

JKP/SH/2016

29<sup>th</sup> July 2016

Electronic Filing

Department of Corporate Services/Listing  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai – 400 001

National Stock Exchange of India Ltd.  
“Exchange Plaza” Bandra-Kurla  
Complex, Bandra (E),  
Mumbai – 400 051

Scrip Code No. 532162

Symbol : JKPAPER  
Series : EQ

Dear Sir/Madam,

Re: Copy of Presentation made to Analysts/Investors Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Further to our letter bearing reference no. JKP/SH/2016 dt. 28.07.2016, wherein we had intimated your exchange, in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, of the Analysts/Investors Meeting of the Company to be held on 29<sup>th</sup> July 2016 at Mumbai, enclosed please find herewith a copy of the Presentation made at the said Analysts/Investors Meeting held as on date at Mumbai.

Submitted for your kind reference and records.

Thanking you,

Yours faithfully  
For JK Paper Limited



(Suresh Chander Gupta)  
Vice President & Company Secretary

Encl: a/a





# JK Paper Today

Investor Presentation

**An Industry benchmark with Power Packed Brands**

**29<sup>th</sup> Jul 2016**

*some of life's  
best moments  
come on paper...*

**JK Paper Ltd is one of the leading companies of JK Organisation  
– a prominent business house of India founded over 100 years ago**

**Cement**



	Rs. Cr.
Mkt Cap	4,970
Revenue	2,955

**Agri Genetics**



	Rs. Cr.
Mkt Cap	156
Revenue	186

**Dairy Products**



	Rs. Cr.
Mkt Cap	152
Revenue *	919

\* incl. LVP Foods

**Education**



**Paper**



**JK PAPER LTD.**  
*Creating lasting impressions*

	Rs. Cr.
Mkt Cap	854
Revenue	2,881

**J.K. ORGANISATION**

**USD 4 Billion**

**23 manufacturing plants**

**Present in 100 countries**

**More than 30,000 employees**

**Defence Electronics**



**Hospital & Health services**



**Tyre**



	Rs. Cr.
Mkt Cap	2,064
Revenue	7,562

**V-Belts- Oil Seals & Power Transmission Systems**



	Rs. Cr.
Revenue	672

**Clinical Research**



Market Capitalisation (Mkt Cap) is as of 27<sup>th</sup> July, 2016



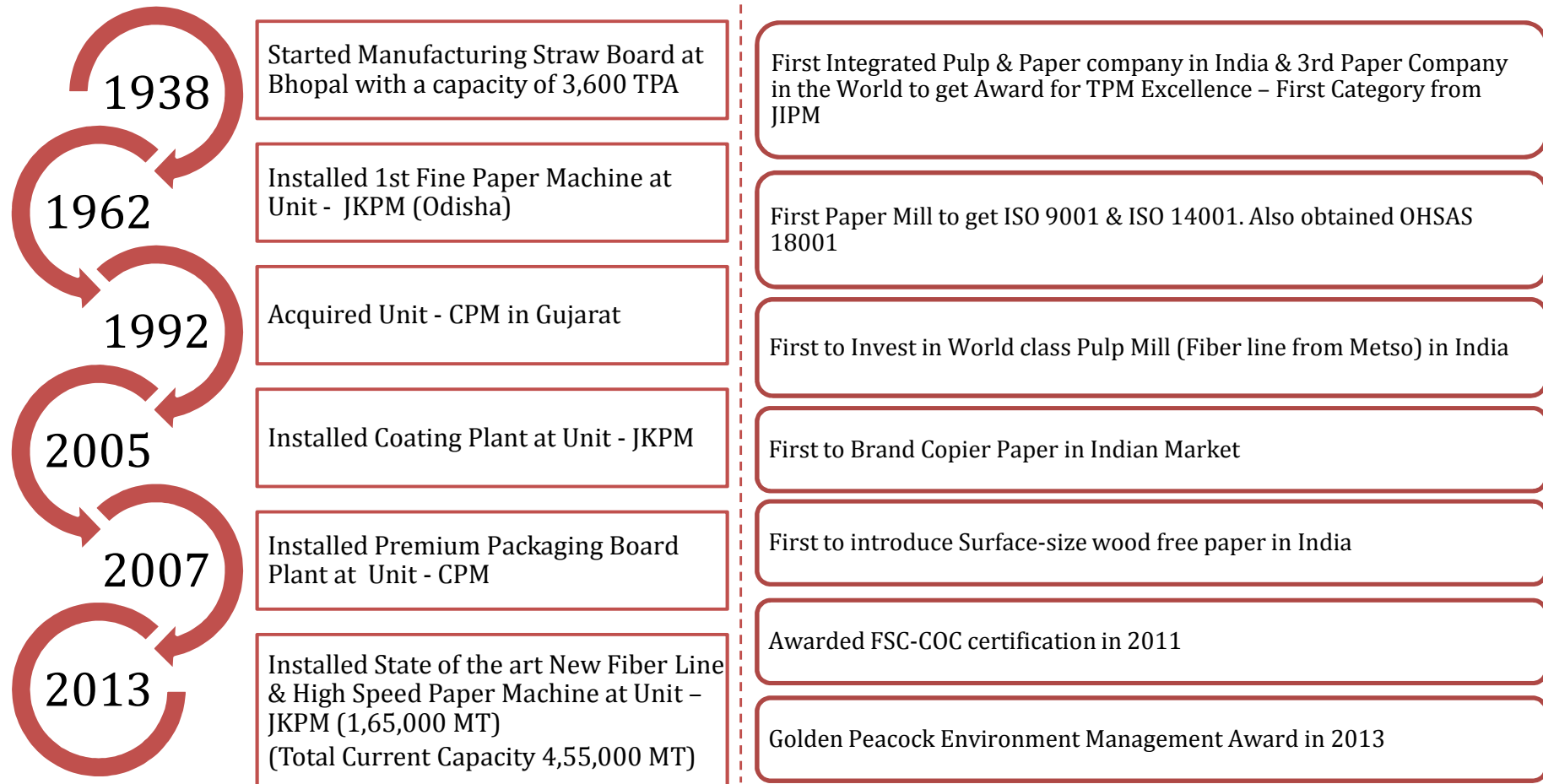
**JK PAPER .....Creating Lasting Impressions**

**Slide No.2**



# JK Paper - History & Milestones

## 75 YEARS JOURNEY OF JK PAPER



# JK Paper – Shareholding Pattern

## Major Institutional Investors



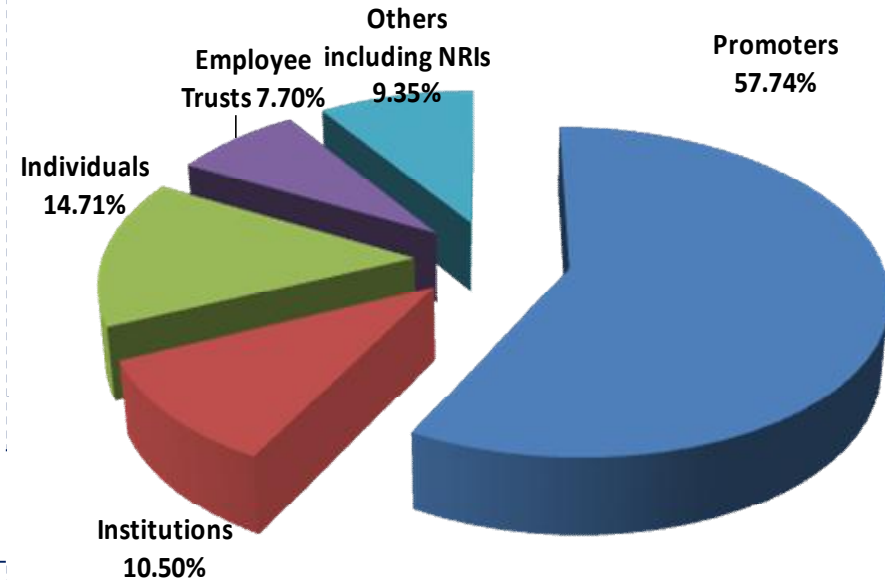
**General Insurance Corporation of India**  
(Wholly owned by the Government of India)  
Global Reinsurance Solutions

## FCCBs Holders



## Shareholding Pattern

As on 30<sup>th</sup> June 2016



**JK'S Brands are Industry Benchmarks In Respective Products Categories**  
**Plants with state of the art technology and minimal environmental impact**

**Copier Paper (Market Leader – Current Mkt. Share is 27%)**



**Coated Paper ( Amongst top Two  
– Current Mkt. Share is 12%)**



**Packaging Board  
( Amongst top Two  
Current Mkt. Share is 16%)**



**Panoramic view of the Unit JKPM (Orissa) -295,000 tpa)**



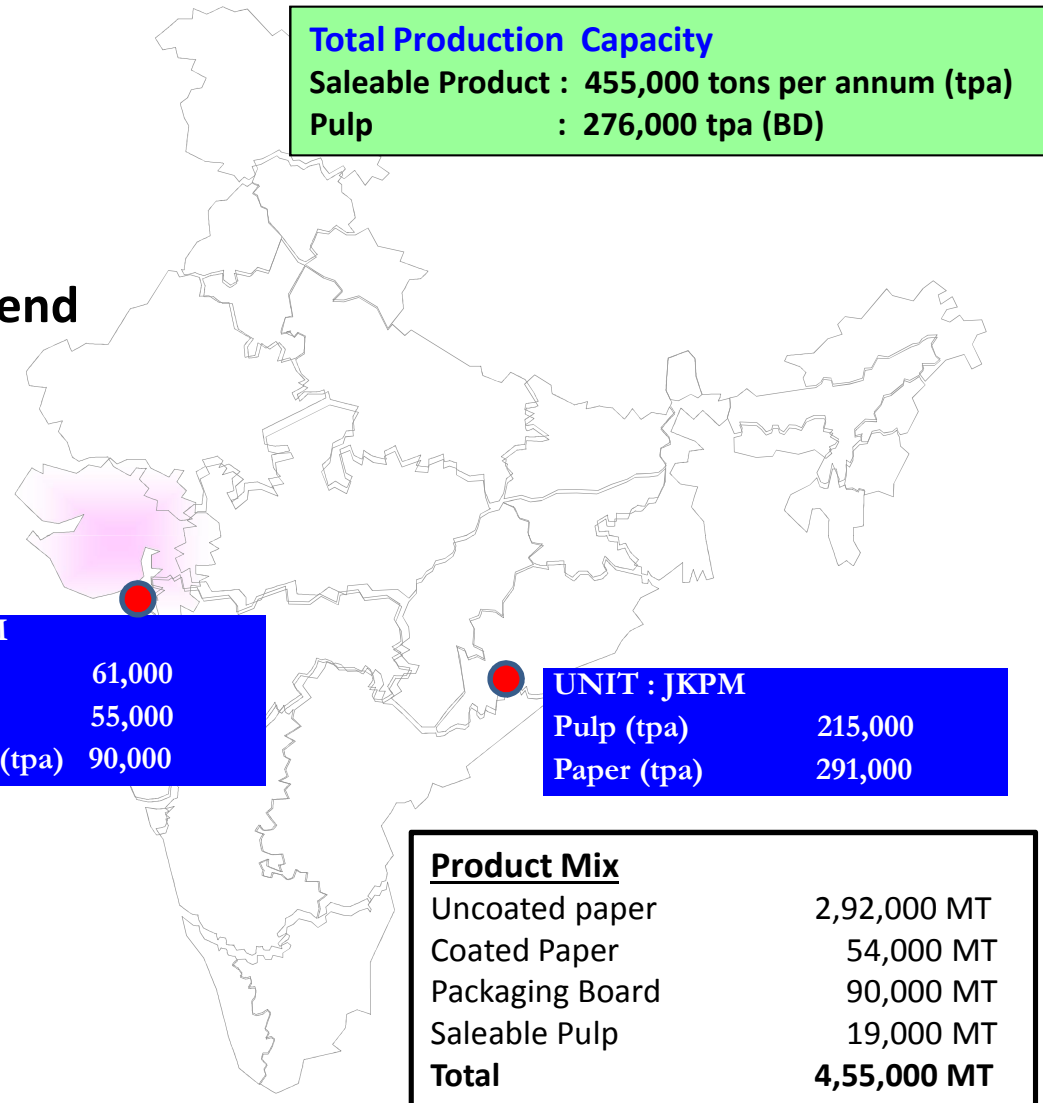
**Panoramic view of the CPM (Surat, Gujarat) – 160,000 tpa**



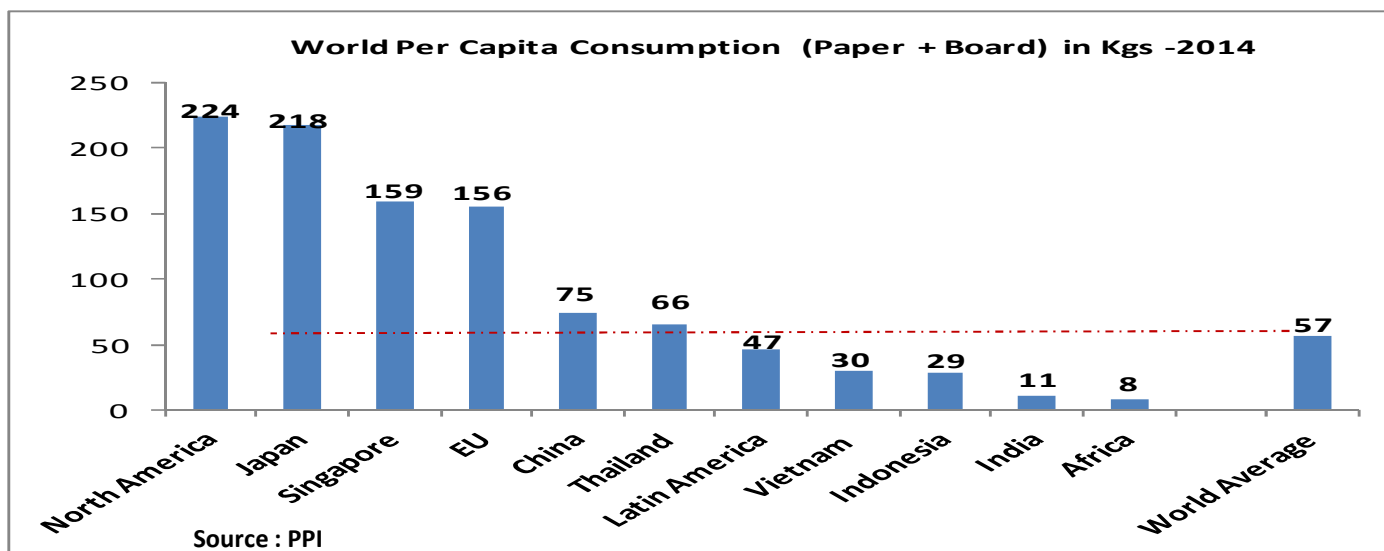
# Strategic Geographical Presence

- **Strategic location**
  - JKPM located close to raw material sources
  - CPM located close to large end customers & port
- **Strong distribution reach**
  - 4 regional offices
  - 12 warehouses
  - 190 distributors
  - over 4,000 dealers

Combined strength of ~ 4800 employees at both the locations



# Global v/s Indian Paper Industry



Sl. No	Product Category	Global - 2014			India 2014-15			India 2018-19	
		Mn Tons	%	CAGR %	Mn Tons	%	CAGR %	Mn Tons	CAGR%
				last 4 yrs			last 5 yrs		4 Years
		1	2	3	4	5	6	7	8
1	Coated	41	13.2	-2.3	0.7	4.8	6.7	0.9	7.0
2	Uncoated	64	14.2	0.0	3.8	25.9	5.6	4.8	5.7
3	Packaging Board	58	13.7	1.6	3.3	22.2	9.4	4.6	9.1
4	Tissue	33	7.7	4.2	0.1	0.6	12.0	0.2	15.5
5	Industrial incl. Kraft	152	35.7	2.8	3.9	26.5	8.0	5.5	9.0
6	Newsprint	27	8.0	-5.0	2.6	17.6	4.2	2.7	1.0
7	Others	33	7.5	1.6	0.3	2.4	7.5	0.5	8.0
8	<b>Total</b>	<b>408</b>	<b>100.0</b>	<b>0.9</b>	<b>14.7</b>	<b>100.0</b>	<b>7.0</b>	<b>19.1</b>	<b>6.8</b>

Source: FAO/RISI/Company estimates

Packaging & Tissue segments are high growth markets globally





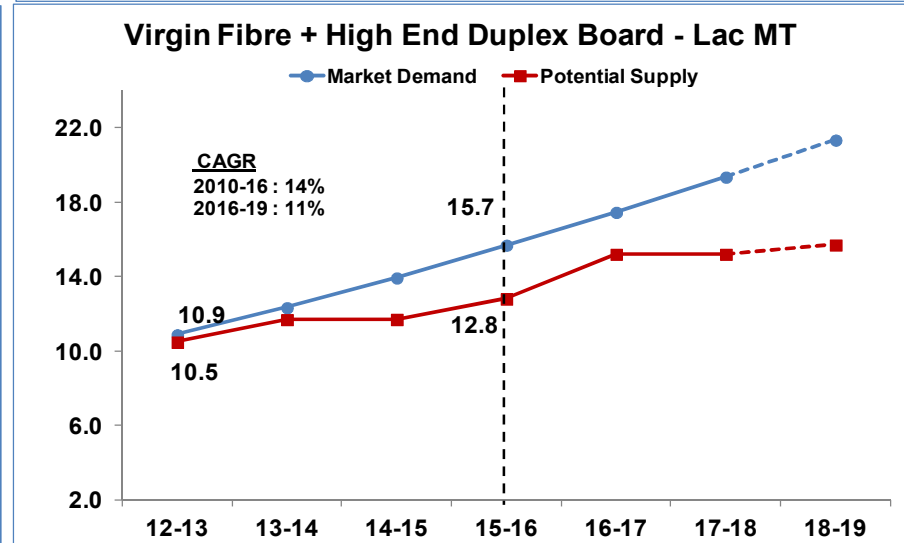
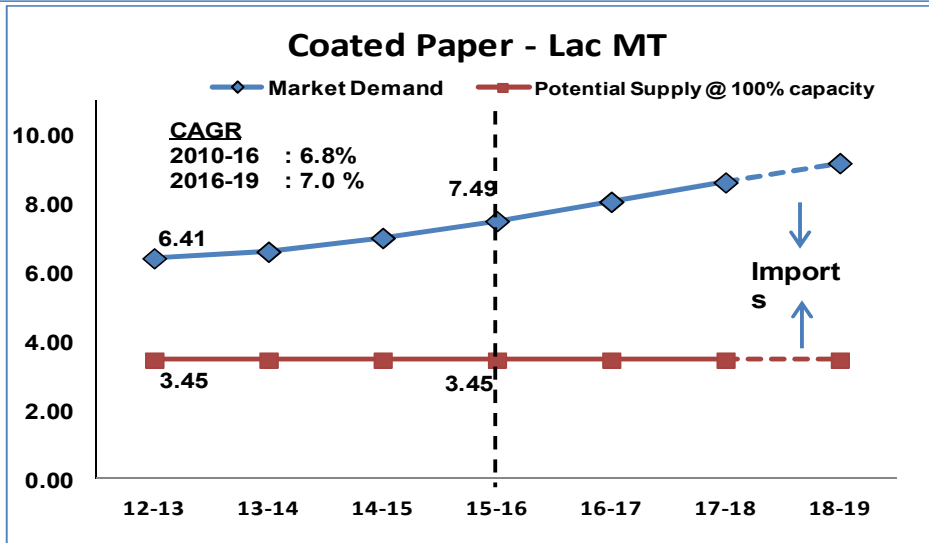
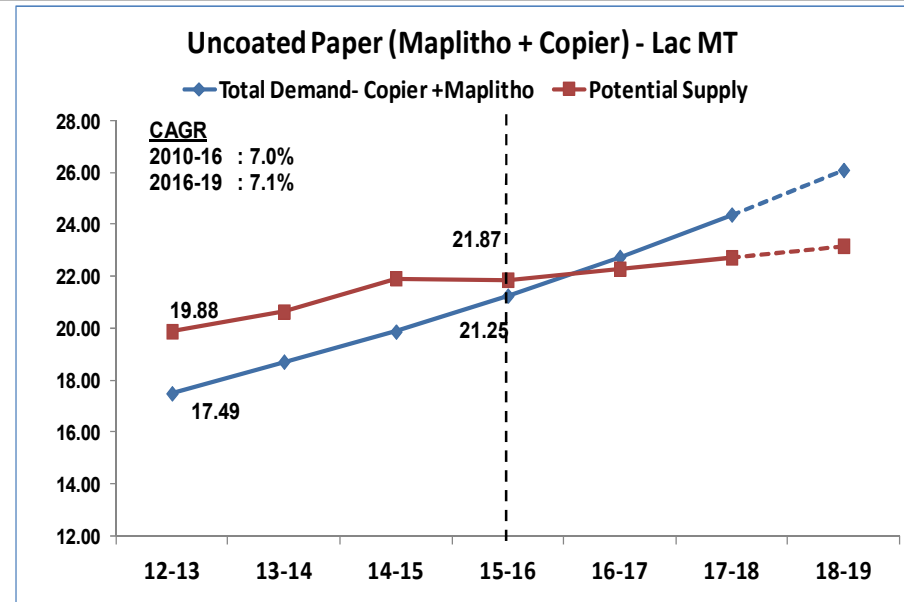
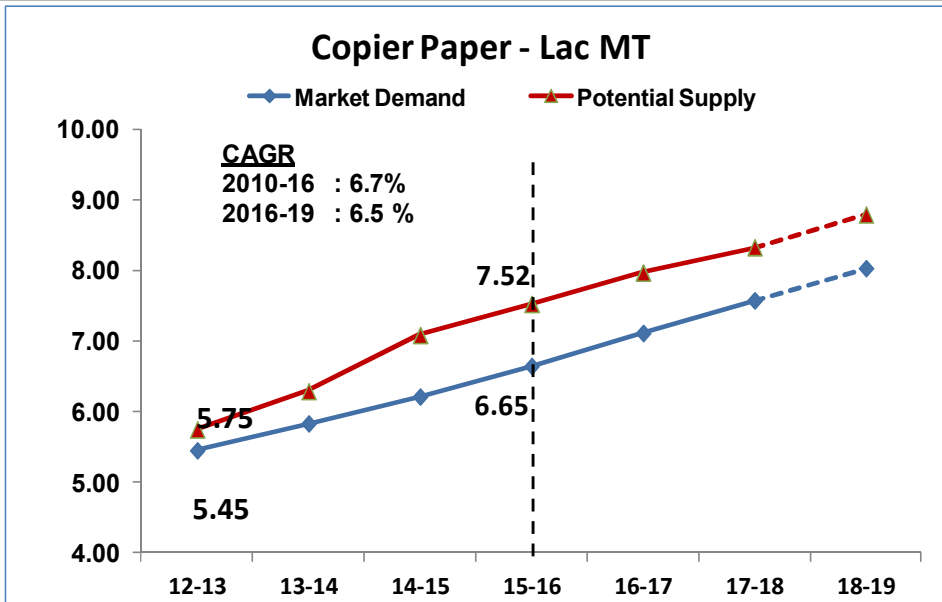
## Indian Paper Market & Product Category (Lac MT)

	Category	Market Size (in Lac MT)		Share of Total (14-15)	CAGR (5 Years) 2010-11 Base year	CAGR (14-15 to 18-19) Industry
		14-15	18-19			
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>1.0</b>	<b>Writing &amp; Printing Paper</b>	<b>45.0</b>	<b>56.7</b>	<b>31%</b>	<b>5.8%</b>	<b>5.9%</b>
1.1	Creamwove/Maplitho (Low Bright)	18.2	21.5	12%	4.3%	4.2%
1.2	Maplitho (High Bright)	13.7	18.1	9%	7.1%	7.2%
1.3	Copier	6.2	8.0	4%	6.7%	6.6%
<b>1.4</b>	<b>Total Uncoated</b>	<b>38.0</b>	<b>47.6</b>	<b>26%</b>	<b>5.6%</b>	<b>5.7%</b>
1.5	Coated Paper	7.0	9.2	5%	6.7%	7.0%
<b>2.0</b>	<b>Total Packaging Paper &amp; Board</b>	<b>71.4</b>	<b>101.0</b>	<b>49%</b>	<b>8.6%</b>	<b>9.1%</b>
2.1	Recycled Duplex Board (Grey/White back)	26.9	36.9	18%	7.8%	9.0%
2.2	Virgin Boards (FBB/SBS)	5.7	9.3	4%	19.0%	13.0%
<b>2.3</b>	<b>Total Packaging Board</b>	<b>32.6</b>	<b>46.2</b>	<b>22%</b>	<b>9.4%</b>	<b>9.1%</b>
2.4	High end Kraft (35-45 BF)	3.9	6.1	3%	10.0%	12.0%
2.5	Medium & Low end Kraft(Below 35 BF)	34.9	48.7	24%	7.8%	8.7%
<b>2.6</b>	<b>Total Packaging Papers (Kraft)</b>	<b>38.8</b>	<b>54.8</b>	<b>26%</b>	<b>8.0%</b>	<b>9.0%</b>
3.0	Tissue	0.9	1.6	1%	12.0%	15.5%
4.0	Other Speciality	3.5	4.7	2%	7.5%	8.0%
5.0	Newsprint	25.9	26.9	18%	4.2%	1.0%
<b>6.0</b>	<b>Grand Total</b>	<b>146.6</b>	<b>191.0</b>	<b>100%</b>	<b>7.0%</b>	<b>6.8%</b>

Source: RISI/Poyry/Company Estimates



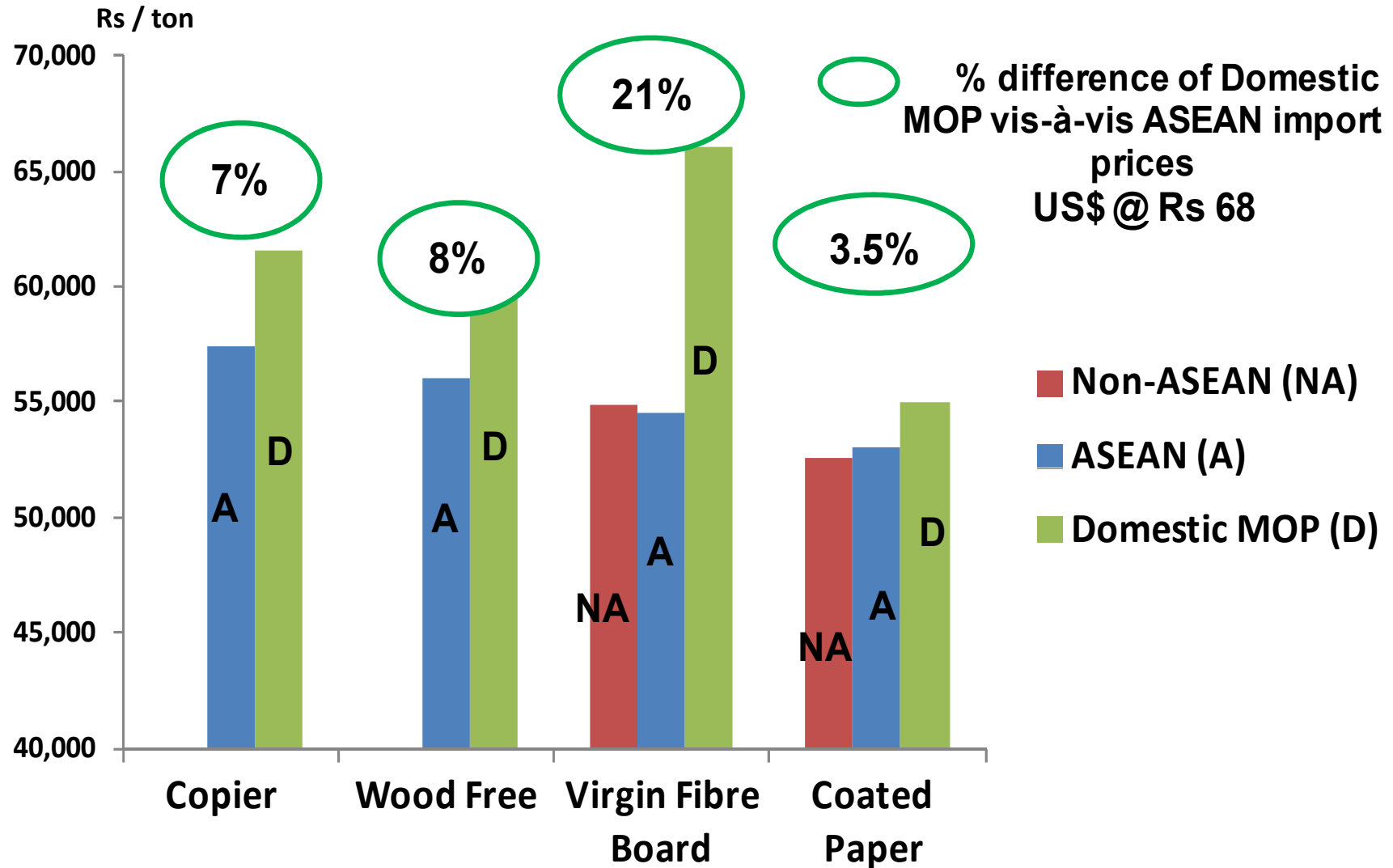
# Demand / Supply



Source: Company Estimates



## FTA with ASEAN - Import Price Parity



Source: Company Estimates



# New Project at Unit - JKPM.....(I)

Fibreline (215,000 TPA)



Paper Machine (165,000 TPA)



# New Project at Unit - JKPM.....(II)

Power Plant



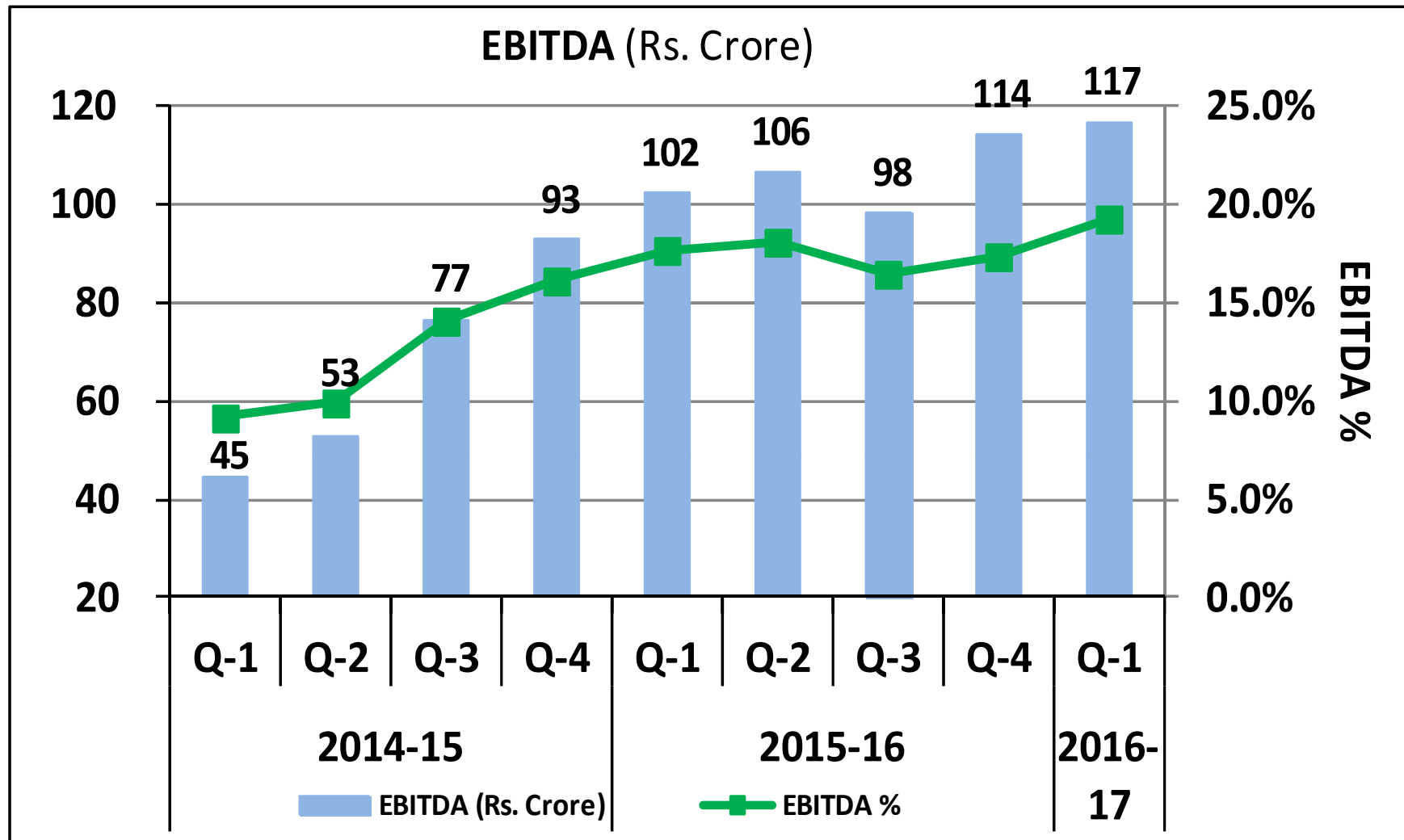
A4 Cutting Line



Robotic Palletizer



# JKPL Performance



Note: Current Quarter Q1 (FY 2016-17) is as per Ind AS which is effective from 1<sup>st</sup> April 2016, so not comparable with previous periods



## JK Paper - Key Financials for Q1 (FY 2016-17 vs FY 2015-16)

Rs. Cr.

	Unit	1st Quarter		% Growth
		2016-17	2015-16	Q1
<b>Sales Volume</b>	MT	<b>1,14,368</b>	<b>1,08,435</b>	<b>5.5</b>
Uncoated Paper	MT	72,216	69,598	3.8
Coated Paper	MT	19,996	17,009	17.6
Virgin Fibre Board	MT	22,156	21,828	1.5
<b>Gross Sales</b>	<b>Rs. Cr</b>	<b>711</b>	<b>683</b>	<b>4.1</b>
<b>Net Sales</b>	<b>Rs. Cr</b>	<b>606</b>	<b>579</b>	<b>4.7</b>
<b>EBITDA</b>	<b>Rs. Cr</b>	<b>117</b>	<b>103</b>	<b>13.6</b>
<b>EBIT</b>	<b>Rs. Cr</b>	<b>87</b>	<b>74</b>	<b>18.1</b>
<b>PBT</b>	<b>Rs. Cr</b>	<b>39</b>	<b>21</b>	<b>81.4</b>
<b>PAT</b>	<b>Rs. Cr</b>	<b>27</b>	<b>15</b>	<b>79.0</b>
<b>EBITDA Margin</b>	<b>%</b>	<b>19.3%</b>	<b>17.7%</b>	<b>1.5%</b>



# JKPL - Profitability

Rs. Cr.

S.N.	Description	2013-14	2014-15	2015-16	2016-17
		12 Months	12 Months	12 Month	Q1
<b>1</b>	<b>Net Sales</b>	<b>1,721</b>	<b>2,139</b>	<b>2,422</b>	<b>606</b>
1.1	Other Operating Income	17	20	33	1
<b>1.2</b>	<b>Total Income from Operations</b>	<b>1,738</b>	<b>2,159</b>	<b>2,455</b>	<b>607</b>
2	Cost of Materials Consumed	1,079	1,295	1,293	315
2.1	(Increase)/Decrease in Stock	(58)	(25)	19	(37)
2.2	Power, Fuel & Water	200	211	214	52
2.3	Staff Costs	159	166	182	48
2.4	Purchase of Traded Goods	93	66	171	68
2.5	Other Expenditure	142	192	168	48
<b>2.6</b>	<b>Total Expenses</b>	<b>1,614</b>	<b>1,904</b>	<b>2,049</b>	<b>493</b>
3	Other Income	15	12	15	3
<b>4</b>	<b>EBITDA</b>	<b>139</b>	<b>266</b>	<b>421</b>	<b>117</b>
4	Finance Costs	122	204	198	48
<b>5</b>	<b>PBDT (3 + 4 - 5)</b>	<b>31</b>	<b>63</b>	<b>222</b>	<b>69</b>
6	Depreciation	122	114	107	30
7	PBT	(91)	(51)	115	39
<b>8</b>	<b>PAT</b>	<b>(77)</b>	<b>(13)</b>	<b>80</b>	<b>27</b>

## % to Net Sales

1	Materials Cost (2 + 2.1 + 2.4)	64.7	62.5	61.3	56.9
2	Power, Fuel & Water	11.6	9.8	8.9	8.5
3	Staff Costs	9.2	7.8	7.5	8.0
4	EBITDA	8.0	12.5	17.4	19.3

Note: Current Quarter Q1 (FY 2016-17) is as per Ind AS which are effective from 1<sup>st</sup> April 2016, so not comparable to previous periods

**Significant reduction in Conversion Cost post expansion at Unit JKPM**





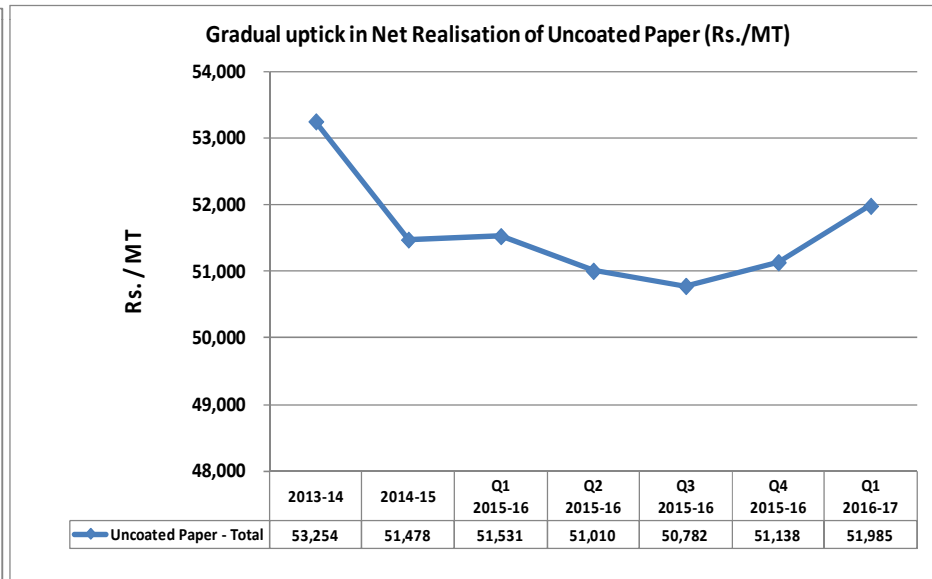
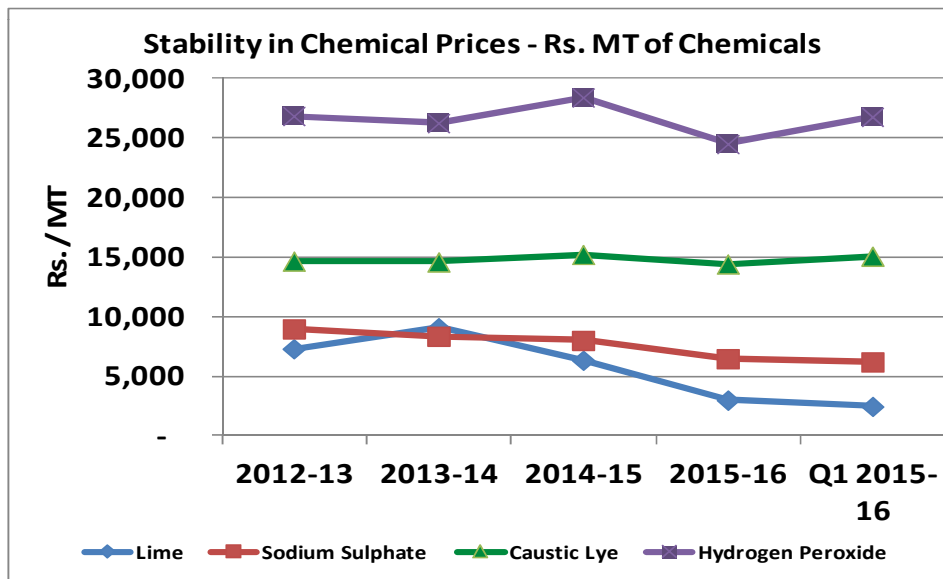
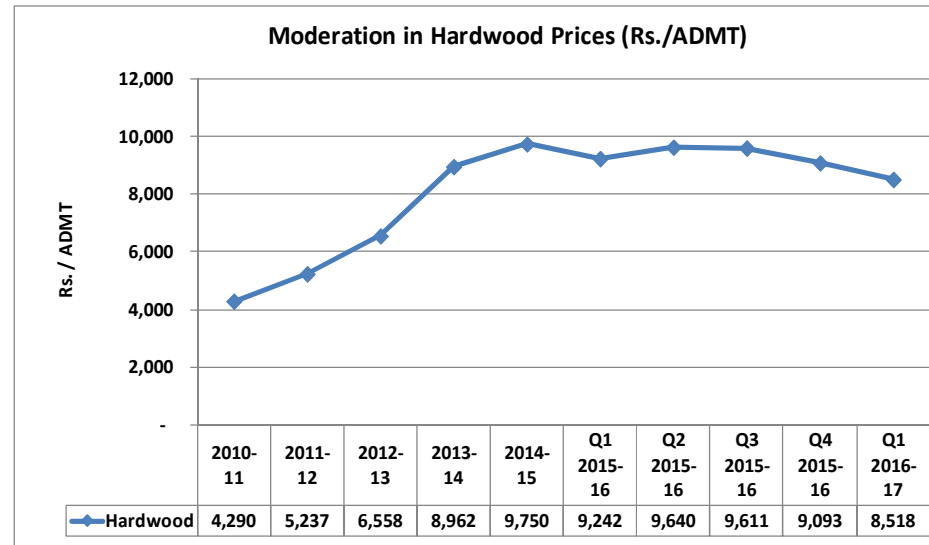
# Industry Turnaround... (I)

1. **Stabilisation / Moderation in Raw Material Price**
2. **Moderation in Chemical Prices**
3. **Stability in Coal Prices**
4. **Gradual uptick started in output price after capacity absorption**
5. **Closure of Unviable Capacities**

- Closer of Capacities	Unit – 1	1,38,300 TPA
	Unit – 2	72,000 TPA (temporary closers in between)
	Unit – 3	55,000 TPA (temporary closers in between)
	Unit – 4	2,50,000 TPA (temporary closers in between)



# Industry Turnaround... (II)



Source: Company Data

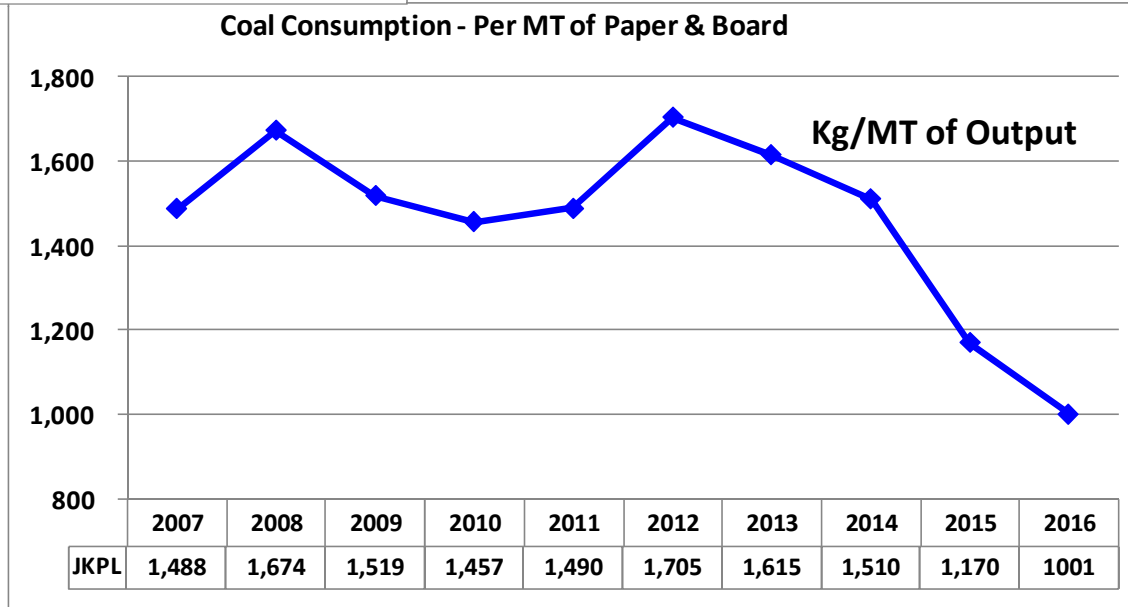
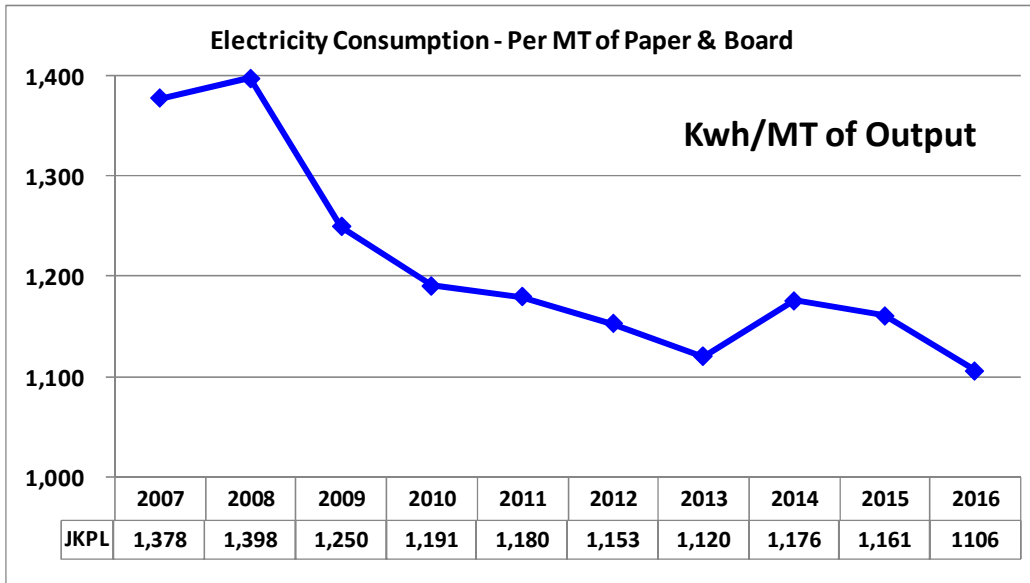


## JK Paper - Performance Highlights

1. Increase in Copier Market share to 27 % in Domestic Market from 19 % in FY 2012-13
2. Exports of 48,553 MT in FY 16 compared to 12,900 MT in FY15
3. Unit : JKPM PM-6 achieved over 100% capacity utilisation (Q4 103.2 %).
4. Unit : JKPM achieved best in the class of industry Power consumption (1203 KwH/MT) , Coal Consumption (0.80 T/MT), Water Consumption (40 M3/MT) of Paper.
5. Impact of thrust on plantation :
  - I. Unit - CPM able to source 100% of its Raw Material from area within a radius of 200 K.M. Cost reduced from Rs. 8102/ADMT in 2014-15 to Rs. 7235/ADMT in 2015-16. Reduction by 10.7% (Impact of Rs 14 Cr).
  - II. At Unit - JKPM focus on plantation within 200km. During FY 14-15 & 15-16, 87% was planted within 200km (out of around 9000 Ha planted).
7. Total Plantation 17,796 Ha in FY 16 (cumulatively till FY 16 over 1.44 Lac Ha)
8. Continuous farm forestry programme has resulted becoming JK Paper a net green company i.e. it plants more trees than it uses (planted 8.13 Crore trees in FY 15-16 compared to 7.74 Cr. trees consumed)
9. Rating upgrade of two notches → BBB+ rating with positive outlook.

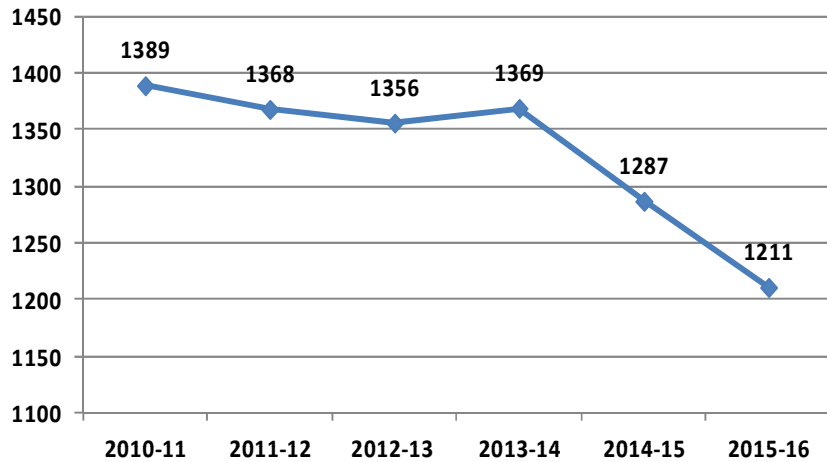


# JK Paper (Total Company) Consumption – Electricity & Coal

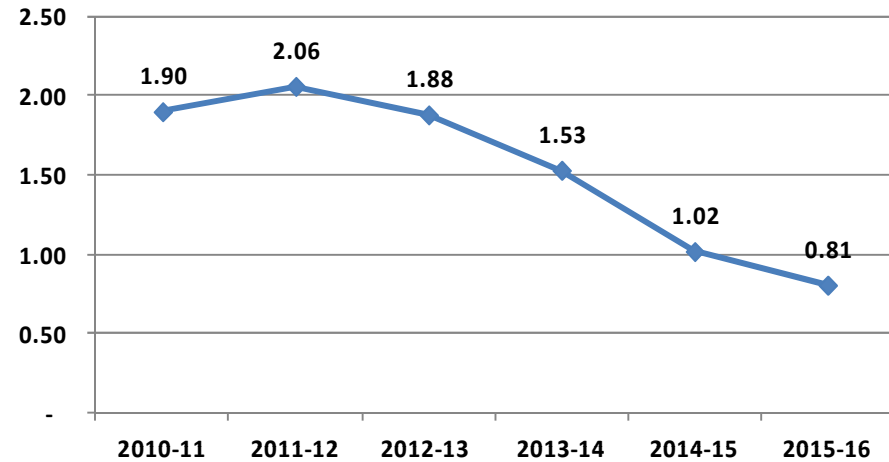


# JK Paper (Unit – JKPM) Efficiency Improvements

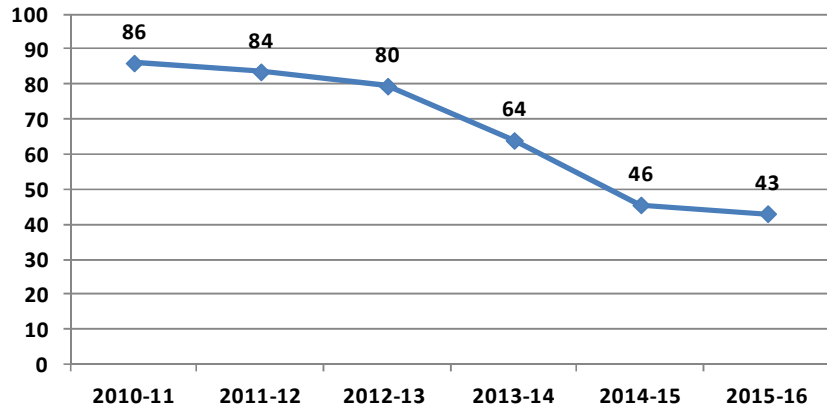
### Power Kwh/T Paper



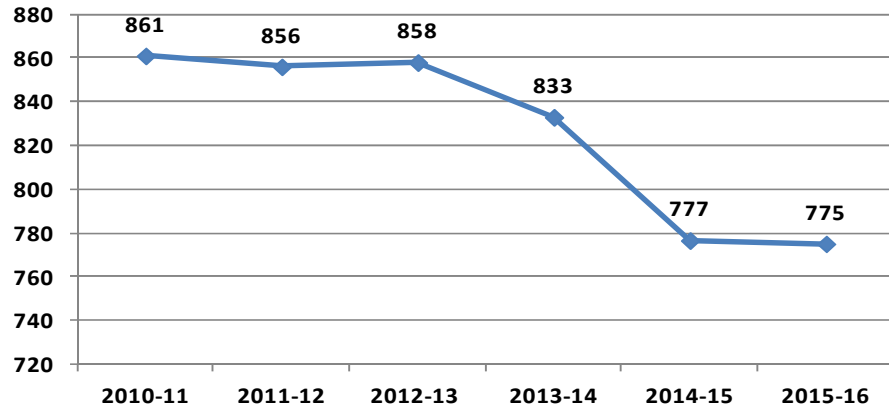
### Coal T/T Paper



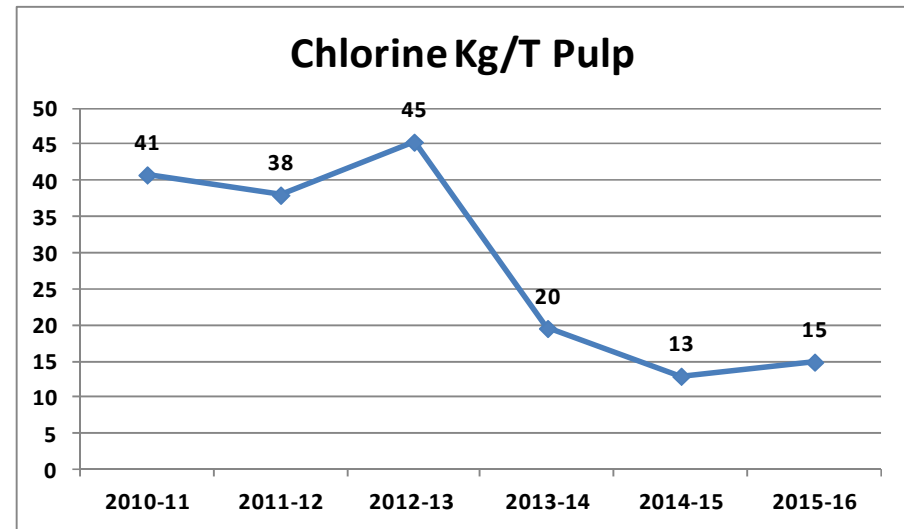
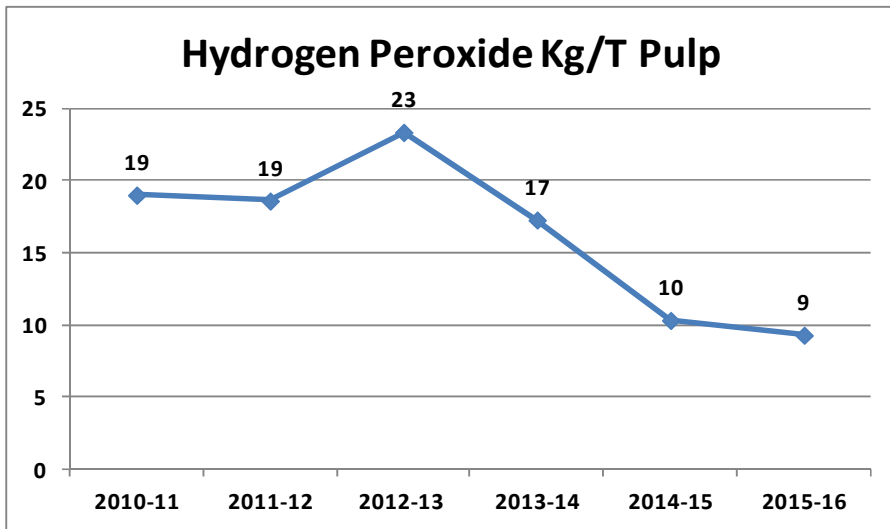
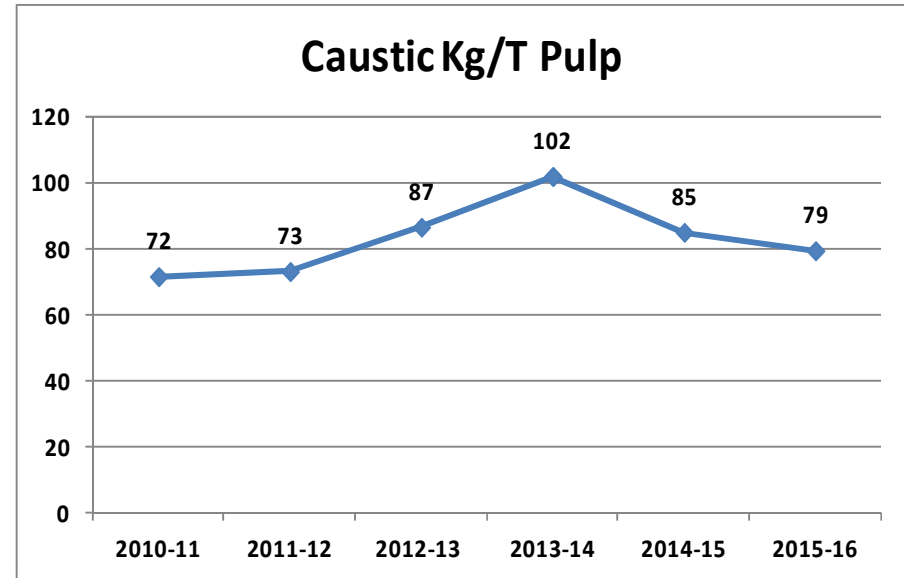
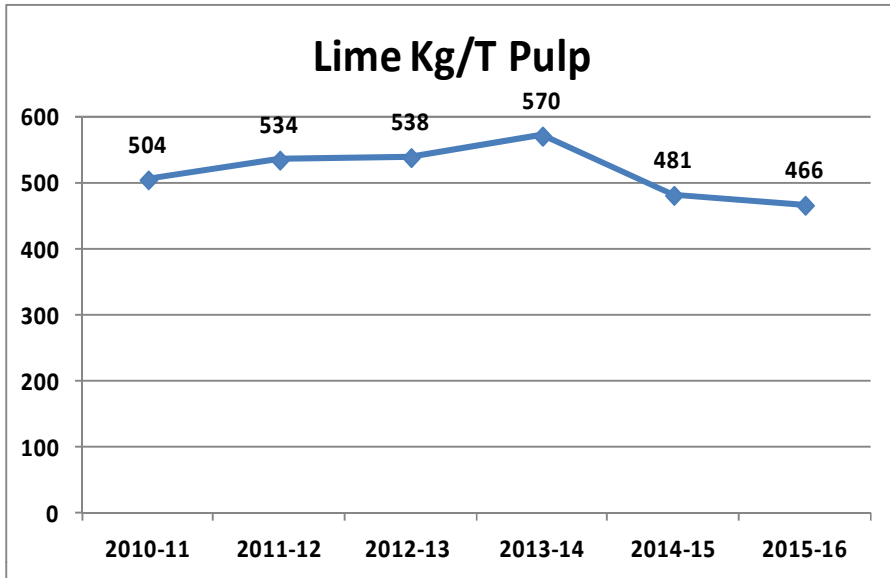
### Water M3/T Paper



### Furnish Kg Pulp/T paper

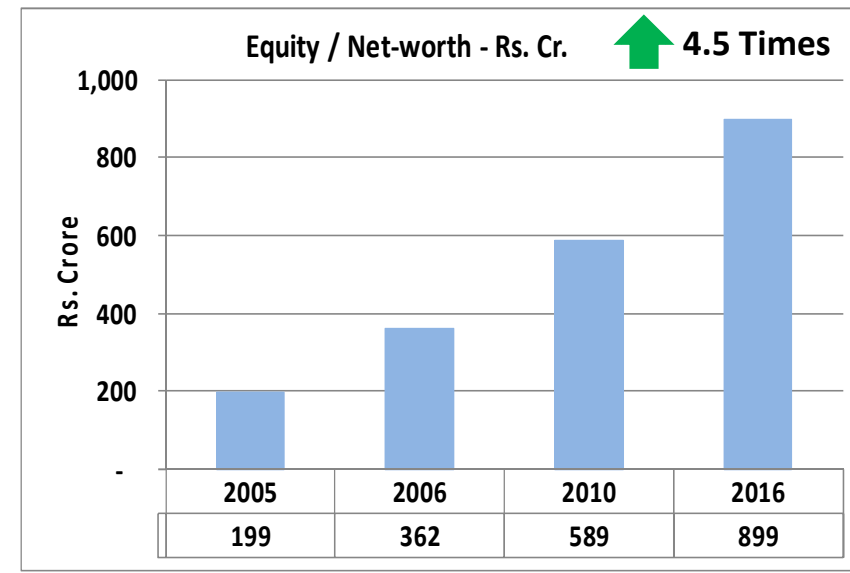
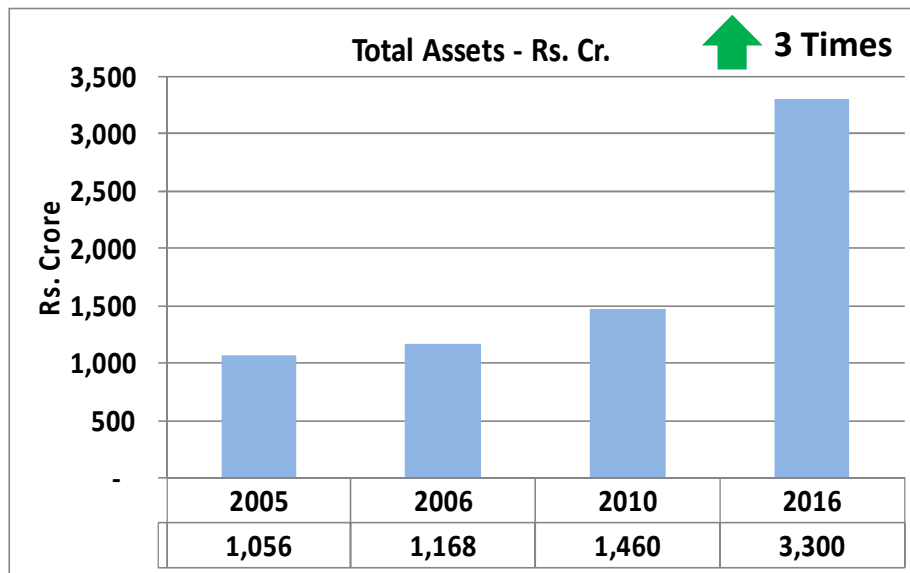
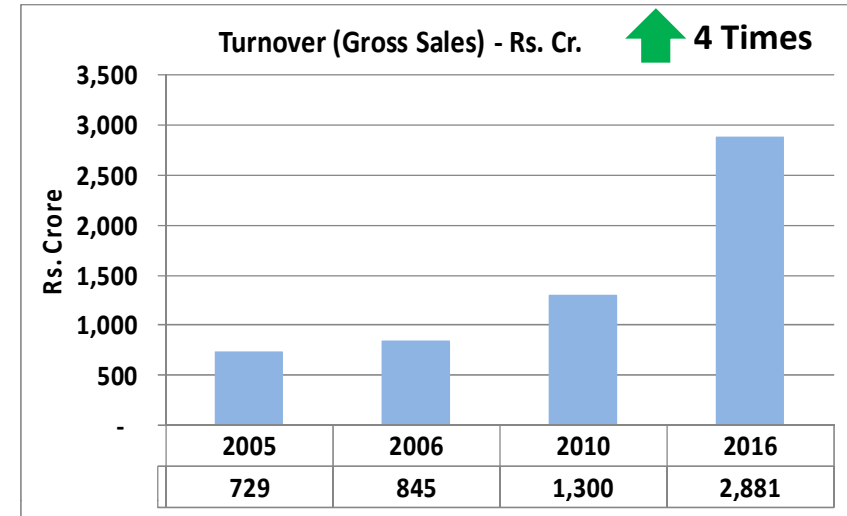
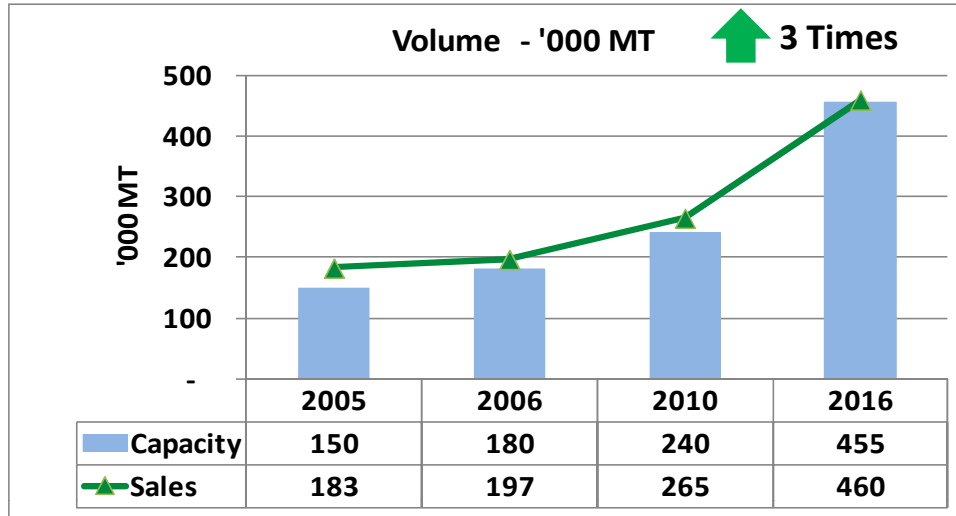


# JK Paper (Unit – JKPM) Chemical Consumption – Kg /T Pulp



# Quantum Jumps through continuous expansions in last one decade

2005 - Expansion in Coated Paper, 2007 - Expansion in Packaging Board and 2013 - Expansion in Uncoated Paper



# Farm Forestry and Raw Material Security Initiatives

## Clonal Development Centre

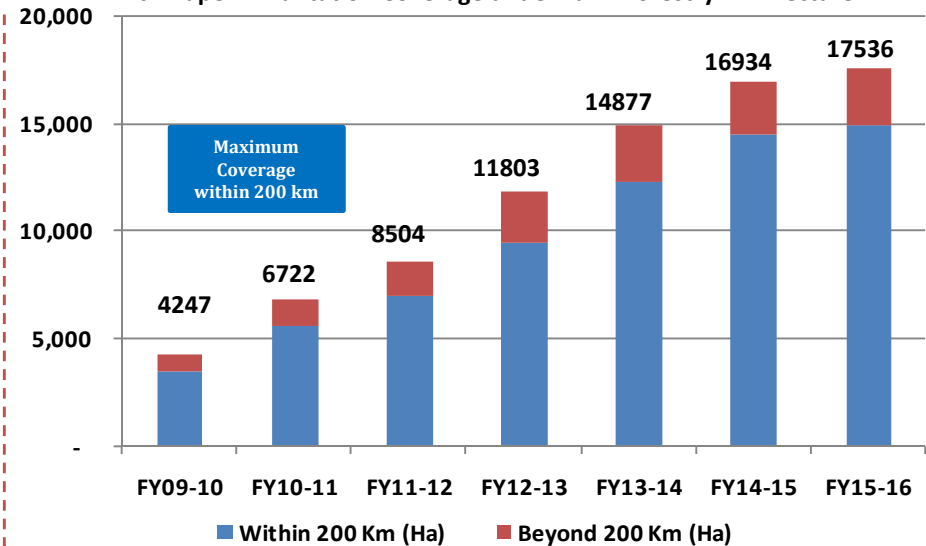
- Started in 1991-92
- 17,536 Ha area planted in 2015-16
- Overall > 1.44 Lac Ha till date



## Standing Plantation near Unit CPM



JK Paper – Plantation Coverage under Farm Forestry – in Hectare



## JKPL's Efforts to Reduce Cost of Raw Material

- Maximizing plantation coverage within 200 Km radius
- R&D to develop short rotation clones (2-3 years) for improvement of plantation yield and increase return to farmers
- Focus on training & development to farmers and staffs
- Monitoring of plantations for survival & growth rates
- Arrangement of loans to Farmer's or Co-operative





## Financial Highlights – Profitability (In Rs. Cr.)

Sl. No.	Financial Year >>>	2012-13	2014-15	2015-16	Q1 (2016-17)
<b>1</b>	<b>Quantity</b>	<b>In MT</b>			
1.1	Production	2,92,582	4,13,835	4,49,918	1,17,528
1.2	Capacity Utilisation	101%	91%	98.9%	102%
1.3	Sales Volume	2,90,421	3,98,387	4,59,977	1,14,368
<b>2</b>	<b>Operating Results</b>	<b>In Rs. Cr.</b>			
<b>2.1</b>	<b>Turnover (Gross Sales)</b>	<b>1,721</b>	<b>2,515</b>	<b>2,881</b>	<b>711</b>
2.2	Net Sales	1,453	2,139	2,422	606
<b>2.3</b>	<b>Operating Profit (EBITDA)</b>	<b>144</b>	<b>266</b>	<b>421</b>	<b>117</b>
2.4	Cash Profit (PBDT)	95	63	222	69
2.5	Profit / (Loss) Before Tax (PBT)	37	(51)	115	39
<b>2.6</b>	<b>Profit / (Loss) After Tax (PAT)</b>	<b>38</b>	<b>(13)</b>	<b>80</b>	<b>27</b>
<b>3</b>	<b>Key Ratios</b>				
3.1	EBITDA as % to Net Sales	9.9%	12.5%	17.4%	19.3%
3.2	Equity (Net Worth) - Rs. Cr.	872	775	896	923
3.3	Return on Equity (ROE)	4.4%	-ve	8.9%	11.6%

Note: Current Quarter Q1 (FY 2016-17) is as per Ind AS which are effective from 1<sup>st</sup> April 2016, so not comparable to previous periods



## Financial Highlights – Balance Sheet (In Rs. Cr.)

Year End	March 2013	March 2015	March 2016
<b>Total Assets</b>	2,738	2,897	2,868
Gross Block	1,516	2,996	3,099
Net block	768	2,294	2,292
CWIP	1,541	27	20
Investments	15	28	35
Net Current Assets (excl. cash)	381	530	507
Cash / Bank balance	34	17	15
<b>Capital Employed</b>	2,738	2,897	2,868
Equity Capital	137	137	149
Reserves	735	638	747
Net Worth	872	775	896
Borrowings	1,746	2,089	1,923
Deferred Tax Liability	120	33	49
<b>Ratios - Times</b>			
Total Debt / Equity	2.00	2.70	2.15
Long-term Debt / Equity	1.86	2.38	2.00
Debt to EBITDA Ratio	12.09	7.84	4.57
FACR	1.70	1.49	1.57



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