	32.17%	811.96	33.92%
Variable Rate Borrowings	1,279.12	67.83%	1,581.43	66.08%
Total Borrowings	1,885.91	100.00%	2,393.39	100.00%

Sensitivity on variable rate borrowings

₹ in Crore (10 Million)

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest Rate Increase by 0.25%	(3.20)	(3.95)	(3.20)	(3.95)
Interest Rate decrease by 0.25%	3.20	3.95	3.20	3.95

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 53 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

c. Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

CREDIT RISK

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹167.68 Crore and ₹163.12 Crore as of March 31, 2024 and March 31, 2023, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

(In %)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from top customer	4.41%	5.30%
Revenue from top five customers	14.17%	17.28%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2024 was ₹2.53 Crore.

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning	2.53	1.34
Impairment loss reversed	-	-
Additional provision created during the year	-	1.19
Impact of Slump Sale	-	-
Balance at the end	2.53	2.53

The deposits with banks comprises mostly the liquid investment of the company and are generally not exposed to credit risk

Ageing Analysis of Trade Receivables

₹ in Crore (10 Million)

Particulars	As 31 st March, 2024				As 31 st March, 2023			
	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months
Unsecured	109.57	58.42	0.35	1.87	104.67	54.03	3.69	3.26
Provision for Doubtful Receivables	-	0.31	0.35	1.87	-	-	-	2.53
Net Balance	109.57	58.11	-	-	104.67	54.03	3.69	0.73

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 53 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirement. The company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The company also has adequate credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2024:

₹ in Crore (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	108.24	108.24	-	-	108.24
Borrowings - Non-Current	1,702.39	335.15	1,038.09	329.15	1,702.39
Lease liability	75.28	12.18	50.44	12.66	75.28
Trade payables	563.98	563.98	-	-	563.98
Other financial liabilities - Current	107.51	107.51	-	-	107.51
Other financial liabilities - Non-Current					
Trade Deposits	98.20	-	-	98.20	98.20
Interest accrued but not due on Public Deposits	1.98	-	1.98	-	1.98
Derivative Financial Instruments	1.11	-	1.00	0.11	1.11
Others	0.35	-	0.35	-	0.35

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2023:

₹ in Crore (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	105.64	105.64	-	-	105.64
Borrowings - Non-Current	2,223.74	484.36	1,190.59	548.79	2,223.74
Lease liability	64.01	9.86	33.22	20.93	64.01
Trade payables	580.38	580.38	-	-	580.38
Other financial liabilities - Current	126.92	126.92	-	-	126.92
Other financial liabilities - Non-Current					
Trade Deposits	94.97	-	-	94.97	94.97
Interest accrued but not due on Public Deposits	1.98	-	1.98	-	1.98
Derivative Financial Instruments	2.24	-	1.97	0.27	2.24
Others	0.46	-	0.46	-	0.46

Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 53 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Capital Risk Management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be

₹ in Crore (10 Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	1,810.63	2,329.38
Less: cash and cash equivalents including bank balance	61.33	32.54
Less: Current Investments	842.02	776.75
Net debt	907.28	1,520.09
Equity	4,552.44	3,774.42
Capital and Net debt	5,459.72	5,294.51
Gearing Ratio	17%	29%

NOTE 54 : DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Forward Contract outstanding for the purpose of hedging at the Balance Sheet Date

Sr. No.	Foreign Currency	March 31, 2024		March 31, 2023	
		FC in Million	₹ In Cr.	FC in Million	₹ In Cr.
1	US Dollar	39.89	332.59	8.50	69.88
2	Euro	50.11	452.12	70.96	635.84

*Net of Receivables USD 3.50 Million – ₹29.18 Crore (Previous year USD 1.00 Million – ₹8.22 Crore)

Nominal amounts of Complete Currency Swaps (CCS) for hedging entered into by the Company and outstanding at end of the year is ₹ NIL (Previous year ₹4.22 Crore)

Foreign Currency Exposure not hedged as at the Balance Sheet Date

Sr. No.	Foreign Currency	March 31, 2024		March 31, 2023	
		FC in Million	₹ In Cr.	FC in Million	₹ In Cr.
1	US Dollar *	(5.86)	48.83	(5.00)	(41.12)
2	Euro*	2.62	23.67	6.08	54.44
3	AED	(0.12)	(0.27)	(0.58)	(1.29)

*Net of Receivables USD 6.04 Million – ₹50.37 Crore (Previous year USD 8.66 Million – ₹71.20 Crore), EUR 0.13 Million – ₹1.18 Crore (Previous year 0.18 Million – ₹1.61 Crore) and AED 0.12 Million – ₹0.27 Crore (Previous year AED 0.58 Million – ₹1.29 Crore).

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 54 : DERIVATIVE FINANCIAL INSTRUMENTS (Contd.)

Interest Rate Swaps

The Company has variable interest borrowings. To offset the risk of variation in interest rates, the Company has entered into, fix pay and variable receipt, interest rate swaps. These swap contracts are in US Dollar, Euro and INR. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Sr. No.	Foreign Currency	March 31, 2024		March 31, 2023	
		Loan FC in Mn	MTM ₹ In Cr. (Gain)/Loss	Loan FC in Mn	MTM ₹ In Cr. (Gain)/Loss
1	US Dollar	-	-	-	-
2	Euro	35.56	(34.67)	52.02	(59.35)
3	INR	-	(7.49)	-	(11.96)

NOTE 55 : ACQUISITION OF SUBSIDIARY

The Board of Directors at its meeting held on 16th October 2023 had approved acquisition of 100% stake in Manipal Utility Packaging Solutions Private Limited (MUPSPL) by way of entering into a Share Purchase Agreements (SPA). Acquisition was completed on 21st November 2023 pursuant to which MUPSPL became wholly owned subsidiary of the Company and Subsequently, name of MUPSPL has been changed to JKPL Utility Packaging Solutions Private Limited. The impact of Business Combination has been given in the Consolidated financials of the Company as per IND AS 103.

NOTE 56 : ANALYTICAL RATIOS

Srl No	Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Change
1	Current Ratio (in Times)	Total Current Assets	Total Current Liability	1.84	1.46	25.70%
2	Debt Equity Ratio (in Times)	Total Debt*	Shareholder's Equity	0.41	0.63	34.67%
3	Debt Service Coverage Ratio (in Times)	Earning for Debt Service ^	Debt service ^^	1.82	2.26	-19.36%
4	Return on Equity	Net Profits after taxes	Average Shareholder's Equity	21.68%	25.97%	-4.29%
5	Inventory Turnover Ratio (in Times)	Sales	Average Inventory	8.02	10.85	-26.12%
6	Trade Receivable Turnover Ratio (in Times)	Sales	Average Trade Receivables	35.29	32.65	8.09%
7	Trade Payable Turnover Ratio (in Times)	Purchases	Average Trade Payables	6.78	6.72	0.99%
8	Net Capital Turnover Ratio (in Times)	Net Sales	Average Working Capital	6.82	9.84	-30.71%
9	Net Profit Ratio	Net Profit After Tax	Net Sales	15.46%	14.26%	1.20%
10	Return on Capital Employed	Earning before Interest & Taxes	Capital Employed #	16.89%	22.29%	-5.40%
11	Return On Investment					
	a) Quoted Equity Shares			23.80%	64.74%	-40.94%
	b) Mutual Funds			8.96%	5.20%	3.76%
	c) Fixed Deposit with NBFC			NA	NA	-
	d) Non Convertible Debentures			7.27%	6.70%	0.58%

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 56 : ANALYTICAL RATIOS (Contd.)

* Debt consists of Borrowings and Lease Liabilities

^ Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses + Interest + Other non-cash adjustments

^^ Debt service = Interest and Lease payments + Principal repayments

Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability

Reason for Variance:

- (i) Debt Equity Ratio : On account of increase in equity (retained earnings) and decrease in total borrowings during current financial year
- (ii) Inventory Turnover Ratio: on account of increase in inventory
- (iii) Net Capital Turnover Ratio : on account of increase in working capital
- (iv) Return On Investment (Quoted Equity Share) : Impact of Market dynamics.
- (v) Current Ratio : Primarily on account of increase in Inventory and decrease in short term borrowings

NOTE 57 : IMPAIRMENT REVIEW

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ("CGU") or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

- (i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

NOTE 58 : INFORMATION RELATED TO CONSOLIDATED FINANCIALS

The Company is listed on stock exchange in India, the Company has prepared consolidated financial as required under IND AS110, Sections 129 of Companies Act, 2013 and listing requirements. The consolidated financial statement is available on Company's web site for public use.

NOTE 59 : INCOME TAX

a) Amount recognised in Statement of Profit and Loss

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Current Income Tax		
Current year *	251.84	313.42
Reversal of minimum alternate tax credit*	5.55	-
Total	257.39	313.42
Deferred Tax	(163.57)	112.78
Income tax expense reported in the statement of profit and loss	93.82	426.20

* including ₹13.67 crore related to earlier years(Previous year is ₹(20.48) Crore)

Notes to the Standalone Financial Statement for the year ended March 31, 2024

NOTE 59 : INCOME TAX (Contd.)

b) Reconciliation of Effective Tax Rate

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Profit before tax	996.25	1,311.53
Applicable tax rate for the company*	25.168%	34.944%
Income Tax Expense at applicable Statutory Income Tax Rate	250.74	458.30
Tax Impact on:-		
Benefit of 80IA	-	(31.45)
Donation	2.42	0.76
In House R&D Expenditure	-	(1.31)
CSR Expenditure	3.71	4.98
Income tax adjustment relating to previous years	13.67	(20.48)
Reversal of Deferred Tax Liability (Impact of new tax regime*)	(174.20)	-
Reversal of minimum alternate tax credit (Impact of new tax regime*)	5.55	-
Others	(8.07)	15.40
Reported Income Tax Expense	93.82	426.20
Effective Tax Rate	9.42%	32.50%

* On 30 September 2019, the Taxation Laws (Amendment) Ordinance 2019 ('the Ordinance') was passed introducing section 115BAA of the Income-tax Act, 1961 which allowed domestic companies to opt for an alternative tax regime from financial year 2019-20 onwards. As per the regime, companies can opt to pay reduced income-tax @22% (plus surcharge and cess) subject to foregoing of certain exemptions. Central Board of Direct taxes vide circular number 29/2019 clarified that companies opting for lower rates of taxes will not be allowed to carry forward minimum alternate tax (MAT) credit and also will not be allowed to offset brought forward losses on account of additional depreciation. During the current year 2023-24, the Company has decided to opt for the aforementioned regime and has provided for its current taxes at lower rates and has made the requisite adjustments in its deferred taxes.

NOTE 60 : SEGMENT INFORMATION

Information about primary segment

The Company has one reportable business segment i.e. Paper and Packaging and one geographical reportable segment i.e. Operations mainly within India. The performance is reviewed by the Board of Directors (Chief operating decision makers).

NOTE 61: Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

NOTE 62: Notes 1 to 61 are annexed to and form an integral part of financial statements.

As per our report of even date attached
for **LODHA & CO LLP**
Chartered Accountants
Firm's Registration Number 301051E/E300284

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 16th May, 2024

For and on behalf of the Board of Directors

Harsh Pati Singhania
(DIN No. 00086742)
Chairman & Managing Director

A.S.Mehta
(DIN No. 00030694)
President & Director

KR Veerappan
Chief Finance Officer

Shri Anoop Seth (DIN No. 00239653)
Smt. Deepa Gopalan Wadhwa (DIN No. 07862942)
Shri R.V. Kanoria (DIN No. 00003792)
Shri S.K. Roongta (DIN No. 00309302)
Smt. Vinita Singhania (DIN No. 00042983)
Shri Sandip Somany (DIN No. 00053597)

Directors

Deepak Gupta
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March, 2024

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	996.25	1,311.53
Adjustments for :		
Depreciation and Amortization	242.60	236.84
Income from Investments	(65.79)	(33.10)
(Profit)/ Loss on Sale of Property,Plant and Equipment (Net)	(0.86)	(3.16)
Dividend Income	(0.11)	(0.14)
Finance Cost	180.27	188.45
Interest Income	(54.52)	(61.13)
Foreign Exchange Fluctuation	(1.28)	(2.10)
Provision for diminution in value of Non Current investments	-	-
Assets Written off	0.07	3.12
Bad Debts	-	0.27
Provision for Doubtful Debts	-	1.19
Provision for earlier years no longer required	(8.77)	(7.32)
Exceptional Item(Asset impairment)	-	22.56
Operating Profit before Working Capital Changes	1,287.86	1,657.01
Adjustments for Working Capital Changes:		
Trade and Other Receivables	7.02	120.72
Inventories	(100.24)	(211.53)
Trade and Other Payables	1.24	56.36
Cash generated from Operations	1,195.88	1,622.56
Taxes paid	(234.34)	(244.70)
Net Cash from Operating Activities	961.54	1,377.86
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property Plant & Equipment	(130.43)	(91.31)
Sale of Property Plant & Equipment	2.36	5.34
Deposit Accounts with Banks	0.32	(8.22)
Non Compete Fee	-	-
Sale/(Purchase) of Investments (Net)	(57.29)	(141.23)
Investment in Subsidiaries	(89.34)	(631.28)
Dividend Income	0.11	0.14
Interest Received	54.49	51.92
Net Loans & Advances	126.00	150.85
Net Cash from Investing Activities	(93.78)	(663.79)

Standalone Cash Flow Statement for the year ended 31st March, 2024

₹ in Crore (10 Million)

Particulars	2023-24		2022-23	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long-term Borrowings	20.66		127.69	
Repayment of Long-term Borrowings	(547.90)		(391.24)	
Proceeds/(Repayment) from Short-term Borrowings (Net)	2.20		(78.60)	
Payment of lease Liabilities	(19.13)		(18.33)	
Interest and Financial Charges	(167.58)		(182.73)	
Dividend	(126.90)		(160.82)	
Net cash from Financing Activities		(838.65)		(704.03)
D. Increase/(Decrease) in Cash and Cash Equivalents		29.11		10.04
E. Cash and Cash Equivalents as at the beginning of the year		24.32		14.28
F. Cash and Cash Equivalents as at the close of the year / period		53.43		24.32

Notes :

(a) Total Liabilities from Financing Activities

Particulars	2023-24		2022-23	
	Long Term	Short Term	Long Term	Short Term
Opening	2,287.75	105.64	2,516.84	184.24
Cash Flow Changes				
Inflow/(Repayments)	(527.24)	2.20	(265.21)	(109.60)
Non-Cash Flow Changes				
Foreign Exchange	3.60	-	37.39	-
Lease Liabilities	11.27	-	(5.43)	-
Other	2.29	2.44	4.16	31.00
Closing	1,777.67	110.28	2,287.75	105.64

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

As per our report of even date attached
for **LODHA & CO LLP**
Chartered Accountants
Firm's Registration Number 301051E/E300284

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 16th May, 2024

For and on behalf of the Board of Directors

Harsh Pati Singhania
(DIN No. 00086742)
Chairman & Managing Director

A.S.Mehta
(DIN No. 00030694)
President & Director

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Smt. Vinita Singhania (DIN No. 00042983)
Shri Sandip Somany (DIN No. 00053597)

Directors

Deepak Gupta
Company Secretary

Form AOC - I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement Containing salient features of the financial statement of Subsidiaries/ associate companies/ joint ventures

Part - "A" : Subsidiaries

Sl. No	Particulars	The Sirpur Paper Mills Limited	Jaykaypur Infrastructure & Housing Limited	Songadh Infrastructure & Housing Limited	Enviro Tech Ventures Limited	JKPL Packaging Products Limited	JK Paper International (Singapore) Pte. Limited	Horizon Packs Private Limited	Securipax Packaging Private Limited	JKPL Utility Packaging Solutions Private Limited
1	Financial Year ended on	31 st March, 2024	31 st March, 2024	31 st March, 2024	31 st March, 2024	31 st March, 2024	31 st March, 2024	31 st March, 2024	31 st March, 2024	31 st March, 2024
2	Reporting Currency	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	Indian Rupees	US\$	Indian Rupees	Indian Rupees	Indian Rupees
3	Closing Exchange Rate	-	-	-	-	-	83.37	-	-	-
4	Share Capital	182.00	6.03	7.95	21.27	85.00	22.37	31675	5.45	40.70
5	Reserve & Surplus/ (Accumulated Losses)	488.37	18.55	6.26	94.65	(8.67)	(8.79)	116.99	6.50	15.16
6	Total Assets	1221.16	37.42	18.20	350.21	161.97	16.07	502.98	81.44	86.48
7	Total Liabilities	1221.16	37.42	18.20	350.21	161.97	16.07	502.98	81.44	86.48
8	Investments	67.35	1.55	0.05	307.29	0.76	16.00	71.42	-	-
9	Total Turnover	1,039.85	9.97	4.28	29.60	15.27	0.00	672.49	79.85	47.09
10	Profit/ (Loss) before tax	299.66	2.46	0.09	(3.69)	(9.90)	(0.07)	53.87	(0.43)	1.87
11	Provision for Income Tax	85.57	0.63	0.04	1.00	(1.65)	0.00	15.55	(0.11)	0.31
12	Profit/ (Loss) after tax	214.08	1.83	0.05	(4.69)	(8.25)	(0.07)	38.32	(0.31)	1.56
13	Proposed Dividend	-	-	-	-	-	-	-	-	-
14	% of Shareholding	96.27%	100%	100%	96.08%	100%	100%	85%	85%	100%

Part - "B" : Associates and Joint Ventures

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

Sl. No.	Name of Joint Venture Company	Habras MZZ Plantation Myanmar Company Limited
1	Financial Year/Period ended on	31 st March, 2024
2	% of Shareholding	50%
3	Investment in Joint Venture	16.00
4	Extent of Holding %	50%
5	Description of how there is significant influence	Based on Shareholding
6	Reason why the Joint Venture is not consolidated	Not Applicable
7	Net worth attributable to Share Holding as per latest Un-audited Balance sheet	16.00
8	Loss for the year	NIL
9	i) Considered in consolidation	NIL
10	ii) Not Considered in consolidation	NIL

For and on behalf of the Board of Directors

Harsh Pati Singhania
(DIN No. 00086742)

Chairman & Managing Director

Shri Anoop Seth (DIN No. 00239653)
Smt. Deepa Gopalan Wadhwa (DIN No. 07862942)

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Directors

A.S.Mehta
(DIN No. 00030694)
President & Director

KR Veerappan
Chief Finance Officer

Deepak Gupta
Company Secretary

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To
The Members of
JK Paper Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of JK Paper Limited ("the Company"/ " Holding Company") and its subsidiaries (the Company and its subsidiaries together referred to as "the Group") and jointly controlled entity, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entity as at March 31, 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its jointly controlled entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred under the Other matters section below, other than the unaudited financial statements as certified by the management and referred under the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

S.No.	Description of Key Audit Matter	How our audit addressed the key audit matters
1.	Acquisition of Subsidiary Company and Accounting as per Ind AS-103 – Business Combination During the year holding company has acquired 100% stake in JKPL Utility Packaging Solutions Private Limited (formerly known as Manipal Utility Packaging Solutions Private Limited) by way of entering into Share Purchase Agreement (SPA). (Refer note 50 of the consolidated financial statements).	Our procedures included but were not limited to: <ul style="list-style-type: none">We examined the terms and conditions of the Share Purchase Agreement (SPA).We tested the completeness of the identified assets and liabilities acquired by comparison to standalone financial statements of subsidiary , through discussions with the Company.We assessed the Company's determinations of fair values for assets and liabilities acquired and the methods used to value the underlying assets by

S.No.	Description of Key Audit Matter	How our audit addressed the key audit matters
	<p>Accounting for the acquisition has involved judgment in order to:</p> <ul style="list-style-type: none"> determine the fair value of consideration transferred; identify and measure the fair value of the identifiable assets acquired and liabilities assumed; allocate the purchase consideration between identifiable assets and liabilities and goodwill; <p>This is a acquisitions for the Group and given the level of estimation and judgement required, we considered it to be a key audit matter.</p>	<ul style="list-style-type: none"> o Reading the valuation report / Purchase Price allocation prepared by the appointed external valuation specialists. o Evaluating the competence, objectivity and integrity of the appointed external valuation specialists. o Involving our internal valuation specialists in assessing the appropriateness of the methods used to determine the fair values of the Customer Relationship rights and including assumptions such as the discount rates applied. <ul style="list-style-type: none"> • Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.
2.	<p>Revenue Recognition</p> <p>The revenue of the Group consists primarily of sale of products.</p> <p>Revenue from the sale of goods is recognized, when control of goods being sold is transferred to customer and where there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers.</p> <p>Revenue from the sale of goods is measured on transaction price excluding estimates of variable consideration that is allocated to performance obligations.</p> <p>Recognition and measurement of discounts and rebates accruals, involves judgement and estimates. This leads to a risk of revenue being misstated due to inaccurate estimation over discounts and volume rebates.</p> <p>(Refer Note 1.3(i) of accounting policy)</p>	<p>Our audit procedures includes:</p> <ul style="list-style-type: none"> • Assessing the compliance of revenue recognition accounting policies of the Group, including those relating to discounts and rebates, with reference to Ind AS 115 Revenue from contracts with customers (applicable accounting standard); • Evaluating the design, testing the implementation and operating effectiveness of the Company's internal controls over recognition of revenue and computing discounts and volume rebates in the general ledger accounting system; • Performing substantive testing (including for period end cut-off) by selecting statistical samples of revenue transactions recorded for the year and agreeing to the underlying documents, which included sales invoices and shipping documents; • Performing substantive testing by agreeing statistical samples of discounts and rebate accruals and disbursements to underlying documents; Performing a retrospective assessment of discounts and rebate accruals with prior period to evaluate the historical accuracy; and assessing manual journals posted to revenue to identify unusual items.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in Holding Company's Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and the reports of the other Auditor as furnished to us (Refer Other Matters section below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and changes in equity of the Group including its jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective management and Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and jointly controlled entity and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its jointly controlled entity are responsible for assessing the ability of the Group and of its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and jointly controlled entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and jointly controlled entity are also responsible for overseeing the financial reporting process of the Group and jointly controlled entity.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable

assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be

expected to outweigh the public interest benefits of such communication.

Other Matters

- A) We did not audit the financial statements/ financial information of five subsidiaries, whose financial statements/ financial information reflect total assets of ₹505.93 Crore as at 31st March 2024, total revenue of ₹177.31 Crore, total net profit/ (loss) after tax of ₹0.33 Crore and total comprehensive income of ₹0.15 Crore and net cash outflow of (₹1.76 Crore) for the year ended on that date, as considered in the consolidated financial statements. We did not audit the financial statements of one jointly controlled entity which reflects Group's share of net profit / (loss) of ₹ Nil and total comprehensive income of ₹ Nil for the year ended 31st March 2024, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act including report on Other information in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.
- B) One subsidiary and one jointly controlled entity is located outside India whose financial statements and other information have been prepared in accordance with accounting principles generally accepted in their country and which have been provided by the management of the subsidiary and jointly controlled entity under generally accepted auditing standards applicable in their country. The Company's management has converted the financial statements and other information of such subsidiary and jointly controlled entity located outside India from accounting principles generally accepted in their country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary and jointly controlled entity located outside India is based on the report of other auditor.

Our opinion on the Statement is not modified in respect of above matters with respect to our reliance on the work done and the reports of the other auditors and the Financial Statements / other information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors except for the matters stated in paragraph 1(h)(vi) below on reporting under Rule 11(g) of the of Companies (Audit & Auditors) Rules, 2014 ("Rules").
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 and taken on record by the Board of Directors of the Holding Company and its subsidiaries incorporated in India and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 1(h)(vi) below on reporting under Rule 11(g) of the rules.
 - g) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to these Consolidated Financial Statements of the Holding Company and its subsidiaries incorporated in India, refer to our separate Report in "Annexure A" to this report. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - I. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group and jointly controlled entity.
 - II. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts as at 31st March, 2024.
 - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
 - IV. (a) The respective Managements of the Holding Company and its subsidiaries incorporated in India whose financial statements/ financial information have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of its subsidiaries incorporated in India, to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any

- manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or any of its subsidiaries incorporated in India or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Holding Company and its subsidiaries incorporated in India whose financial statements/ financial information have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company or any of its subsidiaries incorporated in India, from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of its subsidiaries incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that we have considered reasonable and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries companies which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) above as required by Rule 11(e) of Companies (Audit & Auditors) Rules, 2014, as amended, contain any material mis- statement.
- V. (a) The dividend paid and declared during the year by the Holding Company is in compliance with section 123 of the Act. The subsidiaries incorporated in India have not declared any dividend.
- (b) The interim dividend declared and paid by the holding Company during the year and until the date of this report is in compliance with Section 123 of the Act
- (c) The Board of Directors of the Holding Company have proposed dividend for the year which is subject to the approval of the members in the ensuing General meeting. The amount of dividend proposed is in accordance with section 123 of the Act. However, Subsidiary Company including step down subsidiary) have not declared or paid any dividend during the year.
- VI. Based on our examination which included test checks, and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act , the Holding Company and such subsidiaries have widely used ERP / Other Software as their accounting software for maintaining its books of accounts which have a feature of recording audit trail (edit log) facility and same has operated throughout the year for all relevant transactions recorded in the said software except :
- a) i) in case of two subsidiaries incorporated in India, as communicated by the auditor of such subsidiaries , audit trail (edit log) facility has been enabled w.e.f. April 28, 2023 and was operated throughout the year; and ii) in case of one subsidiary incorporated in India feature of recording audit trail (edit log) facility has operated throughout the year w.e.f. April 12, 2023 and the audit trail (edit log) feature in Spine HR software which has been used by the subsidiary to maintain payroll record did not operate throughout the year; and
- b) in case of holding company (a) the audit trail feature was not enabled throughout the year for certain relevant tables at the application level ; (b) for privileged access to specific users to make direct changes to audit trail setting and (c) that the audit trail (edit log) for certain information at database level (which records only modified values) was not enabled during the year. During the course of performing our audit procedures.
- During the course of performing our procedures, we and the respective auditors of such subsidiaries, did not notice any instance of the audit trail feature being tempered with for the period the audit trail feature was enabled ..

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- i) In our opinion and based on the consideration of reports of other auditors of the subsidiaries incorporated in India, the managerial remuneration paid/provided for the year ended 31st March, 2024 by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 read with Schedule V to the Act.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure-B, a statement on the matter specified in paragraph 3 and 4 of the Order, to the extent applicable.

For LODHA & CO LLP

Chartered Accountants

Firm's Registration No: 301051E/ E300284

(N. K. Lodha)

Partner

Membership No. 085155

UDIN: 24085155BKFNHG6715

Place: New Delhi

Date: 16th May, 2024

Annexure – A to the Auditors' Report

Report on the Consolidated Financial Statements of JK Paper Limited for the year ended 31st March, 2024

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)
Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2024, we have audited the internal financial controls with reference to the consolidated financial statements of JK Paper Limited ("the Company" or "the Holding Company") and its subsidiary companies, which are incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, to whom reporting under clause (i) of the sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference

to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company;

3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors, as referred to in Other Matters paragraph below, the Holding Company and its Subsidiary companies, which are incorporated in India, have, maintained, in all material respects, an adequate internal financial controls system with reference to these Consolidated Financial Statements and such internal financial controls with reference

to consolidated financial statements were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements of the Holding Company, insofar as it relates to four subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies. Our opinion is not modified in respect of the above matters.

For LODHA & CO LLP

Chartered Accountants

Firm's Registration No: 301051E/ E300284

(N. K. Lodha)

Partner

Membership No. 085155

Place: New Delhi

Date: 16th May, 2024

Annexure B to Independent Auditor's Report

Referred to in Independent Auditor's Report of even date to the members of JK Paper Limited on the Consolidated Financial Statements as of and for the year ended March 31, 2024.

In terms of paragraph 3(xxi) of the CARO 2020, in case of following companies remarks as stated by the respective auditors in CARO 2020, included in the Consolidated Financial Statements of the holding company are as under:

S. No.	Name of the Company	CIN	Relationship with the Holding Company	Date of the respective Auditor's Report	Paragraph number in the respective CARO reports
1	JK Paper Limited	L21010GJ1960PLC018099	Holding Company	16 th May, 2024	(i)(c), (ii)(b),(iii)(e) , (vii)(a) &(b) , (XX)(b)
2	JKPL Packaging Products Limited	U36991DL2021PLC383047	Subsidiary	06 th May, 2024	(xvii)
3	The Sirpur Paper Mills Limited	U21010TG1938PLC000591	Step Down Subsidiary	9 th May, 2024	(i)(b),(vii)(a) , (xx)
4	Enviro Tech Ventures Limited	U73100GJ2007PLC075963	Subsidiary	09 th May, 2024	(iii)(e) and (xvii)
5	Horizon Packs Private Limited	U21014MH2001PTC133116	Subsidiary	10 th May, 2024	(ii)(b)
6	JKPL Utility Packaging Solutions Private Limited	U21014KA2008PTC045299	Subsidiary	10 th May, 2024	(vii)(b)
7	Songadh Infrastructure & Housing Ltd.	U45203GJ2009PLC055810	Subsidiary	06 th May, 2024	(i)(b)
8	Jaykaypur Infrastructure & Housing Ltd.	U45201OR2008PLC010523	Subsidiary	06 th May, 2024	(i)(b)

For **LODHA & CO LLP**

Chartered Accountants

Firm's Registration No: 301051E/ E300284

(N. K. Lodha)

Partner

Membership No: 085155

Place: New Delhi

Date: 16th May, 2024

Consolidated Balance Sheet as at March 31, 2024

₹ in Crore (10 Million)

Particulars	Note	March 31, 2024	March 31, 2023
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	5,436.87	5,327.90
Capital Work-in-Progress	2.1	61.29	119.44
Investment Property	4	52.14	52.65
Goodwill		150.57	149.10
Other Intangible Assets	3	205.96	226.29
Intangible Assets Under Development	3.1	4.83	4.28
Financial Assets			
Investments	5	188.57	115.90
Loans	6	29.00	29.00
Other Financial Assets	7	91.33	114.37
Income Tax Asset		26.01	23.13
Deferred Tax Asset		1.55	-
Other Non-Current Assets	8	22.03	46.11
		6,270.15	6,208.17
Current Assets			
Inventories	9	941.63	819.29
Financial Assets			
Investments	10	969.74	814.76
Trade Receivables	11	361.27	349.54
Cash and Cash Equivalents	12	64.08	35.77
Bank Balances other than above	13	9.40	15.93
Loans	14	1.66	16.65
Other Financial Assets	15	307.22	214.16
Current Tax Assets (Net)	16	8.94	5.69
Other Current Assets	17	393.62	432.16
Assets held for Sale	17.1	0.08	7.76
		3,057.64	2,711.71
Total Assets		9,327.79	8,919.88
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	18	169.40	169.40
Other Equity		4,900.10	3,864.60
		5,069.50	4,034.00
Non-Controlling Interest			
		142.41	130.75
Non-Current Liabilities			
Financial Liabilities			
Borrowings	19	1,630.26	2,082.91
Lease Liabilities	19.1	65.00	54.30
Other Financial Liabilities	20	152.59	149.83
Provisions	21	14.39	11.66
Deferred Tax Liabilities (Net)	22	737.86	785.74
Other Non-Current Liabilities	23	39.83	41.83
		2,639.93	3,126.27
Current Liabilities			
Financial Liabilities			
Borrowings	24	495.06	655.61
Lease Liabilities	19.1	13.88	9.95
Trade Payables	25		
Micro & Small Enterprises		23.32	13.40
Others		654.36	644.46
Other Financial Liabilities	26	150.59	172.46
Other Current Liabilities	27	122.68	119.85
Provisions	28	12.60	12.80
Current Tax Liabilities	29	3.46	0.33
		1,475.95	1,628.86
Total Equity and Liabilities		9,327.79	8,919.88
Material Accounting Policies	1		

The accompanying notes referred to above form an integral part of the Consolidated Financial Statements
As per our report of even date attached
For and on behalf of the Board of Directors
Harsh Pati Singhania
(DIN No. 00086742)
Chairman & Managing Director

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 16th May, 2024

A.S.Mehta
(DIN No. 00030694)
President & Director

KR Veerappan
Chief Finance Officer

Shri Anoop Seth (DIN No. 00239653)
Smt. Deepa Gopalan Wadhwa (DIN No. 07862942)
Shri R.V. Kanoria (DIN No. 00003792)
Shri S.K. Roongta (DIN No. 00309302)
Smt. Vinita Singhania (DIN No. 00042983)
Shri Sandip Somany (DIN No. 00053597)

Directors
Deepak Gupta
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2024

₹ in Crore (10 Million)

Particulars	Note	2023-24	2022-23
Revenue :			
Sales		6,935.92	6,745.02
Less : Discounts		341.03	335.36
Net Sales		6,594.89	6,409.66
Other Operating Revenue	30	64.34	27.15
Revenue from Operations		6,659.23	6,436.81
Other Income	31	227.20	172.65
Total Income		6,886.43	6,609.46
EXPENSES			
Cost of Materials Consumed	32	3,486.22	2,808.56
Purchases of Stock-in-Trade		0.39	76.55
Changes in Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress	33	(34.33)	(35.11)
Employee Benefits Expense	34	566.20	483.67
Finance Costs	35	208.08	222.48
Depreciation and Amortisation Expenses	36	310.10	281.85
Other Expenses	37	1,025.09	1,091.34
Total Expenses		5,561.75	4,929.34
Profit Before Interest, Depreciation & Tax (EBITDA)		1,842.86	2,184.45
Profit/(Loss) Before Exceptional Items and Tax		1,324.68	1,680.12
Exceptional Items		-	33.64
Profit/(Loss) Before Tax		1,324.68	1,646.48
Tax Expense			
Current Tax		266.05	318.36
MAT Credit written off		5.55	-
Provision / (Credit) for Deferred Tax		(80.12)	119.90
Profit for the period		1,133.20	1,208.22
Share in Profit/(loss) of Joint Venture		-	-
Non-Controlling Interest		-	-
Net Profit after Taxes, Non-Controlling Interest and Share of Profit in Joint Venture		1,133.20	1,208.22
Other Comprehensive Income			
Items that will not be reclassified to statement of Profit and Loss			
(i) Re-measurement Gain/(Loss) on Defined Benefit Plans		(3.23)	(8.04)
(ii) Tax on (i) above		0.81	2.72
(iii) Equity Instruments through Other Comprehensive Income		12.69	8.50
(iv) Tax on (iii) above		(1.45)	-
Items that will be reclassified to statement of Profit and Loss			
Exchange differences on translating the financial statements of a foreign operations		0.19	(0.18)
Total Comprehensive Income for the period		1,142.21	1,211.22
Net Profit attributable to:			
a) Owners of the company		1,121.77	1,195.79
b) Non controlling interest		11.43	12.43
Other comprehensive Income attributable to:			
a) Owners of the company		8.78	3.10
b) Non controlling interest		0.23	(0.10)
Total comprehensive Income attributable to:			
a) Owners of the company		1,130.55	1,198.89
b) Non controlling interest		11.66	12.33
Earnings per Equity Shares			
1) Basic (in ₹)		66.22	70.59
2) Diluted (in ₹)		59.15	70.59
Material Accounting Policies	1		

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

As per our report of even date attached

for **LODHA & CO LLP**

Chartered Accountants

Firm's Registration Number 301051E/E300284

For and on behalf of the Board of Directors

Harsh Pati Singhania

(DIN No. 00086742)

Chairman & Managing Director

Shri Anoop Seth (DIN No. 00239653)

Smt. Deepa Gopalan Wadhwa (DIN No. 07862942)

Shri R.V. Kanoria (DIN No. 00003792)

Shri S.K. Roongta (DIN No. 00309302)

Smt. Vinita Singhania (DIN No. 00042983)

Shri Sandip Somany (DIN No. 00053597)

Directors

(N.K. LODHA)

Partner

Membership No. 85155

New Delhi, the 16th May, 2024

A.S.Mehta

(DIN No. 00030694)

President & Director

KR Veerappan

Chief Finance Officer

Deepak Gupta

Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

A. Equity Share Capital

	Changes in Equity Share Capital during 2022-23		March 31, 2023		Changes in Equity Share Capital during 2023-24		March 31, 2024	
	169.40	0.00	169.40	169.40	-	-	169.40	169.40

₹ in Crore (10 Million)

B. Other Equity

Particulars	Equity Component of Compound financial Instruments	Retained Earnings	Capital Reserve	Reserve and Surplus			Debt Redemption Reserve	General Reserve	Exchange differences on the financial statements of a foreign operations	Other Comprehensive Income (OCI)			Total Attributable to owners of the Parent	Total Attributable to Non-Controlling Interests	Total
				Capital Redemption Reserve	Securities Premium Reserve	Reserve				Items that will not be Reclassified to profit or loss	Re-measurement of the net defined benefit plans	Equity Instruments through OCI			
April 1, 2022	31.00	1,160.36	29.92	11.84	438.32	4.74	1,141.75	2.96	(3.93)	9.68	6.18	2,826.64	6.18	2,832.82	
Changes in Equity for the year ended March 31, 2023															
Profit for the year	-	1,195.79	-	-	-	-	-	-	-	-	-	1,195.79	12.43	1,208.22	
Transfer from Retained Earnings	-	(300.00)	-	-	-	-	300.00	-	-	-	-	-	-	-	
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(0.18)	(5.22)	8.50	(0.10)	3.10	(0.10)	3.00	
Final dividend paid for the FY 2021-22	-	(93.17)	-	-	-	-	-	-	-	-	-	(93.17)	-	(93.17)	
Interim dividend paid for the FY 2022-23	-	(67.76)	-	-	-	-	-	-	-	-	-	(67.76)	-	(67.76)	
Acquisition of new subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	112.24	112.24	
March 31, 2023	31.00	1,895.22	29.92	11.84	438.32	4.74	1,441.75	2.78	(9.15)	18.18	130.75	3,864.60	130.75	3,995.35	
Changes in Equity for the year ended March 31, 2024															
Profit for the year	-	1,121.77	-	-	-	-	-	-	-	-	-	1,121.77	11.43	1,133.20	
Transfer from Retained Earnings	-	(300.00)	-	-	-	-	300.00	-	-	-	-	-	-	-	
Other Comprehensive Income for the year	-	-	-	-	-	-	-	0.19	(2.65)	11.24	0.23	8.78	0.23	9.01	
Final dividend paid for the FY 2022-23	-	(67.76)	-	-	-	-	-	-	-	-	-	(67.76)	-	(67.76)	
Interim dividend paid for the FY 2023-24	-	(59.29)	-	-	-	-	-	-	-	-	-	(59.29)	-	(59.29)	
Issue of 0.1% Compulsory Convertible Preference Share	32.00	-	-	-	-	-	-	-	-	-	-	32.00	-	32.00	
March 31, 2024	63.00	2,589.94	29.92	11.84	438.32	4.74	1,741.75	2.97	(11.80)	29.42	142.41	4,900.10	142.41	5,042.51	

₹ in Crore (10 Million)

Consolidated Statement of Changes in Equity for the year ended March 31, 2024



Notes:

- i) Securities Premium Reserve represents the amount received in excess of par value of Securities issued by the Company, which may be utilised for purposes specified u/s 52(2) of the Companies Act, 2013.
- ii) General Reserve represents accumulated profits set apart by way of transfer from current year Profits/or/and Surplus in Profit and Loss Statement comprised in Retained Earnings for "other than specified purpose".
- iii) Capital Redemption Reserve Represents the statutory reserve created at the time redemption of Preference Share Capital and buy back of Equity Share Capital, which can be applied for issuing fully paid-up bonus shares.
- iv) Capital Reserve represents the excess of consideration received against the sale of identifiable assets.
- v) Debenture Redemption Reserve created out of the profits which is available for the purpose of redemption of debentures.

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

As per our report of even date attached

For and on behalf of the Board of Directors

for **LODHA & CO LLP**

Harsh Pati Singhania

Shri Anoop Seth (DIN No. 00239653)

Chartered Accountants

(DIN No. 00086742)

Chairman & Managing Director

Smt. Deepa Gopalan Wadhwa (DIN No. 07862942)

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(N.K. LODHA)

A.S.Mehta

(DIN No. 00030694)

Directors

Partner

Membership No. 85155

President & Director

New Delhi, the 16th May, 2024

KR Veerappan

Deepak Gupta

Chief Finance Officer

Company Secretary

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES

1.1 Company (Consolidated) overview:

The Consolidated Financial Statements comprise financial statements of “JK Paper Ltd (the Holding Company or The Company) and its Subsidiaries (collectively referred to as “ The Group”) for the year ended 31st March,2024. The registered office of the Company is situated at Fort Songadh, Dist- Tapi- 394660, Gujarat. The Company’s state -of -the art manufacturing units are located at Strategic Locations Unit JKPM in East (Rayagada, Odisha), Unit CPM in West (Songadh, Gujarat) and Unit SPM in South in Kagaznagar, Telengana.

These Consolidated financial statements were approved and adopted by board of directors of the Company in their meeting held on 16 May,2024.

1.2. Statement of compliance:

The Consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended time to time and other relevant provisions of the Companies Act, 2013.

1.3. Material Accounting Policies for the year ended 31st March,2024.

(i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The specific recognition criteria described below also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised, when control of goods being sold is transferred to customer and where there are no longer any unfulfilled obligations. The performance obligations in contracts are considered as fulfilled in accordance with the terms agreed with the respective customers.

Revenue from the sale of goods is measured on transaction price excluding estimates of variable consideration that is allocated to performance obligations. Sales as disclosed, are exclusive of Goods and Services Tax.

The company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods to a customer, excluding amount collected on behalf of third parties (for example taxes collected on behalf of government). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

The transaction price is allocated by the company to each performance obligation in an amount that depicts the amount of consideration to which it expects to be entitled in exchange for transferring the promised goods to the customer.

Export Incentives

Income from export incentives and duty drawbacks is recognised on accrual basis when no significant uncertainties as to the amount of consideration that would be derived and as to its ultimate collection exist.

Interest income

Interest income is recognized on time proportion basis using the effective interest method.

Dividend Income

Dividend income is recognized when the right to receive payment is established by the reporting date, which is generally when shareholders approve the same.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

Government grants and incentives

Government grants are recognised when there is reasonable certainty that the Company will comply with the relevant conditions and the grant will be received. These are recorded at fair value where applicable. Government grants are recognised in the statement of profit and loss, either on a systematic basis when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred.

Government grants related to assets are shown as deferred revenue and amortised over the useful life of the asset. Government grants related to income are presented separately under “Other Income”, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

Renewal Energy Certificate

Renewable Energy Certificate (REC) benefits are recognized in Statement of Profit & Loss on sale of REC's.

(ii) Inventory Valuation

Inventories such as Raw Materials, Work-in-Progress, Finished Goods, Stock in Trade, Stores & Spares and Renewable Energy Certificates are valued at the lower of cost and net realisable value (except scrap/waste which are value at net realisable value). The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

(iii) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand cash at bank and demand deposits with banks with an original maturity of three months or less which are subject to an insignificant risk of change in value.

(iv) Property Plant and Equipment

On transition to IND AS, the company had adopted optional exception under IND AS 101 to measure Property, Plant and Equipment (PPE) at fair value. Consequently the fair value had been assumed to be deemed cost of PPE on the date of transition. Subsequently PPE were carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

PPE acquired are stated at cost net of tax/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

Capital work-in-progress includes cost of PPE under installation / under development as at the balance sheet date. Advances paid towards the acquisition of PPE outstanding at each balance sheet date is classified as capital advances under other non-current assets.

Subsequent expenditures relating to PPE is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the costs to the item can be measured reliably. Repairs and maintenance costs are recognized in net profit in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gain or losses are recognized in the statement of profit and loss.

Depreciation on Buildings, Plant & Machinery, Railway Siding and Other Assets of all Units is provided as per straight line method over their useful lives as prescribed under Schedule II of Companies Act, 2013. However, in respect of certain property, plant and equipment, depreciation is provided as per their useful lives as assessed by the management supported by technical advice ranging from 10 to 40 years for plant and machinery and 8 to 60 years for buildings.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

Depreciation on additions due to exchange rate fluctuation is provided on the basis of residual life of the assets. Depreciation on assets costing up to ₹5000/- and on Temporary Sheds is provided in full during the year of additions.

Depreciation will be charged from the date the assets is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The residual values, useful lives and methods of depreciation of PPE are reviewed at each financial year end and adjusted prospectively, if appropriate.

Leased Assets

Leasehold lands are amortized over the period of lease, Buildings constructed on leasehold land are depreciated based on the useful life specified in Schedule II to the Companies Act, 2013, where the lease period of land is beyond the life of the building.

Intangible Assets

Intangible Assets are recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. All other expenditure is expensed as incurred. The same are amortised over the expected duration of benefits. Such intangible assets are measured at cost less any accumulated amortisation and impairment losses, if any and are amortised over their respective individual estimated useful life on straight line method.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

(v) Research and Development Costs

- Expenditure on research is recognized as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.
- Items of Property, Plant and equipment and acquired intangible assets utilised for research and development are capitalised and depreciated / amortized in accordance with the policies stated for Property, Plant and Equipment and Intangible Assets.

(vi) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Company had adopted Ind AS 116 "Leases" effective April 1, 2019(Transition date) using the simplified approach (Retrospective cumulative effect was from 1st April 2019)

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis from the commencement date over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its existing borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities and Right-of-use assets have been presented as a separate line in Note 2 of Property, Plant and Equipment (PPE) and Note 19 of Non current Financial Liabilities -Borrowings. Lease payments have been classified as cash used in financing activities.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases of all assets that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

(vii) Impairment

The carrying amount of PPEs, Intangible assets and Investment property are reviewed at each Balance Sheet date to assess impairment if any, based on internal / external factors. An asset is treated as impaired, when the carrying cost of asset exceeds its recoverable value, being higher of value in use and net selling price. An impairment loss is recognised as an expense in the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed, if there has been an improvement in recoverable amount.

(viii) Financial Assets & Liabilities

A Financial Instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

At initial recognition, all financial assets are measured at fair value. Such financial assets are subsequently classified under the following three categories according to the purpose for which they are held. The classification is reviewed at the end of each reporting period.

(a) Financial Assets at Amortised Cost

At the date of initial recognition, Financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates. These financial assets are intended to be held until maturity. Therefore, they are subsequently measured at amortised cost by applying the Effective Interest Rate (EIR) method to the gross carrying amount of the financial asset. The EIR amortisation is included as interest income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

(b) Financial Assets at Fair value through Other Comprehensive Income

At the date of initial recognition, Financial assets are held to collect contractual cash flows of principal and interest on principal amount outstanding on specified dates, as well as held for selling. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in Other Comprehensive Income (OCI). Interest income calculated using the effective interest rate (EIR) method, impairment gain or loss and foreign exchange gain or loss are recognised in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the OCI to Statement of Profit and Loss.

(c) Financial Assets at Fair value through Profit or Loss

At the date of initial recognition, Financial assets are held for trading, or which are measured neither at Amortised Cost nor at Fair Value through OCI. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

Trade Receivables.

With the exception of trade receivables that do not contain a significant financing component, the Company initially measures financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, net of transaction costs. Trade receivables do not contain a significant financing component and are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (i) Revenue recognition.

In respect of trade receivables, the company applies the simplified approach of IND AS 109 “Financial Instruments”, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Investment in Equity Shares.

Investment in equity instruments which are held for trading are classified as at fair value through profit or loss (“FVTPL”). For all other equity instruments, the company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same as fair value through other comprehensive income (“FVTOCI”) or fair value through profit or loss (“FVTPL”). Amount presented in other comprehensive income are not subsequently transferred to profit or loss.

Investment in Joint Ventures and Subsidiaries.

The Company has accounted for its investment in subsidiaries and joint venture at cost less diminution in value of Investment.

Investments in Mutual Funds

Investments in Mutual Funds are accounted for at fair value through profit and loss. Any subsequent fair value gain or loss is recognized through Profit or Loss Account.

Derecognition.

Financial Asset is primarily derecognised when:

- (i) The right to receive cash flows from asset has expired, or,
- (ii) The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass-through” arrangement and either:
 - a) The Company has transferred substantially all the risks and rewards of the asset, or
 - b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

When the Company has transferred its right to receive cash flows from an asset or has entered into a pass through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities.

Initial Recognition and Measurement.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent Measurement.

The measurement of financial liabilities depends on their classification, as described below :

a) Financial Liabilities at Fair Value through Profit or Loss.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. The Company has not designated any financial liabilities upon initial measurement recognition at fair value through profit or loss. Financial liabilities at fair value through profit or loss are at each reporting date with all the changes recognized in the Statement of Profit and Loss.

b) Financial Liabilities measured at Amortised Cost.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method ("EIR") except for those designated in an effective hedging relationship. The carrying value of borrowings that are designated as hedged items in fair value hedges that would otherwise be carried at amortised cost are adjusted to record changes in fair values attributable to the risks that are hedged in effective hedging relationship.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the Statement of Profit and Loss.

c) Loans and Borrowings.

After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

d) Trade and Other Payables.

A payable is classified as 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

De-recognition of Financial Liability.

A Financial Liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Offsetting of Financial Instruments.

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative Financial Instruments.

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks. Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at the end of each period. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, on the nature of the item being hedged. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Compound Financial Instruments.

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

(ix) Foreign Exchange Transactions / Translations / Hedge Accounting

Financial statements are presented in Indian Rupee, which is Company's functional currency. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Financial instruments designated as Hedge Instruments are mark to market using the valuation given by the bank on the reporting date. Exchange differences arising on settlement of monetary items on actual payments / realisations and year end translations including on forward contracts are dealt with in Profit and Loss Statement except exchange differences on borrowings taken for qualifying assets are treated as borrowing cost and adjusted with qualifying assets. Non Monetary Foreign Currency items are stated at cost.

The Company has continued capitalisation of foreign currency fluctuation on long term foreign currency liabilities outstanding on Ind AS transition date.

(x) Employee Benefits

a) Defined Contribution Plan:

The Company makes defined contribution to Superannuation Funds, which are accounted on accrual basis as expenses in the statement of Profit and Loss

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

b) **Defined Benefit Plan:**

The Company's Liabilities on account of Gratuity and Earned Leave on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from Registered Actuary in accordance with the measurement procedure as per Indian Accounting Standard (INDAS)-19, 'Employee Benefits'. Liability against Gratuity are funded on year-to-year basis by contribution to respective fund. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

The Provident Fund Contribution other than contribution to Employees' Regional Provident Fund, is made to trust administered by the trustees. The interest rate to the members of the trust shall not be lower than the statutory rate declared by the Central Government under Employees' Provident Fund and Miscellaneous Provision Act, 1952. The Employer shall make good deficiency, if any.

The Defined Benefit Plan can be short term or Long terms which are defined below:

i) **Short-term Employee Benefit.**

All employees' benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc., and the expected cost of bonus, ex-gratia are recognized during the period in which the employee renders related service.

ii) **Long-term employee Benefits**

Compensated absences which are not expected to occur within 12 months after the end of the period in which the employee renders the related services are recognized as a liability at the present value of the defined benefit obligation at the balance sheet date

c) **Termination benefits**

Termination benefits are recognized as an expense in the period in which they are incurred. The Company shall recognise a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the entity can no longer withdraw the offer of those benefits; and
- (b) When the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits.

(xi) **Earnings per Share (EPS)**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

(xii) Income Tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(xiii) Provisions and Contingent Liabilities /Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement. Contingent liabilities are not recognised but are disclosed in notes.

Contingent Assets are not recognised in financial statements but are disclosed, since the former treatment may result in the recognition of income that may or may not be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

(xiv) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

(xv) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(xvi) Fair Value Measurements

The Company measures financial instruments such as derivatives and certain investments, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability.

Or

- In the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole;

- Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(xvii) Investment Properties :

Investment Properties comprises portions of freehold land and buildings that are held for long-term rentals yields and/or for capital appreciation. Investment properties are initially recognised at cost. Subsequent Investment property comprising of building is carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on building is provided over the estimated useful lives as specified in Schedule II to the Companies Act, 2013. Though the Company measures investment property using cost based measurement, the fair value of investment is disclosed in notes.

The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 1 – COMPANY (CONSOLIDATED) OVERVIEW, STATEMENT OF COMPLIANCE AND MATERIAL ACCOUNTING POLICIES (Contd.)

(xviii) Significant Accounting Judgments, Estimates and Assumptions

In the process of applying the Company's accounting policies, management has made the following estimates, assumptions and judgements which have significant effect on the amounts recognized in the financial statement:

a. Income taxes

Judgment of the Management is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

b. Contingencies

Judgment of the Management is required for estimating the possible outflow of resources, if any, in respect of contingencies/claim/litigations against the company as it is not possible to predict the outcome of pending matters with accuracy.

c. Allowance for uncollected accounts receivable and advances

Trade receivables do not carry any interest and are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts. Individual trade receivables are written off when management deems them not collectible. Impairment is made on ECL, which are the present value of the cash shortfall over the expected life of the financial assets.

d. Defined Benefit Plans.

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in future. These Includes the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

e. Fair Value Measurement of Financial Instruments.

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(xix) Business Combinations

Business Combinations are accounted for using the acquisition method. The cost of acquisition is measured at the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed and equity instruments issued by the Company in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the recognition criteria are stated at their fair values at the acquisition date except certain assets and liabilities required to be measured as per the applicable standard.

The interest of non-controlling shareholders in the acquiree is initially measured at the non-controlling shareholders' proportionate share of the acquiree's identifiable net assets.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 2 : PROPERTY, PLANT AND EQUIPMENT (PPE)

₹ in Crore (10 Million)

Description	Gross Carrying Value				Depreciation			Net Carrying Value			
	April 1, 2023	Addition pursuant to Business Combination (c)	Additions/ Adjustments	Sales/ Adjustments	Other Adjustments	Mar 31, 2024	April 1, 2023	For the year	Mar 31, 2024	March 31, 2023	
Land - Freehold (a)	684.66	43.07	-	-	-	727.73	-	-	-	727.73	684.66
- Leasehold ^Δ											
- Right-of-use Asset	132.68	-	6.52	-	-	139.20	5.88	3.65	-	129.67	126.80
Building	646.08	12.56	47.42	2.70	-	703.36	111.82	30.57	2.70	563.67	534.26
Plant & Equipment (b)	4,822.60	31.94	214.91	17.43	-	5,052.02	952.82	228.61	14.90	3,885.49	3,869.78
Right-of-use Asset	113.00	0.84	29.75	8.08	-	135.51	52.00	13.21	5.27	75.57	61.00
Furniture and Fixture	9.35	0.24	2.34	0.02	-	11.91	3.75	1.12	0.02	7.06	5.60
Office Equipment	30.59	0.15	3.80	1.55	-	32.99	12.76	4.87	1.46	16.82	17.83
Vehicles & Locomotive	37.26	0.00	9.78	3.53	-	43.51	11.34	5.25	2.02	28.94	25.92
Railway Siding	2.60	-	-	-	-	2.60	0.55	0.13	-	1.92	2.05
Total	6,478.82	88.80	314.52	33.31	-	6,848.83	1,150.92	287.41	26.37	5,436.87	5,327.90
Previous year	6,057.13	285.26	178.38	41.95	-	6,478.82	879.46	266.36	28.53	5,327.90	5,177.67

Notes:

a) Includes cost of 4.67 acres land given on lease to Employees State Insurance Corporation for construction of Hospital for Employees.

The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the Company, except for the following:

Description of property	Gross carrying value (₹ Crore)	Held in name of	Whether title deed holder is a promoter, director or their relative or employee	Period held (i.e. dates of Capitalisation)	Reason for not being held in name of company
Freehold Land	20.24	Not Applicable	No	2006	Land acquired through land acquisition order of the High court and registration is pending as the matter is sub-judice.

b) During the year ₹0.03 Crore (Previous year ₹0.74 Crore) has been deducted in Plant & Equipment due to Foreign Exchange Fluctuation (Net).

c) Refer note 51

d) In Horizon Packs Private Limited (a subsidiary company), depreciation on Property Plant and Equipment was being provided at WDV method. To align depreciation method across the Group, the method has been changed from WDV to SLM w.e.f. 1st April 2023 which has resulted lower charge of Depreciation for the Year ended 31st March, 2024 by ₹13.15 Crore.



Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 2.1 CAPITAL WORK-IN-PROGRESS (CWIP)

Capital Work-In-Progress ageing schedule

₹ in Crore (10 Million)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress					
March 31, 2024	47.67	12.46	0.18	0.98	61.29
March 31, 2023	110.71	7.75	0.06	0.92	119.44
Projects temporarily suspended					
March 31, 2024	-	-	-	-	-
March 31, 2023	-	-	-	-	-

NOTE 3 : OTHER INTANGIBLE ASSETS

₹ in Crore (10 Million)

Description	Gross Carrying Value					Amortisation					Net Carrying Value		
	April 1, 2023	Addition pursuant to Business Combination	Additions/ Adjustments	Sales/ Adjustments	Other Adjustments	Mar 31, 2024	April 1, 2023	For the year	On Sales/ Adjustments	Impact of impairment	Mar 31, 2024	Mar 31, 2024	Mar 31, 2023
Computer Software	39.09	-	0.41	0.03	-	39.47	21.61	6.90	0.03	-	28.48	10.99	17.48
Design & Prototype	14.79	-	0.43	-	-	15.22	2.96	0.90	-	-	3.86	11.36	11.83
Non Compete Fees	4.50	-	-	-	-	4.50	0.68	3.00	-	-	3.68	0.82	3.82
Customer Relationship	197.11	-	-	-	-	197.11	3.95	10.37	-	-	14.32	182.79	193.16
Total	255.49	-	0.84	0.03	-	256.30	29.20	21.17	0.03	-	50.34	205.96	226.29
Previous year	54.18	198.00	3.31	-	-	255.49	15.40	13.79	-	0.01	29.20	226.29	38.78

NOTE 3.1 Intangible Assets Under Development

Intangible Assets Under Development ageing schedule

₹ in Crore (10 Million)

Particulars	Amount in Intangible Assets Under Development for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Projects in progress					
March 31, 2024	0.98	1.33	2.51	-	4.83
March 31, 2023	1.44	2.84	-	-	4.28
Projects temporarily suspended					
March 31, 2024	-	-	-	-	-
March 31, 2023	-	-	-	-	-

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

Note 4 : INVESTMENT PROPERTY

₹ in Crore (10 Million)

Description	Gross Block				Depreciation				NET BLOCK	
	Apr 01, 2023	Additions / Adjustments	Sales / Adjustments	March 31, 2024	Apr 01, 2023	For the year	Sales / Adjustments	March 31, 2024	March 31, 2024	March 31, 2023
Land										
Freehold	6.99	-	-	6.99	-	-	-	-	6.99	6.99
Leasehold	12.01	-	-	12.01	2.63	0.20	-	2.83	9.18	9.38
Buildings	48.85	1.01	-	49.86	12.57	1.32	-	13.89	35.97	36.28
Total	67.85	1.01	-	68.86	15.20	1.52	-	16.72	52.14	52.65
Previous year ended 31 st March 2023	67.60	0.25	-	67.85	13.51	1.69	-	15.20	52.65	54.09

As at 31st December 2022, the fair value of Land and Buildings are ₹125.47 Crore. These Valuations are based on valuations performed by an accredited independent valuer. Fair valuation is based on replacement cost method. Management estimates that there is no major change in fair valuation as on 31st March, 2024.

NOTE 5 : NON-CURRENT INVESTMENTS

₹ in Crore (10 Million)

Particulars	Face Value ₹/Share	March 31, 2024		March 31, 2023	
		No of Share	Value	No of Share	Value
Quoted, Equity shares/ INVIT Fund fully paid up					
Investment Carried at Fair Value through OCI					
JK Lakshmi Cement Limited	5/-	1,91,000	16.67	1,91,000	15.11
TCPL Packaging Limited	10/-	42,915	9.56	42,915	6.05
Life Insurance Corporation	10/-	4,293	0.39	4,293	0.23
IndiGrid InvIt Fund Ltd.	100/-	30,000	0.40	30,000	0.40
Powergrid Infrastructure Investment Trust Ltd	100/-	33,045	0.31	33,045	0.41
Bengal & Assam Co. Limited	10/-	78,800	67.35	-	-
Investment in Equity instruments of Others					
Global Strategic Technologies Limited	10/-	3,42,000	0.34	3,42,000	0.34
Unquoted, Preference shares fully paid up					
Bengal & Assam Co. Limited	100/-	65,00,000	65.00	65,00,000	65.00
Global Strategic Technologies Limited	100/-	5,00,000	5.00	5,00,000	5.00
Deepti Electronics and Electro Optics Private Limited	100/-	10,00,000	10.00	10,00,000	10.00
Investments Carried at Cost					
Investment in Equity instrument of Joint Venture					
Habras MZZ Plantation Myanmar Company Limited	USD 1000	3,250	27.10	3,250	26.72
Investment in Others					
JK Paper Mills Employees' Co-operative Stores Ltd. (CY ₹2500/-, PY ₹2500/-)	10/-	250	0.00	250	0.00
			202.12		129.26
Less : Provision for diminution in value of investments*			13.55		13.36
			188.57		115.90
Aggregate book value of unquoted investments			93.89		93.70
Aggregate market value of quoted investments			94.68		22.20

* Refer note 41 B

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 6 : NON CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Unsecured considered good unless otherwise specified:-		
At Amortised Cost		
Others	29.00	29.00
TOTAL	29.00	29.00

NOTE 7 : NON CURRENT FINANCIAL ASSETS - OTHERS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Deposits with Government Authorities & Others	8.63	7.44
Derivative Financial Instruments (at fair value through P&L)	55.05	81.80
Others Deposit	21.43	20.84
Fixed Deposit with Banks (Remaining Maturity more than 12 months)	6.22	4.29
TOTAL	91.33	114.37

NOTE 8 : OTHER NON CURRENT ASSETS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Capital Advances	9.70	31.66
Deposits with Government Authorities and Others	11.26	13.85
Prepaid Expenses	0.64	0.60
Advance to Suppliers	0.43	-
TOTAL	22.03	46.11

NOTE 9 : INVENTORIES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
(at cost or Net realisable value whichever is lower)		
Raw Materials #	490.45	494.88
Work-in-Progress @	47.28	42.60
Finished Goods	191.81	157.14
Stock in Trade #	1.54	1.33
Stores & Spares #	210.38	123.19
Renewable Energy Certificates	0.17	0.15
TOTAL	941.63	819.29

Includes Raw Materials in transit ₹63.97 Crore (Previous year ₹37.45 Crore), Stores & Spares in transit ₹7.52 Crore (Previous year ₹5.95 Crore)

@ Includes Pulp in process ₹8.75 Crore (Previous year ₹7.58 Crore) and Semi Finished Goods ₹38.53 Crore (Previous year ₹35.02 Crore).

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 10 : CURRENT INVESTMENTS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Measured at amortised Cost		
Investment in Bonds / Debentures	249.69	359.30
Measured at fair value through P&L(FVTPL)		
Investment in Mutual Fund #	720.05	455.46
# ₹25.33 crore(Fair value as on 31.03.2024 ₹31.37 crore) invested during last year in mutual funds as per Escrow agreement pursuant to Share Purchased and agreement between JK Paper Limited and shareholder's of Horizon Packs Private Limited		
	969.74	814.76
Aggregate book value of quoted investments	720.05	455.46
Aggregate book value of unquoted investments	249.69	359.30

NOTE 11 : TRADE RECEIVABLES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Unsecured		
Considered Good	361.27	349.81
Credit Impaired	8.48	2.53
	369.75	352.34
Less: Allowance for credit impairment	8.48	2.80
TOTAL	361.27	349.54

(Refer note no. 44 (i) for ageing)

Note 12 : CASH AND CASH EQUIVALENTS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Cash & Cash Equivalents		
Balances with Bank-Current Accounts*	63.57	35.38
Cash on Hand	0.51	0.39
TOTAL	64.08	35.77

* includes ₹1.31 Crore (Previous Year ₹1.31 Crore) earmarked for specified purposes

NOTE 13 : BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Other Bank Balances		
Unclaimed Dividend Accounts	0.81	0.66
Fixed Deposit with Banks #	8.59	15.27
TOTAL	9.40	15.93

Includes ₹0.23 Crore (Previous year ₹0.22 Crore) pledged with Government Authorities.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 14 : CURRENT FINANCIAL ASSETS - LOANS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Unsecured considered good :-		
Loans to related parties		
Bengal & Assam Co. Limited - (Associate)	-	15.00
Other Loans & Advances		
Others	1.66	1.65
TOTAL	1.66	16.65

All the above loans and advances have been given for general business purpose {U/s 186(4) of the Companies Act 2013}.

NOTE 15: CURRENT FINANCIAL ASSETS - OTHER

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Unsecured considered good :-		
Advances Recoverable	1.29	1.04
Interest Accrued but not due	28.81	26.05
Advances to Employees	1.74	1.40
Derivative Financial Instruments (at fair value through P&L)	11.26	13.46
Government Benefits Receivable - Revenue	264.12	172.21
TOTAL	307.22	214.16

NOTE 16 : CURRENT TAX ASSETS (Net)

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Advance Income Tax/ Tax deducted at source (Net of Provision)	8.94	5.69
TOTAL	8.94	5.69

NOTE 17 : OTHER CURRENT ASSETS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Advances Recoverable	17.47	22.21
Advances to Suppliers	82.67	99.85
Balance with Government Authorities	288.47	305.82
Other Deposits	4.12	2.52
Employee Defined Benefit Plan (net asset)	0.89	1.76
Doubtful Advances		
Other	0.35	0.35
	393.97	432.51
Less : Allowance for Doubtful Advances	0.35	0.35
TOTAL	393.62	432.16

Note 17.1 ASSET HELD FOR SALE

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Assets held for Sale #	0.08	7.76
TOTAL	0.08	7.76

During the previous year company has classified old power plant to asset held for sale from Property Plant and Equipments.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 18 : SHARE CAPITAL

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Authorised :		
Equity Shares - 30,00,00,000 of ₹10 each (Previous Year 30,00,00,000 Equity Share of ₹10 each)	300.00	300.00
Redeemable Preference Shares - 2,00,00,000 of ₹100 each (Previous Year 2,00,00,000 Share of ₹100 each)	200.00	200.00
	500.00	500.00
Issued, Subscribed and Paid-up :		
Equity Shares - 16,94,02,344 (Previous Year 16,94,02,344 Equity Share of ₹10 each fully paid up)	169.40	169.40
	169.40	169.40

Notes :

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

Particulars	March 31, 2024	March 31, 2023
Shares outstanding at the beginning of the year	16,94,02,344	16,94,02,344
Add : Shares issued during the year	-	-
Less : Shares bought back during the year	-	-
Shares outstanding at the end of the year	16,94,02,344	16,94,02,344

(b) Equity Shares:

The Equity Shareholders have:-

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

(c) Subsidiary issued following preference shares :

Particulars	March 31, 2024	March 31, 2023
Enviro Tech Ventures Limited		
Reconciliation of Preference Shares Capital (In numbers)		
Preference Shares outstanding at the beginning of the year	63,00,000	63,00,000
Add : issued during the year ((Nominal Value ₹100, ₹100 Paid up)	-	-
Preference Shares outstanding at the end of the year	63,00,000	63,00,000

- (i) During the F.Y. 2019-20, Enviro Tech Ventures Limited (Formerly known as JK Enviro-Tech Limited) has issued and allotted 23,00,000 no(s) Compulsory Convertible Preference Shares having nominal Value of ₹100/- (One Hundred) each, aggregating to ₹23,00,00,000 (Rupees Twenty Three Crore only), having 0.01% dividend (on cumulative basis) on 4th September 2019, to be convertible into Equity shares of the Company, having nominal value of ₹10 each, at a conversion price of ₹20.80 per equity share (including premium of ₹10.80 per equity share) at any time upto 7 years but further extendable with mutual consent of the Company and the shareholder(s), by way of preferential allotment for cash. These convertible preference share is recorded in Other equity.
- (ii) Compulsory Convertible Preference Shares (CCPS) having nominal Value of ₹100/- (one hundred) each, aggregating to ₹40,00,00,000 (rupees forty crore only), on 27th July 2018, having 0.01% dividend (on cumulative basis), with ₹20 payable on application and balance ₹80 payable at the end of five years from the date of allotment or at the time of conversion

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 18 : SHARE CAPITAL (Contd.)

whichever is earlier, has been received on 25.07.2023 (expiry of five years from the date of allotment). CCPS are convertible into equity shares of the company having nominal value of ₹10 each, at a conversion price of ₹12 per equity share (including premium of ₹2 per equity share) at any time upto 7 years which is further extendable with mutual consent of the company. CCPS are recorded in other equity.

- (iii) Cumulative Redeemable Preference Shares (nos 1,00,00,000) on 19th march 2019, for the tenure of 10 years to JK Paper Limited with dividend of 3% per annum (cumulative basis) and redemption at the end of 10th year at a premium of ₹48.5 per CRPS.
- (iv) Cumulative Redeemable Preference Shares(nos 1,11,00,000) on 27th July 2018 for the tenure of 5 years to JK Paper Limited with dividend of 0.01% per annum (cumulative basis). On 27th July 2023, tenure has been extended for a further period of 5 years on same terms & conditions.

Particulars	March 31, 2024	March 31, 2023
The Sirpur Paper Mills Limited		
Reconciliation of Preference Shares Capital (In numbers)		
Preference Shares outstanding at the beginning of the year	16,203	16,203
Add : issued during the year ((Nominal Value ₹1,00,000, ₹1,00,000 Paid up)	-	-
Less : Shares acquired by JK Paper Limited	6,808	-
Preference Shares outstanding at the end of the year	9,395	16,203

- (i) During the FY. 2018-19, The Sirpur Paper Mills Limited had issued Redeemable Preference Shares of ₹1,62,03,00,000 for consideration other than cash, to be redeemed at the end of 20 years from the issue date with dividend of 0.01% p.a. The Equity portion of these Redeemable Preference Shares, on account of Dividend payout being lower than effective market rate, is recorded in Other Equity.

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

Particulars	March 31, 2024	March 31, 2023
Bengal & Assam Company Limited	7,96,27,228	7,96,27,228

(i) Promoter's shareholding - Equity Share Capital

Particulars	March 31, 2024	March 31, 2023
Promoter Name	Bengal & Assam Company Limited	Bengal & Assam Company Limited
No. of shares at the beginning of the year	7,96,27,228	7,96,27,228
Change during the year	-	-
No. of shares at the end of the year	7,96,27,228	7,96,27,228
% of Total Shares	47.00%	47.00%
% change during the year	--	--

(ii) Promoter's shareholding - Preference Share Capital

Particulars	March 31, 2024	March 31, 2023
Promoter Name	Bengal & Assam Company Limited	Bengal & Assam Company Limited
No. of shares at the beginning of the year	--	--
Change during the year	--	--
No. of shares at the end of the year	--	--
% of Total Shares	--	--
% change during the year	--	--

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 18 : SHARE CAPITAL (Contd.)

(e) Details of shareholders holding more than 5% of the preference share capital of the company:

(i) Compulsory Convertible Preference Shares

Enviro Tech Ventures Limited (a Subsidiary Company)

Name of Shareholders		March 31, 2024	March 31, 2023
JK Credit & Finance Limited	No(s)	5500000	5500000
Accurate Finman Services Limited	No(s)	800000	800000

(ii) Compulsory Redeemable Preference Shares

Enviro Tech Ventures Limited (a Subsidiary Company)

Name of Shareholders		March 31, 2024	March 31, 2023
JK Paper Limited*	No(s)	21100000	21100000

*Eliminated in Consolidated Financial of JK Paper Limited.

The Sirpur Paper Mills Limited (a Step Down Subsidiary Company of Enviro Tech Ventures Limited)

Name of Shareholders		March 31, 2024	March 31, 2023
IDBI Bank Limited	No(s)	-	6808
State Bank of India	No(s)	4618	4618
Central Bank of India	No(s)	3121	3121
Union Bank of India/Andhra Bank	No(s)	1011	1011

- (f) The Company has not issued any Bonus Share, shares other than Cash in immediately preceding five years from the Balance Sheet date. During the financial year 2020-21 the company has Buy Back 88,41,241 no's of Equity Shares.

NOTE 19 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
SECURED		
Term Loan		
From Banks	1,269.83	1,724.83
From Financial Institutions	301.61	370.37
Non Convertible Debentures (NCDs)	348.64	407.34
UNSECURED		
Public Deposits	37.65	57.91
Liability Component of Redeemable Preference Share	38.13	61.75
	1,995.86	2,622.20
Less : Current Maturities of Long Term Borrowings	365.60	539.29
TOTAL	1,630.26	2,082.91

NOTE 19.1 NON CURRENT FINANCIAL LIABILITIES - LEASE

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
UNSECURED		
Lease Liabilities	78.88	64.25
Less : Current Maturities of Lease Liability	13.88	9.95
TOTAL	65.00	54.30

- A. NCD of ₹244.55 Crore are secured by means of first pari passu mortgage/charge on the fixed assets of the company. These Term Loans are/shall be repayable as under:

1 NCDs of ₹244.55 Crore is repayable in 9 Half yearly installment from September 2024 to July 2028.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 19 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS (Contd.)

B. Term Loans of ₹ 195.55 Crore (Fls – ₹ Nil, Banks ₹ 199.55 Crore) and NCD of ₹ 105.78 Crore is secured by means of first pari passu mortgage/charge on the Property, Plant & Equipment, both present and future, of Unit JKPM of the company. These Term Loans are/shall be repayable as under :-

- 1 Term Loan of ₹195.55 Crore is repayable in total 14 quarterly instalments from June 2024 to September 2027.
- 2 NCDs of ₹105.78 Crore is repayable in 11 Half yearly instalments from May 2024 to May 2029.

C. Term Loans of ₹1123.86 Crore (Fls – ₹302.83 Crore, Banks ₹821.03 Crore) is secured by means of first pari passu mortgage/charge on the fixed assets, both present and future, of Unit CPM of the company. These Term Loans are/shall be repayable as under :-

- 1 Term Loans aggregating to ₹402.69 Crore are repayable in total 93 equal Quarterly-instalments from June 2024 to March 2032.
- 2 Term Loans aggregating to ₹469.13 Crore are repayable in total 26 half-yearly instalments from June 2024 to June 2031.
- 3 Term Loans of ₹252.04 Crore are repayable in 30 quarterly instalments from June 2024 to September 2031.

D. Secured Term loans from Financial Institutions and Banks have been reduced by ₹3.31 Crore (Fls – ₹1.22 Crore, Banks ₹2.09 Crore) and NCDs have been reduced by ₹1.69 Crore due to effective rate of interest.

E. Secured Term loans from Financial Institutions and Banks include ₹740.99 Crore foreign currency loans. Certain charges are in the process of satisfaction.

F. Public deposits are due for repayment in 2024-25, 2025-26 & 2026-27.

G. Subsidiaries :

The Sirpur Paper Mills Limited:

a) Term Loans of ₹165.79 Crore from Banks is secured by means of first pari passu mortgage/charge on the fixed assets of the company, and is further secured by second charge on the current assets of the Company.

- i) Term Loans aggregating to ₹119.12 Crore are repayable in total 26 equal quarterly instalments from June 2024 to September 2030.
- ii) Term Loans aggregating to ₹46.67 Crore are repayable in total 28 equal quarterly instalments from June 2024 to March 2031.

b) Secured Term loans from Bank has been reduced by ₹0.89 Crore due to effective rate of interest.

c) During the FY 2019-20 company had issued Redeemable Preference Shares of ₹10 Crore, to be redeemed at the end of 12 years (During FY 2018-19 ₹162 Crore, to be redeemed at the end of 20 years) from the issue date with dividend of 0.01% p.a. The Equity portion of these Redeemable Preference Shares, on account of Dividend payout being lower than effective market rate, is recorded in Other Equity.

H. Horizon Packs Private Limited:

Vehicle Loan from banks carry an interest rate @ 7.35% p.a. to 8.72% p.a., secured against hypothecation of vehicle taken and as on the balance sheet date monthly instalments (EMI) of 18 instalments of ₹0.36 Lac each for 5 vehicles, 20 instalments of ₹0.38 Lac each for 2 vehicles and 3 equal monthly instalments (EMI) of ₹0.45 Lac each for 3 vehicles and , 18 instalments of ₹0.43 Lac each for 1 vehicles are due after the balance sheet date.

I. JKPL Packaging Products Limited:

Term Loan of ₹59.83 Crore from Union bank of India is secured by means of first pari passu mortgage/ charge on the Property, Plant & Equipment situated at Ludhiana unit.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 19 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS (Contd.)

This Term Loan shall be repayable as under:

- i) Term Loans aggregating to ₹3.00 Crore are repayable in total 4 equal quarterly-instalments from Feb 2025 to November 2025
- ii) Term Loans aggregating to ₹6.00 Crore are repayable in total 4 equal quarterly-instalments from December 2025 to November 2026
- iii) Term Loans aggregating to ₹50.83 Crore are repayable in total 20 equal quarterly-instalments from December 2026 to November 2031

J. Securipax Packaging Private Limited:

- a) Term Loan From SIDBI are secured as follows:-

(i) Primary Security

- First Charge by way of Hypothecation of all movable assets Including Plant, Machinery, Equipment, etc. acquired/ to be acquired under the project/scheme.
- First Charge by way of hypothecation of all the movables assets of the borrower pertaining to the project, including plant, equipment, machinery spares, tools, accessories, furniture, fixtures, computers etc., both present and future.
- First charge by way of mortgage in favour of SIDBI of all the immovable properties owned by the borrower, both present and future situated at Khasra no. 58 M (Khata No. 217) Madhoupur Hazratpur, pargana Bhagwanpur, Tehsil Roorkee, District Haridwar admeasuring 4002 sq. mts including building and structure thereon.

(ii) Collateral Security

- First charge by way of hypothecation in favour of SIDBI on the existing movable assets of the company, including plant, machinery, equipments, spares, tools, accessories, furniture, fixture and fittings, office equipment and other movables acquired out of earlier term loan.
- First charge by way of equitable mortgage of freehold rights of the immovable property of the company admeasuring 1.588 Hectears (Approx. 15,880 square meters) i.e. 1/2 of the land comprised in Khasra No-58, Chak No.-395 at village- Madhopur, Pargana- Bhagwanpur, Tehsil-Roorkee, Disst-Hardiwar.
- First charge by way of pledge of company's FDR (including accrued interest thereon) worth ₹0.67 Crore with SIDBI.
- Extension of first charge by way of hypothecation in favour of SIDBI of all the borrower's movables, plant, machinery, machinery spares, tools & accessories, office equipments, computers, furnitures, and fixtures already hypothecated to SIDBI.
- Extension of first charge on FDR already pledged with SIDBI for securing earlier assistance.
- Extension of first charge by way of mortgage of all immovable properties of Securipax packaging Private Limited, both present and future, situated at 1/2 of the land comprised in khasra no. 58, chak no. 395, at village- Madhoupur Hazratpur, Pargana- Bhagwanpur. Tehsil Roorkee, Distt. Haridwar, Uttarakhand, land admeasuring 1,588 hectares (equivalent to 15880 sq mtrs.) including building and structure thereon already charged to SIDBI for earlier loans.

Terms of borrowings are as under:

- i) Term Loans aggregating to ₹0.12 Crore are repayable in equal monthly installments from April'2024 to Aug'2024.
- ii) Term Loans aggregating to ₹3.12 Crore are repayable in monthly installments from April'2024 to Feb'2027.
- iii) Term Loans aggregating to ₹2.60 Crore are repayable in monthly installments from Apr'2024 to Dec'2026.
- iv) Term Loans aggregating to ₹16.50 Crore are repayable in monthly installments from Dec'2024 to Nov 2030.
- v) Term Loans aggregating to ₹7.50 Crore are repayable in monthly installments from June'2024 to Nov 2028.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 19 : NON CURRENT FINANCIAL LIABILITIES - BORROWINGS (Contd.)

b) ECLGS Loan from ICICI Bank Ltd. is secured as follows:

Second charge on current assets of the company.

Second charge on unencumbered movable fixed assets.

Terms of borrowings are as under:

i) Term Loans aggregating to ₹0.17 Crore are repayable in equal monthly installments from April'2024 to June'2024.

K. Lease Liabilities aggregating to ₹78.88 Crore is repayable in total 831 equal monthly installments from April 2023 to Sep 2041.

NOTE 20 : NON CURRENT FINANCIAL LIABILITIES - OTHER

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Trade Deposits	98.20	94.97
Interest Accrued but not due on FDR	1.98	1.98
Derivative Financial Instruments (at fair value through P&L)	1.11	2.24
Contigent consideration pursuant to Business combination	50.62	49.91
Others	0.68	0.73
TOTAL	152.59	149.83

NOTE 21 : NON CURRENT PROVISIONS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Provision for Employee Benefits	14.39	11.66
TOTAL	14.39	11.66

NOTE 22 : DEFERRED TAX LIABILITIES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Tax on difference between book value of depreciable assets as per books of account and written down value as per Income Tax*	678.21	867.44
Tax on carried forward unabsorbed Depreciation	-	(102.49)
Tax on Others	59.65	40.01
a Total Deferred Tax Liability	737.86	804.96
Opening MAT Credit Entitlements	(19.22)	(98.94)
Current MAT Credit Entitlement	-	-
Utilization and Reversal of MAT Credit*	19.22	79.72
b Total MAT Credit Entitlement	-	(19.22)
c Net Deferred Tax Liability (a+b)	737.86	785.74

* Includes Deferred tax pursuant to business combination of ₹10.94 Crore

NOTE 23 : OTHER NON CURRENT LIABILITIES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Deferred Government Benefits	39.83	41.83
TOTAL	39.83	41.83

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 24 : CURRENT FINANCIAL LIABILITIES - BORROWINGS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
SECURED		
Working Capital Borrowings from Bank	95.73	80.44
UNSECURED		
Working Capital Borrowings from Bank	30.00	30.00
Public Deposits	3.73	5.88
Current Maturities of Long Term Borrowings	365.60	539.29
TOTAL	495.06	655.61

For Holding company & The Sirpur Paper Mills Limited:

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.

For Subsidiary company:

a) Securipax Packaging Private Limited:

Working Capital Loan from ICICI Bank Ltd. is secured as follows:

Exclusive Charge on Current Assets and Movable Fixed Assets of the Company, both present and future.

b) Horizon Pack Private Limited:

Working Capital Demand Loan (WDCL) from Banks are:

Secured against: First parri passu charge on entire current assets, First pari passu charge on entire movable fixed assets except eksklusively funded by other lender term loan, Immoveable fixed assets second parri passu charge on factory land and building at plot no C3 - 1 & 2, MIDC Khamgaon Buldhana, Maharashtra 444 303 and at 145/1,2,3, 147, National highway, Panchalam, village, Tindivanam. Tamil Nadu, 604 307 Tindivanam.

c) JKPL Utility Packaging Solutions Private Limited

The Company has availed a cash credit facility from Bank (Rupee) which has an outstanding balance of ₹2.94 Cr as at 31st March, 2024 (PY-25.20 Cr) and company has availed Working capital demand loan as sublimit to the Cash credit which has an outstanding balance of ₹8.06 Cr (Outstanding Balance as at 31st March, 2023 - Nil) (Total Sanctioned Limit ₹40.00 Cr) and has been secured by way of exclusive hypothecation charge on raw materials, stock-in-process and finished goods and domestic receivables and all other current assets of the company both present and future. It is also secured additionally by way of negative lien on the property, plant and equipment of the company. The effective rate of contractual interest as on 31st March 2024 is 9.25% (PY-11.85%) for CC Limit and 8.45% (PY-Nil) for Working capital demand loan limit.

NOTE 25 : CURRENT FINANCIAL LIABILITIES - TRADE PAYABLE

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Acceptances		
Trade Payable		
Total Outstanding dues of Micro and Small Enterprises	23.32	13.40
Total Outstanding dues of Creditors other than Micro and Small Enterprises	654.36	644.46
TOTAL	677.68	657.86

(Refer note no. 44 (ii) for ageing)

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 26 : CURRENT FINANCIAL LIABILITIES - OTHER

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Interest Accrued but not due	16.27	12.39
Unclaimed Dividends #	0.81	0.66
Unclaimed Matured Deposits #	2.04	2.44
Unclaimed Interest on Unclaimed Matured Deposits #	0.09	0.28
Derivative Financial Instruments (at fair value through P&L)	2.76	1.62
Capital Creditors @	25.13	56.96
Other Payables	103.49	98.11
TOTAL	150.59	172.46

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

@ includes ₹0.53 Crore (PY ₹1.47 Crore) payable to Micro & Small Enterprises.

NOTE 27 : OTHER CURRENT LIABILITIES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Advance from Customers	25.23	28.86
Statutory Dues	30.68	31.57
Other Payables	64.77	57.42
Deferred Government Benefits	2.00	2.00
TOTAL	122.68	119.85

NOTE 28 : SHORT TERM PROVISIONS

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Provision for Employee Benefits	12.60	12.80
TOTAL	12.60	12.80

NOTE 29 : CURRENT TAX LIABILITIES

₹ in Crore (10 Million)

Particulars	March 31, 2024	March 31, 2023
Provision for Income Tax (Net of Advance tax)	3.46	0.33
TOTAL	3.46	0.33

NOTE 30 : OTHER OPERATING REVENUES

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Insurance Charges Recovered	0.99	1.54
Excess Provision no longer required written back	11.11	7.32
Miscellaneous Income *	52.24	18.29
TOTAL	64.34	27.15

* Includes Sale of Renewal Energy Certificate (REC) of ₹8.50 Crore (P.Y. ₹7.92 Crore).

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 31 : OTHER INCOME

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Interest Income	37.25	34.58
Dividend Income	0.11	0.14
Profit on sale of Property, plant and equipment	0.86	3.16
Gain on Sale/Fair value of Current investment *	73.00	34.08
Foreign Exchange Fluctuation&Others	1.50	0.10
Miscellaneous Income	12.74	4.31
Government Benefits	101.74	96.28
TOTAL	227.20	172.65

* Includes Fair Valuation Gain of ₹38.56 Crore (P.Y. Gain of ₹6.97 Crore).

NOTE 32 : COST OF MATERIALS CONSUMED

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Hardwood & Bamboo	1,447.60	987.94
Pulp	692.39	789.54
Chemicals	620.54	670.97
Packing Material	159.57	175.04
Others	566.12	185.07
TOTAL	3,486.22	2,808.56

NOTE 33 : CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Inventories at the beginning of the year		
Finished Goods	157.14	104.76
Stock In Trade	1.33	1.82
Work-in-Progress	42.60	48.51
Renewable Energy Certificates	0.15	0.05
Stock Carried from Pre-operation period :		
Finished Goods	0.47	-
Stock-in-Process & Scrap	0.40	-
Stock transferred on acquisition of Subsidiaries:		
Finished Goods	4.30	8.94
Stock-in-Process	0.08	2.03
	206.47	166.11
Inventories at the end of the year		
Finished Goods	191.81	157.14
Stock In Trade	1.54	1.33
Work-in-Progress	47.28	42.60
Renewable Energy Certificates	0.17	0.15
	240.80	201.22
(Increase)/ Decrease in Stock	TOTAL (34.33)	(35.11)

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 34 : EMPLOYEE BENEFIT EXPENSES

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Salaries, Wages, Allowances, etc.	536.17	458.88
Contribution to Provident and Other Funds	21.64	18.99
Staff Welfare Expenses	8.39	5.80
TOTAL	566.20	483.67

NOTE 35 : FINANCE COST

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Interest on:		
Term Loan and Fixed Deposits	158.60	157.69
Others	17.00	15.82
Other Borrowing Costs:		
Financial Charges	4.38	6.65
Premium on Forward Exchange Contracts	1.93	2.11
Interest on Lease Liabilities	7.69	6.03
Net (Gain) or Loss on Foreign Currency Transaction	18.48	34.18
TOTAL	208.08	222.48

NOTE 36 : DEPRECIATION AND AMORTISATION EXPENSES

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Depreciation on Property Plant & Equipment	288.93	268.05
Amortisation of Other Intangible Assets	21.17	13.80
TOTAL	310.10	281.85

NOTE 37 : OTHER EXPENSES

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Consumption of Stores and Spares	125.48	97.83
Power, Fuel and Water	542.12	685.78
Repairs to Building	14.92	16.87
Repairs to Machinery	82.43	70.03
Rent (Net)	18.04	15.81
Insurance	15.01	12.73
Rates and Taxes	3.34	2.84
Commission on Sales	1.80	2.67
Directors' Fees	0.59	0.57
Directors' Commission	4.58	4.55
Freight, Clearing and Forwarding Charges	52.09	54.76
Loss on Foreign Exchange Fluctuation	-	1.12
Asset Written off	0.07	3.12
Bad Debts	-	0.27
Provision for Doubtful Debts	2.10	1.19
Other Miscellaneous Expenses*	162.52	121.20
TOTAL	1,025.09	1,091.34

*Refer note 41(F)

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 38 : PRINCIPLES OF CONSOLIDATION:

a. The Consolidated Financial Statements comprise of the financial statements of JK Paper Limited (Holding Company) and the following as on 31st March, 2024;

i Subsidiaries:

Name	Proportion of Ownership Interest	Financial Statements as on	Status
Jaykaypur Infrastructure & Housing Limited, India	100%	31 st March, 2024	Audited
Songadh Infrastructure & Housing Limited, India	100%	31 st March, 2024	Audited
Enviro Tech Ventures Limited, India	96.08%	31 st March, 2024	Audited
JKPL Packaging Products Limited, India	100%	31 st March, 2024	Audited
The Sirpur Paper Mills Limited, India (Subsidiary of Enviro Tech Ventures Limited, India)	96.27%	31 st March, 2024	Audited
Horizon Packs Private Limited, India	85%	31 st March, 2024	Audited
Securipax Packg Private Limited, India	85%	31 st March, 2024	Audited
JKPL Utility Packaging Solutions Private Limited (w.e.f 21.11.2023)	100%	31 st March, 2024	Audited
JK Paper International (Singapore) Pte Limited, Singapore	100%	31 st March, 2024	Audited

ii Joint Venture:

Name	Proportion of Ownership Interest	Financial Statements as on	Status
Habras MZZ Plantation Myanmar Company Limited, Myanmar*	50.00%	31 st March, 2024	Audited

*Joint venture of JK Paper International (Singapore) Pte Ltd, Singapore

- b. The Financial Statements of the Holding Company and its Subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of Assets, Liabilities, Income and Expenses, after eliminating intra-group balances and intra-group transactions
- c. Goodwill represents difference between company's share in networth of subsidiaries and the cost of acquisition at each point of time of making investment
- d. Investment in Joint Venture, are accounted for using equity method as per Indian Accounting Standard (Ind AS) 28 – "Accounting for Investments in Associates and joint ventures" notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014.
- e. In case of foreign subsidiary, being non-integral operations, revenue items are consolidated at the average exchange rate during the year. All assets and liabilities are translated at year end exchange rate. The resulting exchange differences are accumulated in the Foreign Currency Translation Reserve.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 38 : PRINCIPLES OF CONSOLIDATION: (Contd.)

f. The summary of share of Net Assets and Profit/(Loss) of Subsidiaries and Joint Venture are as under:

₹ in Crore (10 Million)

Name of Entity	Net Assets i.e Total Assets minus Total Liabilities (Audited)		Share in Profit/(Loss)	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit	Amount
Subsidiaries				
Jaykaypur Infrastructure & Housing Limited, India	0.48%	24.58	0.16%	1.83
Songadh Infrastructure & Housing Limited, India	0.28%	14.21	0.00%	0.05
Enviro Tech Ventures Limited, India	2.29%	115.92	-0.41%	(4.69)
JKPL Packaging Products Limited, India	1.51%	76.35	-0.73%	(8.25)
The Sirpur Paper Mills Limited, India (Subsidiary of Enviro Tech Ventures Limited, India)	13.22%	670.37	18.89%	214.08
Horizon Packs Private Limited, India	8.56%	433.75	3.38%	38.32
Securipax Packg Private Limited, India	0.24%	11.95	-0.03%	(0.31)
JK Paper International (Singapore) Pte Limited, Singapore	0.27%	13.59	-0.01%	(0.07)
JKPL Utility Packaging Solutions Private Limited (w.e.f 21.11.2023)	1.10%	55.86	0.14%	1.56
Joint Venture				
Habras MZZ Plantation Myanmar Company Limited, Myanmar (Joint Venture of JK Paper International (Singapore) Pte Ltd)	0.00%	-	0.00%	-

g. Other Notes to Accounts of the Financial Statements of the Company and its subsidiaries are stated in their respective Financial Statements. Hence not disclosed again in Consolidated Accounts.

NOTE 39 : 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 & Packaging. Other Business Segment comprises i) activities for providing housing facilities to the employees engaged in Paper & Packaging manufacturing business and ii) business of design, development and production of Embedded Systems and Electro-Optics Systems. These operations are insignificant in the context of total turnover; hence same has been shown as "Others".

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 39 : SEGMENT REPORTING (Contd.)

₹ in Crore (10 Million)

S. No.	Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
		Paper & Packaging	Others	Total	Paper & Packaging	Others	Total
A	Segment Revenue						
	Revenue	6,622.80	70.04	6,692.84	6,400.21	62.51	6,462.72
	Inter- segment Revenue	-	(33.61)	(33.61)	-	(25.91)	(25.91)
	Income from Operations	6,622.80	36.43	6,659.23	6,400.21	36.60	6,436.81
B	Segment Results						
	Segment Results (PBIT excluding Exceptional items)	1,316.85	(11.29)	1,305.56	1,742.27	(12.32)	1,729.95
	Less: (i) Interest & Financial Charges (Net)			208.08			222.48
	(ii) Exceptional items			-			33.64
	(iii) Other Un-allocable Expenditure (net off Un-allocable Income)			(227.20)			(172.65)
	Total Profit / (Loss) before Tax (PBT)			1,324.68			1,646.48
C	Capital Employed						
	Segment Assets	9,008.20	319.59	9,327.79	8,647.91	271.97	8,919.88
	Segment Liabilities	3,935.87	180.01	4,115.88	4,573.16	181.97	4,755.13
	Total Capital Employed (net)	5,072.33	139.58	5,211.91	4,074.75	90.00	4,164.75
	Capital Expenditure	225.48	3.47	228.95	250.19	1.32	251.51
	Depreciation & Amortisation	303.40	6.70	310.10	275.49	6.36	281.85
	Non Cash Expenses other than Depreciation	-	-	-	-	-	-

NOTE 40 : CONTINGENT LIABILITIES & COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Contingent Liabilities:		
a) Claim against the company not acknowledged as debts #		
Excise duty/ Custom duty/Service tax liability/GST in respect of matter in appeals	12.28	12.95
Sales Tax/ VAT/Octroi liability in respect of matter in appeals	1.28	1.28
Other matters (including disputed Income tax demand CY ₹23.79 Crore in Horizon Packs Private Limited)	34.42	32.66
b) Commitments:		
Contracts remaining to be executed on capital account (Net of Advances)	70.59	111.29

In respect of certain disallowances and additions made by the income tax authorities, appeals are pending before the appellate authorities and adjustments , if any, will be made after the same are finally determined.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 41 A. In respect of levy of Octroi demand pertaining to Unit - CPM by Songadh Group Gram Panchayat, the Company has paid ₹1.25 Crore till 31st March 1997 under protest and also created a liability of the similar amount. As the matter is still pending in the court of law, the necessary adjustment, if any, would be made on final disposal.

- B. The Company had invested ₹27.10 Crore in a Jointly Controlled Entity (JCE) which has plantation operations in Myanmar through its subsidiary in Singapore. Operations at JCE has been impacted due to economic disruptions and Banking restrictions in Myanmar. Plantation / biological assets are in satisfactory condition. However, considering the facts stated above, as a matter of prudence the Company has made provision of ₹13.55 Crore against its investment in subsidiary of ₹22.37 Crore.
- C. During the year the Sirpur Paper Mills Limited (Subsidiary) has recognised government grant in terms of MoA entered with Government of Telangana as under:

Particulars	₹ in Crore (10 Million)	
	2023-24	2022-23
Revenue	99.72	94.27

In current year ₹101.72 Crore (including Deferred Government Grant of ₹2.00 Crore & Wages incentive of ₹7.80 Crore) has been recognised in Statement of Profit and Loss Account.

- D. Horizon Packs Private Limited has paid under protest ₹23.79 crore against income tax demand for AY 2018-19 and AY 2020-21 which has been shown under non current investment.
- E. The exceptional items ₹33.64 crore of previous year represents impairment charges in respect of property, plant and equipment ₹22.56 crore at unit CPM and ₹11.08 crore at Sirpur Paper Mills Limited .As required by Ind AS 36, an assessment of impairment of assets was carried out and based on such assessment, the Company has accounted impairment losses ₹33.64 crore in the previous year.
- F. Miscellaneous expenses include contribution of ₹0.50 crore made to a political party/electoral bond under section 182 of the Companies Act, 2013.
- G. The software used by the company includes an audit trail feature, which is enabled from 1st April 2023 to 31st March 2024. The audit trail has feature of recording each and every transactional changes made in the books of account along with the date when such changes were made.

Note 42 : EARNING PER SHARE

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
a) Profit after tax attributable to Equity shareholder	1,121.77	1,195.79
b) Dilution effect for compulsory convertible preference share issued by a subsidiary company*	(119.82)	-
c) Profit after tax attributable to equity shareholder of the Holding Company for diluted EPS (a+b)	1,001.95	1,195.79
d) Weighted Average Number of Ordinary Shares	16,94,02,344	16,94,02,344
e) Nominal Value of Ordinary Shares	₹10/-	₹10/-
f) Earning Per Ordinary Share (₹)		
Basic	66.22	70.59
Diluted*	59.15	70.59

*Dilute EPS has been calculated considering potential effect of CCPS issued by a subsidiary company on PAT available to equity shareholders of the Holding Company. (Refer note no.18 c (i) & (ii))

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

Note 43 : LEASES

The Company has adopted Ind AS 116 "Leases" effective 1st April ,2019 as notified by the Ministry of Corporate Affairs (MCA) and applied the Standard to its leases using the simplified approach. This has resulted in recognising right –of –use assets and corresponding lease liabilities.

1 The following is the break-up of current and non-current lease liabilities as at :

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current lease liabilities	13.88	9.95
Non-current lease liabilities	65.00	54.30
Total	78.88	64.25

2 The following is the movement in lease liabilities during the year ended March 31, 2024:

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning	64.25	69.44
Addition pursuant to acquisition of subsidiary	0.93	0.26
Addition during the year	29.75	6.87
Deletion during the year	(3.20)	-
Finance cost accrued during the period	6.88	6.03
Payment of lease liabilities	(19.73)	(18.35)
Balance at the end	78.88	64.25

3 The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2024 on an undiscounted basis:

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Not later than one year	19.60	15.00
Later than one year and not later than five years	64.51	45.75
Later than five years	18.55	28.15

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 44 :

(i) Trade Receivables ageing schedule as on March 31, 2024 and March 31, 2023 is as follows:

₹ in Crore (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good							
March 31, 2024	245.25	111.87	4.65	0.17	-	0.04	361.98
March 31, 2023	253.02	89.70	5.17	1.60	1.00	0.03	350.52
(ii) Undisputed Trade Receivables – considered doubtful							
March 31, 2024	-	-	-	-	-	0.44	0.44
March 31, 2023	-	-	-	-	0.01	0.43	0.44
(iii) Disputed Trade Receivables considered good							
March 31, 2024	-	-	-	0.01	0.74	0.63	1.38
March 31, 2023	-	-	-	0.75	0.13	0.50	1.38
(iv) Disputed Trade Receivables considered doubtful							
March 31, 2024	-	0.08	0.68	1.56	0.65	2.98	5.95
March 31, 2023	-	-	-	-	-	-	-
(v) Less: Allowance for credit impairment							
March 31, 2024							8.48
March 31, 2023							2.80
(vi) Total							
March 31, 2024							361.27
March 31, 2023							349.54

(ii) Trade payables ageing schedule as on March 31, 2024 and March 31, 2023 is as follows:

₹ in Crore (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME						
March 31, 2024	22.63	0.65	0.04	-	-	23.32
March 31, 2023	2.75	10.65	-	-	-	13.40
(ii) Others						
March 31, 2024	115.80	457.63	14.57	17.98	48.38	654.36
March 31, 2023	62.03	505.25	22.64	19.55	34.99	644.46

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 44 : (Contd.)

₹ in Crore (10 Million)

Particulars	Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(iii) Disputed dues – MSME						
March 31, 2024		-	-	-	-	-
March 31, 2023		-	-	-	-	-
(iv) Disputed dues - Others						
March 31, 2024		-	-	-	-	-
March 31, 2023		-	-	-	-	-

NOTE 45 : OTHER INFORMATION IN TERMS OF THE AMENDMENT IN SCHEDULE LLL OF THE COMPANIES ACT VIDE NOTIFICATION G.S.R. 207(E) DATED 24TH MARCH 2021.

- The Group company does not have any transactions with companies struck off under the companies act 2013/1956 during the year.
- The Holding and Indian Subsidiaries does not have any benami property, and no proceeding has been initiated or pending against the Holding and Indian Subsidiaries for holding any benami property.
- The Holding and Indian Subsidiaries have not traded or invested in crypto currency or virtual currency during the financial year.
- The Holding and Indian Subsidiaries have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding and Indian Subsidiaries (ultimate beneficiaries) or
 - Provide any Guarantee, Security, or the like to or on behalf of the Ultimate Beneficiaries.
- The Holding and Indian Subsidiaries have not received any fund from any Person(s) or Entity(ies), including Foreign Entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
 - Provide any Guarantee, Security, or the like on behalf of the ultimate beneficiaries.
- The Holding and Indian Subsidiaries has filed quarterly returns or statements with the banks in lieu of the sanctioned working capital facilities, which are in agreement with the books of account other than those as set out below.

For Holding company

₹ in Crore (10 Million)

Name of the Bank	Aggregate working capital limits sanctioned	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Difference	Reason for variance*
State Bank of India and consortium of Banks #	250.00	June 30,2023	67.73	532.09	464.36	For Bank's quarterly reporting, only creditors for goods being considered as Trade Payables.
	250.00	September 30,2023	158.38	570.89	412.51	
	250.00	December 31, 2023	240.67	648.73	408.06	
	250.00	March 31, 2024	111.02	563.98	452.96	

* The above differences represents balance of creditors as at each reporting date.

Working Capital Borrowings are secured by hypothecation of Raw Materials, Finished Goods, Stock-in-Process, Stores & Spares and Book Debts.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 45 : OTHER INFORMATION IN TERMS OF THE AMENDMENT IN SCHEDULE III OF THE COMPANIES ACT VIDE NOTIFICATION G.S.R. 207(E) DATED 24TH MARCH 2021. (Contd.)

For Subsidiary (Horizon Packs Private Limited)

₹ in Crore (10 Million)

Name of the Bank	Aggregate working capital limits sanctioned	Quarter ended	Amount disclosed as per quarterly return/ statement	Amount as per books of account	Difference	Reason for variance*
"Citibank NA and HDFC Bank Ltd.#"	125.00	June 30,2023	229.13	232.26	3.12	No material discrepancies reported
	125.00	September 30,2023	229.48	231.21	1.73	
	125.00	December 31, 2023	191.70	192.73	1.03	
	125.00	March 31, 2024	217.20	217.59	0.38	

Secured against: First parri passu charge on entire current assets, First pari passu charge on entire movable fixed assets except exclusively funded by other lender term loan, Immoveable fixed assets second parri passu charge on factory land and building at plot no C3 - 1 & 2, MIDC Khamgaon Buldhana, Maharashtra 444 303 and at 145/1,2,3, 147, National highway , Panchalam, village, Tindivanam. Tamil Nadu, 604 307 Tindivanam.

- g) The Holding and Indian Subsidiaries has no such transaction which is not recorded in the Books of Accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- h) The Holding and Indian Subsidiaries have not been declared willful defaulter by any Banks or any other Financial Institution at any time during the financial year.

NOTE 46 : RELATED PARTY DISCLOSURES

a) List of Related Parties

i. **Enterprise which holds more than 20% of Equity Share**

Bengal & Assam Company Limited (BACL)

ii. **Trust under common control**

JK Paper Ltd (JK Paper Mills) Compulsory Employees Provident Fund

JK Paper Ltd Employees Gratuity Fund

JK Paper Ltd Officers Superannuation Scheme

iii. **Key Management Personnel (KMP)**

Executive Directors	Non-Executive Directors
Shri Harsh Pati Singhania, - Vice Chairman & Managing Director (till 31.03.2024) - Chairman & Managing Director (w.e.f 01.04.2024)	Shri Bharat Hari Singhania, Chairman (till 31.03.2024)
Shri Amar Singh Mehta, President and Director	Shri Dharendra Kumar
	Shri R.V.Kanoria
Executives	Shri Sandip Somany
Shri KR. Veerappan (Chief Finance Officer)	Shri Shailendra Swarup(till 22.08.2023)
Shri Deepak Gupta (Company Secretary)	Smt. Vinita Singhania
	Smt. Deepa Gopalan Wadhwa
	Shri Sushil Kumar Roongta
	Shri Harshavardhan Neotia
	Shri Anoop Seth
	Shri Bharat Anand(w.e.f 01.07.2023)

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 46 : RELATED PARTY DISCLOSURES (Contd.)

iv. **Relative of Key Management Personnel (KMP)**

Sh.Chaitanya Hari Singhania

b) The following transactions were carried out with related parties in the ordinary course of business and on arm's length basis :

₹ in Crore (10 Million)

Sl. No	Nature of Transactions	Enterprise which holds more than 20% of Equity Share	
		BACL	
		2023-24	2022-23
(i)	Rent Paid	0.08	0.08
(ii)	Sharing of Expenses(Current Year ₹48,100/-)	0.00	0.03
(iii)	Interest Received	5.28	7.30
(iv)	Loan received back	15.00	25.00
(v)	Outstanding at end of the period - Receivable	65.00	80.00

₹ in Crore (10 Million)

Sl. No	Nature of Transactions	Trust Under Common Control					
		Employees Provident Fund		Employees Gratuity Fund		Officers Superannuation Scheme	
		2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
(i)	Contribution	5.38	5.47	3.49	3.84	0.44	0.70
(ii)	Outstanding at end of the period- Payable	0.46	1.08	7.70	0.64	0.76	1.00

Key Management Personnel (KMP) :

₹ in Crore (10 Million)

Sl. No	Particulars	2023-24	2022-23
(i)	Short-term Employee Benefits including honorarium #	54.18	52.22
(ii)	Commission and other benefits to Non-Executive Directors *	5.05	5.01

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

* Including sitting fees and commission

Relative of Key Management Personnel (KMP) :

₹ in Crore (10 Million)

Sl. No	Particulars	2023-24	2022-23
(i)	Short-term Employee Benefits #	0.76	0.40

The above said remuneration is excluding provision for Gratuity & Leave Encashment, where the actuarial valuation is done on overall Company basis.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 47 : FINANCIAL INSTRUMENTS

Financial Assets

₹ in Crore (10 Million)

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2024		As at March 31, 2023	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial assets designated at fair value through profit and loss						
	a) Derivatives - not designated as hedging instruments	A	Level-2	66.31	66.31	95.26	95.26
	b) Investments :						
	(i) Equity and Preference Investment	F	Level 3	80.34	80.34	80.34	80.34
	(ii) In mutual funds and others	B	Level-1	720.05	720.05	455.46	455.46
2	Financial assets designated at fair value through other comprehensive income						
	Investment in Equity shares	C	Level-1	94.68	94.68	22.20	22.20
3	Financial assets designated at amortised cost						
	a) Investment in Bonds / Debentures			249.69	249.69	359.30	359.30
	b) Other Bank Balances *			9.40	9.40	15.93	15.93
	c) Cash & Cash Equivalents *			64.08	64.08	35.77	35.77
	d) Trade receivables *			361.27	361.27	349.54	349.54
	e) Other receivables			30.66	30.66	45.65	45.65
	f) Other financial assets			332.24	332.24	233.27	233.27
4	a) Investment in Joint Venture	D		13.55	13.55	13.36	13.36
				2,022.27	2,022.27	1,706.08	1,706.08

Financial Liabilities

₹ in Crore (10 Million)

Sl. No	Particulars	Note	Fair value hierarchy	As at March 31, 2024		As at March 31, 2023	
				Carrying	Fair	Carrying	Fair
				Amount	Value	Amount	Value
1	Financial liability designated at fair value through profit and loss						
	a) Derivatives - not designated as hedging instruments	A	Level-2	3.87	3.87	3.86	3.86
2	Financial liability designated at amortised cost						
	a) Borrowings	E		2,204.19	2,204.19	2,802.77	2,802.77
	b) Trade payables *			677.68	677.68	657.86	657.86
	c) Other financial liability			299.31	299.31	318.43	318.43
				3,185.05	3,185.05	3,782.92	3,782.92

The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 47 : FINANCIAL INSTRUMENTS (Contd.)

The following methods and assumptions were used to estimate the fair values.

- A The fair values of derivatives are on MTM as per Bank
- B Company has opted to fair value its mutual fund investment through statement of profit & loss
- C Company has opted to fair value its quoted investments in equity share through OCI
- D Investment in Joint Venture, are accounted for using equity method
- E Company has adopted effective rate of interest for calculating Interest. This has been calculated as the weighted average of effective interest rates calculated for each loan. In addition processing fees and transaction cost relating to each loan has also been considered for calculating effective interest rate.
- F Company has opted to fair value its unquoted investments in equity and preference share through P&L

* The carrying amounts are considered to be the same as their fair values due to short term nature.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

NOTE 48 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

48.1 Financial risk factors

The Company's operational activities expose to various financial risks i.e. market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also. Whenever, the currency cover costs are such as to neutralize the advantage in foreign currency, loans are hedged so as to not to lose advantage. The Company uses derivative financial instruments to reduce foreign exchange risk exposures.

i. Credit Risk

The Company evaluates the customer credentials carefully from trade sources before appointment of any distributor and only financially sound parties are appointed as distributors. The Company secures adequate deposits from its distributor and hence risk of bad debt is limited. The credit outstanding is sought to be limited to the sum of advances/deposits and credit limit determined by the company. The company have stop supply mechanism in place in case outstanding goes beyond agreed limits.

ii. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. These comprise three types of risk i.e. currency rate, interest rate and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Regular interaction with bankers, intermediaries and the market participants help us to mitigate such risk.

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 48 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

a) Foreign Currency Risk and sensitivity

The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to reduce foreign exchange risk exposures and follows its risk management policies to mitigate the same. After taking cognisance of the natural hedge, the company takes appropriate hedges to mitigate its risk resulting from fluctuations in foreign currency exchange rate(s).

The following table analyzes foreign currency risk from financial instruments as of March 31, 2024:

₹ in Crore (10 Million)

Particulars	USD	Euro	AED	SEK & CNY	SGD	Total
Financial Assets						
Cash and cash equivalents	0.01	-	-	-	0.07	0.08
Trade receivables	79.55	1.18	0.27	-	-	81.00
Other financials assets	0.02	0.12	-	-	-	0.14
Financial liabilities						
Trade payables	(28.43)	(1.62)	-	-	-	(30.05)
Other financials liabilities	(0.79)	(1.39)	-	-	-	(2.18)
Borrowings	(271.86)	(469.13)	-	-	-	(740.99)
Interest Accrued but not due	(1.54)	(6.24)	-	-	-	(7.78)
Net assets / (liabilities)	(223.04)	(477.08)	0.27	-	0.07	(699.77)

The following table analyzes foreign currency risk from financial instruments as of March 31, 2023:

₹ in Crore (10 Million)

Particulars	USD	Euro	AED	SEK	SGD	Total
Financial Assets						
Cash and cash equivalents	0.08	-	-	-	0.07	0.15
Trade receivables	71.20	1.61	1.29	-	-	74.10
Other financials assets	2.02	-	-	-	-	2.02
Financial liabilities						
Trade payables	(100.01)	(6.12)	-	-	-	(106.13)
Other financials liabilities	(1.21)	(0.34)	-	-	-	(1.55)
Borrowings	(76.33)	(685.43)	-	-	-	(761.76)
Interest Accrued but not due	-	(4.56)	-	-	-	(4.56)
Net assets / (liabilities)	(104.25)	(694.84)	1.29	-	0.07	(797.73)

The following significant exchange rates have been applied during the year.

INR	Year-end spot rate	
	March 31, 2024	March 31, 2023
USD	83.37	82.22
EUR	90.22	89.61
GBP	105.29	101.87
SGD	61.82	61.82
AED	22.71	22.38
JPY	0.55	0.62

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 48 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

0.25% Increase and decrease in foreign exchanges rates will have the following impact on profit before tax

₹ in Crore (10 Million)

Particulars	2023-24		2022-23	
	0.25% Increase	0.25% decrease	0.25% Increase	0.25% decrease
USD Sensitivity	0.12	(0.12)	0.10	(0.10)
Euro Sensitivity	(0.06)	0.06	(0.14)	0.14
GBP Sensitivity	-	-	-	-
AED Sensitivity CY ₹6,639/- (PY ₹ 32,350/-)	0.00	(0.00)	0.00	(0.00)
SEK Sensitivity	-	-	-	-
CNY Sensitivity	-	-	-	-
Increases/ (decrease) in profit or loss	0.06	(0.06)	(0.04)	0.04

Summary of Exchange difference accounted in Statement of Profit and loss:

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Currency fluctuations		
Net foreign exchange (gain)/ losses shown as operating expenses	-	1.13
Net foreign exchange (gain)/ losses shown as Finance Cost	(17.03)	27.87
Net foreign exchange (gain)/ losses shown as Other Income	(1.50)	(0.10)
Derivatives		
Currency forwards (gain) / losses shown as operating expenses	-	-
Interest rate swaps (gain) / losses shown as finance cost	35.51	6.31
Net foreign exchange (gain)/ losses shown as Other Income	-	-
Total	16.98	35.21

b. Interest Rate Risk and Sensitivity

The Company's exposure to the risk of changes in market interest rates relates primarily to long term debt. The Company has entered into various interest rate swap contracts, in which it agrees to exchange, at specific intervals, the difference between fixed and variable interest amounts calculated by reference to an agreed upon principal amount. Borrowings at variable rates expose the Company to cash flow interest rate risk. With all other variables held constant, the following table demonstrates composition of fixed and floating rate borrowing of the company and impact of floating rate borrowings on company's profitability.

Interest Rate Risk Exposure

₹ in Crore (10 Million)

Particulars	March 31, 2024		March 31, 2023	
	(₹ in Crore)	% of Total	(₹ in Crore)	% of Total
Fixed Rate Borrowings	660.10	29.95%	905.66	32.31%
Variable Rate Borrowings	1,544.09	70.05%	1,897.11	67.69%
Total Borrowings	2,204.19	100.00%	2,802.77	100.00%

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 48 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Sensitivity on variable rate borrowings

₹ in Crore (10 Million)

Particulars	Impact on Profit & Loss Account		Impact on Equity	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interest Rate Increase by 0.25%	(3.86)	(4.74)	(3.86)	(4.74)
Interest Rate decrease by 0.25%	3.86	4.74	3.86	4.74

c. Commodity price risk and sensitivity

The Company is exposed to the movement in price of key raw materials in domestic and international markets. The Company has in place policies to manage exposure to fluctuations in the prices of the key raw materials used in operations. The Company manages fluctuations in raw material price through hedging in the form of advance procurement when the prices are perceived to be low and also enters into advance buying contracts as strategic sourcing initiative in order to keep raw material and prices under check cost of material hedged to the extent possible.

CREDIT RISK

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹361.27 Crore and ₹349.54 Crore as of March 31, 2024 and March 31, 2023, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk has always been managed by the company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the expected credit loss allowance for trade receivables. The provision matrix takes into account as per the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from top customer and top five customers:

(In %)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue from top customer	3.92%	5.14%
Revenue from top five customers	12.62%	16.76%

Credit risk exposure

The allowance for lifetime expected credit loss on customer balances for the year ended March 31, 2024 was ₹8.48 Crore.

₹ in Crore (10 Million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Balance at the beginning	2.80	1.34
Impairment Loss reversed	-	-
Additional provision created during the year	2.10	1.19
Persuant to acquisition of New Subsidiaries	3.59	0.27
Balance at the end	8.48	2.80

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 48 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The deposits with banks constitute mostly the liquid investment of the company and are generally not exposed to credit risk.

Ageing Analysis of Trade Receivables

₹ in Crore (10 Million)

Particulars	As 31 st March, 2024				As 31 st March, 2023			
	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months	Not Due and Not Impaired	Up to Six Months	Six to Twelve Months	Above 12 Months
Unsecured	245.25	111.95	5.33	7.22	253.02	89.70	5.17	4.45
Provision for Doubtful Receivables	-	0.31	0.95	7.22	-	-	-	2.80
Net Balance	245.25	111.64	4.38	-	253.02	89.70	5.17	1.65

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and to ensure funds are available for use as per the requirement. The company has an established liquidity risk management framework for managing its short term, medium term and long term funding and liquidity management requirements. The company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The company also has adequate credit facilities agreed with the banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2024:

₹ in Crore (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	129.46	129.46	-	-	129.46
Borrowings - Non-Current	1,995.86	365.60	1,192.27	437.99	1,995.86
Lease liability	78.88	13.88	52.34	12.66	78.88
Trade payables	677.69	677.69	-	-	677.69
Other financial liabilities - Current	150.59	150.59	-	-	150.59
Other financial liabilities - Non-Current					
Trade Deposits	98.20	-	-	98.20	98.20
Interest accrued but not due on Public Deposits	1.98	-	1.98	-	1.98
Derivative Financial Instruments	1.11	-	1.00	0.11	1.11
Others	51.30	-	51.16	0.14	51.30

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 48 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2023:

₹ in Crore (10 Million)

Particulars	Carrying Amount	Less than 1 year	1-5 years	More Than 5 Year	Total
Borrowings - Current	116.32	116.32	-	-	116.32
Borrowings - Non-Current	2,622.20	539.29	1,426.93	655.98	2,622.20
Lease liability	64.25	9.95	33.37	20.93	64.25
Trade payables	657.86	657.86	-	-	657.86
Other financial liabilities - Current	172.46	172.46	-	-	172.46
Other financial liabilities - Non-Current					
Trade Deposits	94.97	-	-	94.97	94.97
Interest accrued but not due on loans	1.98	-	1.98	-	1.98
Derivative Financial Instruments	2.24	-	1.97	0.27	2.24
Others	0.73	-	0.46	0.27	0.73

48.2 Competition and Price risk

The Company faces competition from local and foreign competitors. Nevertheless, it believes that it has competitive advantage in terms of high quality products and by continuously upgrading its expertise and range of products to meet the needs of its customers.

48.3 Capital Risk Management

₹ In Crore (10 million)

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the company may use appropriate means to enhance or reduce capital, as the case may be

₹ in Crore (10 Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	2,125.32	2,738.52
Less: Cash and Cash equivalents including bank balance	73.49	51.70
Less: Current Investments	969.74	814.76
Net Debt	1,082.09	1,872.06
Equity	5,069.50	4,034.00
Capital and Net Debt	6,151.59	5,906.06
Gearing Ratio	18%	32%

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 49 : DERIVATIVE FINANCIAL INSTRUMENTS

The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace.

Forward Contract outstanding for the purpose of hedging at the Balance Sheet Date

Sr. No.	Foreign Currency	March 31, 2024		March 31, 2023	
		FC in Million	₹ In Cr.	FC in Million	₹ In Cr.
1	US Dollar	39.89	332.59	17.78	146.21
2	Euro	50.11	452.12	70.96	635.84

*Net of Receivables USD 3.50 Million – ₹29.18 Crore (Previous year USD 1.00 Million – ₹8.22 Crore)

Nominal amounts of Complete Currency Swaps (CCS) for hedging entered into by the Company and outstanding at end of the year is ₹ NIL (Previous year ₹4.22 Crore)

Foreign Currency Exposure not hedged as at the Balance Sheet Date

Sr. No.	Foreign Currency	March 31, 2024		March 31, 2023	
		FC in Million	₹ In Cr.	FC in Million	₹ In Cr.
1	US Dollar *	(6.37)	(53.11)	(4.89)	(40.18)
2	Euro	2.78	25.06	6.11	54.78
3	GBP (FC 456, ₹47,895)	0.00	0.00	-	-
4	AED	(0.117)	(0.27)	(0.58)	(1.29)
5	JPY	4.87	0.27	5.97	0.37

*Net of Receivables USD 6.21 Million – ₹51.81 Crore (Previous year USD 8.66 Million – ₹71.20 Crore), EUR 0.13 Million – ₹1.18 Crore (Previous year 0.18 Million – ₹1.61 Crore) and AED 0.12 Million – ₹0.27 Crore (Previous year AED 0.58 Million – ₹1.29 Crore).

Interest Rate Swaps

The Company has variable interest borrowings. To offset the risk of variation in interest rates, the Company has entered into, fix pay and variable receipt, interest rate swaps. These swap contracts are in US Dollar, Euro and INR. Outstanding amortised notional value of loan for swap contracts and MTM taken there on are as follows :

Sr. No.	Foreign Currency	March 31, 2024		March 31, 2023	
		Loan FC in Million	MTM ₹ In Cr. (Gain)/Loss	Loan FC in Million	MTM ₹ In Cr. (Gain)/Loss
1	US Dollar	-	-	-	-
2	Euro	35.56	(34.67)	52.02	(59.35)
3	INR	-	(7.49)	-	(11.96)

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 50 : ACQUISITION OF SUBSIDIARY

- i) The Board of Directors at its meeting held on 16th October 2023 had approved acquisition of 100% stake in Manipal Utility Packaging Solutions Private Limited (MUPSPL) by way of entering into a Share Purchase Agreements (SPA). Acquisition was completed on 21st November 2023 pursuant to which MUPSPL became wholly owned subsidiary of the Company. The impact of Business Combination has been given in the Consolidated financials of the Company as per IND AS 103. Subsequently, name of MUPSPL has been changed to JKPL Utility Packaging Solutions Private Limited

Fair value of identifiable assets acquired, and liabilities assumed, based on the report of independent valuer, as on the date of acquisition is as below:

Particulars	₹ In Crore
Non-current Assets	91.63
Current Assets	43.40
Total Assets (A)	135.03
Non-current Liabilities	11.49
Current Liabilities	34.93
Total Liabilities (B)	46.42
Fair value of identifiable Net Assets (C = A - B)	88.61
Purchase consideration paid by JKPL for 100% Equity stake	89.35
Adjustment towards contingent consideration as per SPA	0.72
Total Purchase Consideration (D)	90.07
Goodwill (D-C)	1.46

- ii) In view of above, figures of current year are not comparable with previous year.

NOTE 51 : INCOME TAX

a) Amount recognised in Statement of Profit and Loss

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Current Income Tax		
Current year*	266.05	318.36
Reversal of minimum alternate tax credit*	5.55	-
Total	271.60	318.36
Deferred Tax	(80.12)	119.90
Income tax expense reported in the statement of profit and loss	191.48	438.26

* including ₹23.51 crore related to earlier years (Previous year is ₹(20.48) Crore)

b) Reconciliation of Effective Tax Rate

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Profit before tax	1,324.68	1,646.48
Applicable tax rate for the company*	25.17%	34.94%
Income Tax Expense at applicable Statutory Income Tax Rate	333.40	575.35

Notes to the Consolidated Financial Statement for the year ended March 31, 2024

NOTE 51 : INCOME TAX (Contd.)

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
Tax Impact on:-		
Benefit of 80IA	-	(31.45)
Donation	2.42	0.76
Differential Tax Rates of Subsidiaries	-	0.04
In House R&D Expenditure	-	(1.31)
CSR Expenditure	3.71	5.13
Brought forward business Losses and unabsorbed depreciation adjusted under Income tax act of The Sirpur Paper Mills Limited	-	(102.15)
Income tax adjustment relating to previous years	23.51	(20.48)
Reversal of Deferred Tax Liability (Impact of new tax regime*)	(176.52)	-
Reversal of minimum alternate tax credit (Impact of new tax regime*)	5.55	-
Others	(0.58)	12.38
Reported Income Tax Expense	191.48	438.26
Effective Tax Rate	14.45%	26.62%

* On 30 September 2019, the Taxation Laws (Amendment) Ordinance 2019 ('the Ordinance') was passed introducing section 115BAA of the Income-tax Act, 1961 which allowed domestic companies to opt for an alternative tax regime from financial year 2019-20 onwards. As per the regime, companies can opt to pay reduced income-tax @22% (plus surcharge and cess) subject to foregoing of certain exemptions. Central Board of Direct taxes vide circular number 29/2019 clarified that companies opting for lower rates of taxes will not be allowed to carry forward minimum alternate tax (MAT) credit and also will not be allowed to offset brought forward losses on account of additional depreciation. During the current year 2023-24, the holding company and a subsidiary company(The Sirpur Paper Mills Limited) have decided to opt for the aforementioned regime and has provided for its current taxes at lower rates and has made the requisite adjustments in its deferred taxes.

NOTE 52: Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

NOTE 53: Notes 1 to 52 are annexed to and form an integral part of financial statements.

As per our report of even date attached
for **LODHA & CO LLP**
Chartered Accountants
Firm's Registration Number 301051E/E300284

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 16th May, 2024

For and on behalf of the Board of Directors

Harsh Pati Singhania
(DIN No. 00086742)
Chairman & Managing Director

A.S.Mehta
(DIN No. 00030694)
President & Director

KR Veerappan
Chief Finance Officer

Shri Anoop Seth (DIN No. 00239653)
Smt. Deepa Gopalan Wadhwa (DIN No. 07862942)
Shri R.V. Kanoria (DIN No. 00003792)
Shri S.K. Roongta (DIN No. 00309302)
Smt. Vinita Singhania (DIN No. 00042983)
Shri Sandip Somany (DIN No. 00053597)

Directors

Deepak Gupta
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2024

₹ in Crore (10 Million)

Particulars	2023-24	2022-23
A. CASH FLOW FROM OPERATING ACTIVITIES :		
Net Profit Before Tax	1,324.68	1,646.48
Adjustments for :		
Depreciation and Amortization	310.10	281.85
Income from Investments	(73.00)	(34.08)
(Profit)/ Loss on Sale of Property Plant and Equipment (Net)	(0.86)	(3.16)
Dividend Income	(0.11)	(0.14)
Finance Cost	208.08	222.48
Interest Income	(37.25)	(34.58)
Foreign Exchange Fluctuation	(1.28)	(2.10)
Assets Written off	0.07	3.12
Bad Debts	-	0.27
Provision for Doubtful Debts	2.10	1.19
Provision for earlier years no longer required	(11.11)	(7.32)
Foreign Currency Translation gain / (loss) on Consolidation	0.19	(0.18)
Deferred Government Benefits	(2.00)	(2.00)
Exceptional Item(Asset Impairment)	-	33.64
Operating Profit before Working Capital Changes	1,719.61	2,105.47
Adjustments for Working Capital Changes:		
Trade and Other Receivables	(0.96)	75.25
Inventories	(107.81)	(221.59)
Trade and Other Payables	17.55	61.72
Cash generated from Operations	1,628.39	2,020.84
Taxes paid	(252.50)	(258.89)
Net Cash from Operating Activities	1,375.89	1,761.95
B. CASH FLOW FROM INVESTING ACTIVITIES :		
Purchase of Property Plant & Equipment and other Intangible Assets	(240.26)	(223.88)
Sale of Property Plant & Equipment	4.43	13.46
Sale/(Purchase) of Investments (Net)	(141.96)	(163.74)
Deposit Accounts with Banks	6.68	(2.50)
Dividend Income	0.11	0.14
Interest Received	34.49	18.09
Net Loans and Advances	15.00	(22.57)
Acquisition of Subsidiaries	(89.34)	(586.32)
Net Cash from Investing Activities	(410.85)	(967.32)

Consolidated Cash Flow Statement for the year ended 31st March, 2024

₹ in Crore (10 Million)

Particulars	2023-24		2022-23	
C. CASH FLOW FROM FINANCING ACTIVITIES :				
Proceeds of Long Term Borrowings	54.53		176.91	
Repayment of Long Term Borrowings	(664.59)		(536.01)	
Proceeds/(Repayment) from Short Term Borrowings (Net)	2.42		(38.96)	
Payment of lease Liabilities	(19.73)		(18.35)	
Interest and Financial Charges	(215.31)		(209.42)	
Dividend	(126.90)		(160.82)	
Proceeds/(Repayment) from Preference Share Capital	32.00		-	
Net cash from Financing Activities		(937.58)		(786.65)
D. Increase/(Decrease) in Cash and Cash Equivalents		27.46		7.98
E. Cash and Cash Equivalents as at the beginning of the year		35.77		8.88
Cash acquired pursuant to acquisition of subsidiaries		0.85		18.91
F. Cash and Cash Equivalents as at the close of the year / period		64.08		35.77

Notes :

(a) Total Liabilities from Financing Activities

Particulars	2023-24		2022-23	
	Long Term	Short Term	Long Term	Short Term
Opening	2,686.45	116.32	2,981.70	155.28
Cash Flow Changes				
Inflow/(Repayments)	(610.06)	13.14	(335.08)	(38.96)
Non-Cash Flow Changes				
Foreign Exchange	3.60	-	37.39	-
Lease Liabilities	14.63	-	(5.19)	-
Other	(19.89)	-	7.63	-
Closing	2,074.74	129.46	2,686.45	116.32

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

As per our report of even date attached
for **LODHA & CO LLP**
Chartered Accountants
Firm's Registration Number 301051E/E300284

(N.K. LODHA)
Partner
Membership No. 85155
New Delhi, the 16th May, 2024

For and on behalf of the Board of Directors

Harsh Pati Singhania
(DIN No. 00086742)
Chairman & Managing Director

A.S.Mehta
(DIN No. 00030694)
President & Director

KR Veerappan
Chief Finance Officer

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Directors

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Company Secretary



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