

JKP/SH/2016

9<sup>th</sup> November 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/being 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. 08.11.2016, 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 9<sup>th</sup> & 10<sup>th</sup> November 2016 at Mumbai, enclosed please find herewith a copy of the Presentation made/being made at the said Analysts/Investors Meeting 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**

**9<sup>th</sup> November, 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	5,668
Revenue	2,955

**Agri Genetics**



	Rs. Cr.
Mkt Cap	252
Revenue	186

**Dairy Products**



	Rs. Cr.
Mkt Cap	202
Revenue *	919

\* incl. LVP Foods (inlisted Co.)

**Education**



**Defence Electronics**



**Hospital & Health services**



**Tyre**



	Rs. Cr.
Mkt Cap	3,251
Revenue	7,562

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



	Rs. Cr.
Revenue	672

(Unlisted Co.)

**Clinical Research**



**Paper**



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

	Rs. Cr.
Mkt Cap	1,453
Revenue	2,881

**J.K. ORGANISATION**

**USD 4 Billion**

**29 manufacturing plants**

**Present in over 100 countries**

**More than 40,000 employees**

Market Capitalisation (Mkt Cap) is as of 1<sup>st</sup> Nov, 2016 & Revenue for last FY 2015-16



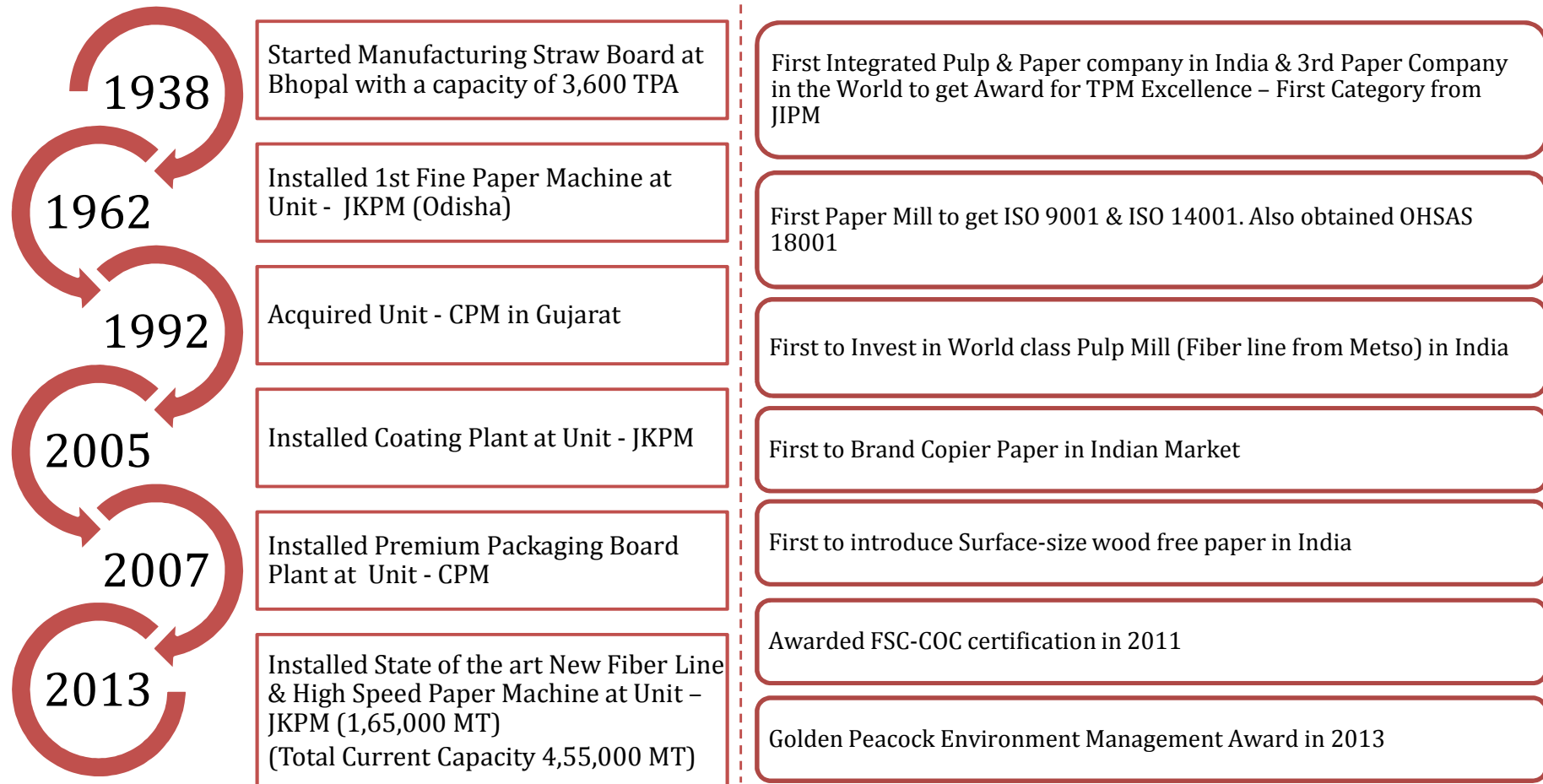
**JK PAPER .....Creating Lasting Impressions**

**Slide No.2**



# JK Paper - History & Milestones

## 75 YEARS JOURNEY OF JK PAPER



# JK Paper – Shareholding Pattern

## Major Institutional Investors



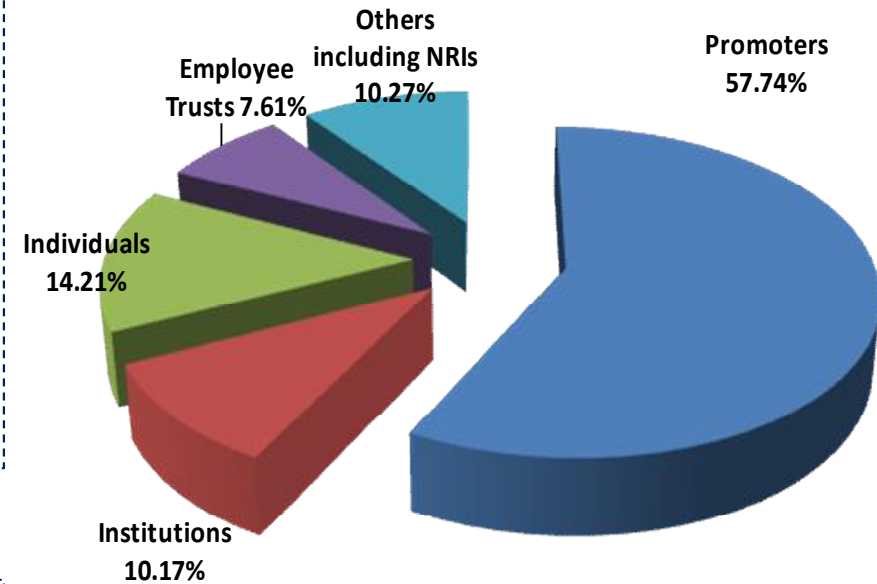
**General Insurance Corporation of India**  
(Wholly owned by the Government of India)  
Global Reinsurance Solutions

## FCCBs Holders



## Shareholding Pattern

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



**JK'S Brands are Industry Benchmarks In Respective Product 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 14%)**



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



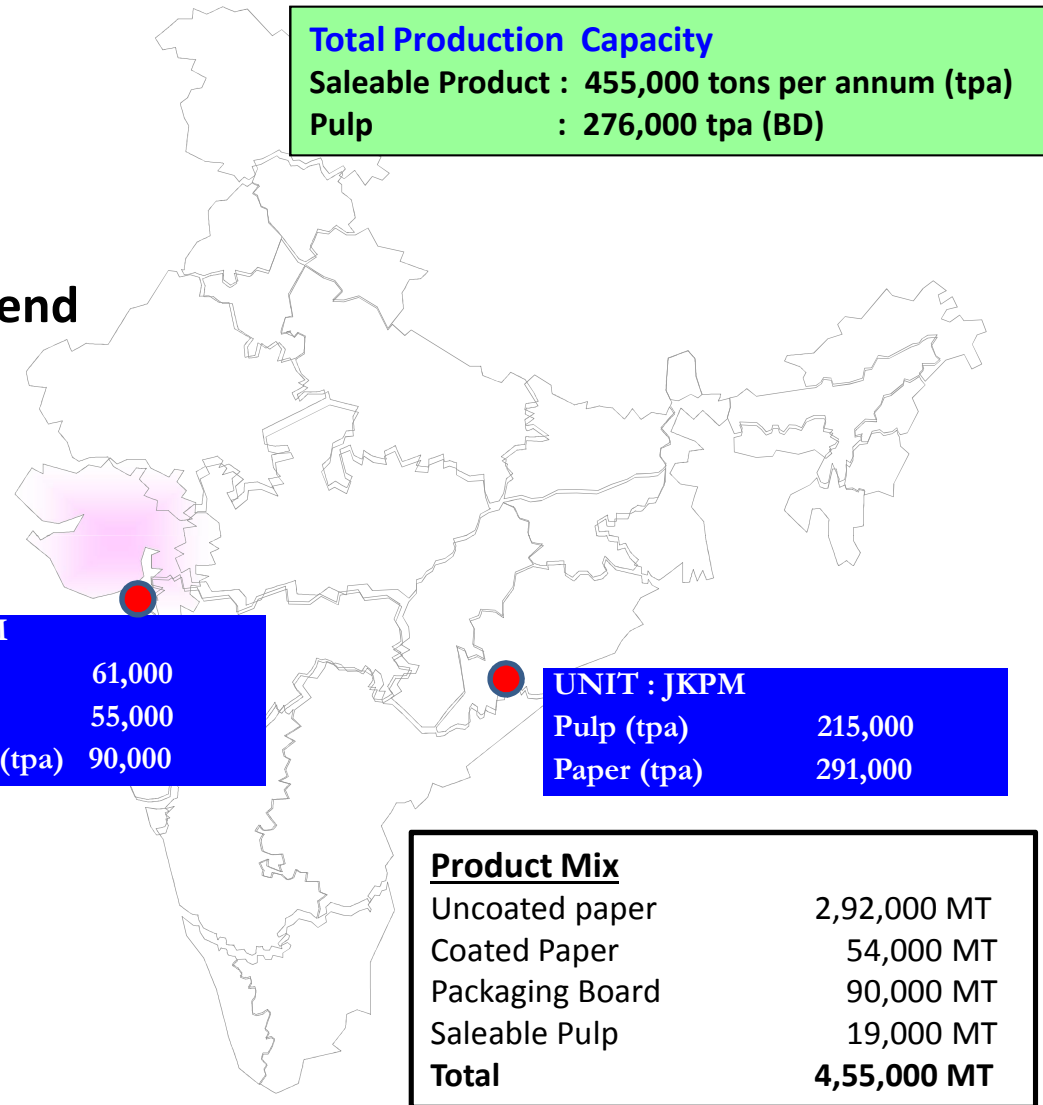
**Panoramic view of the CPM (Surat, Gujarat) – 160,000 tpa**



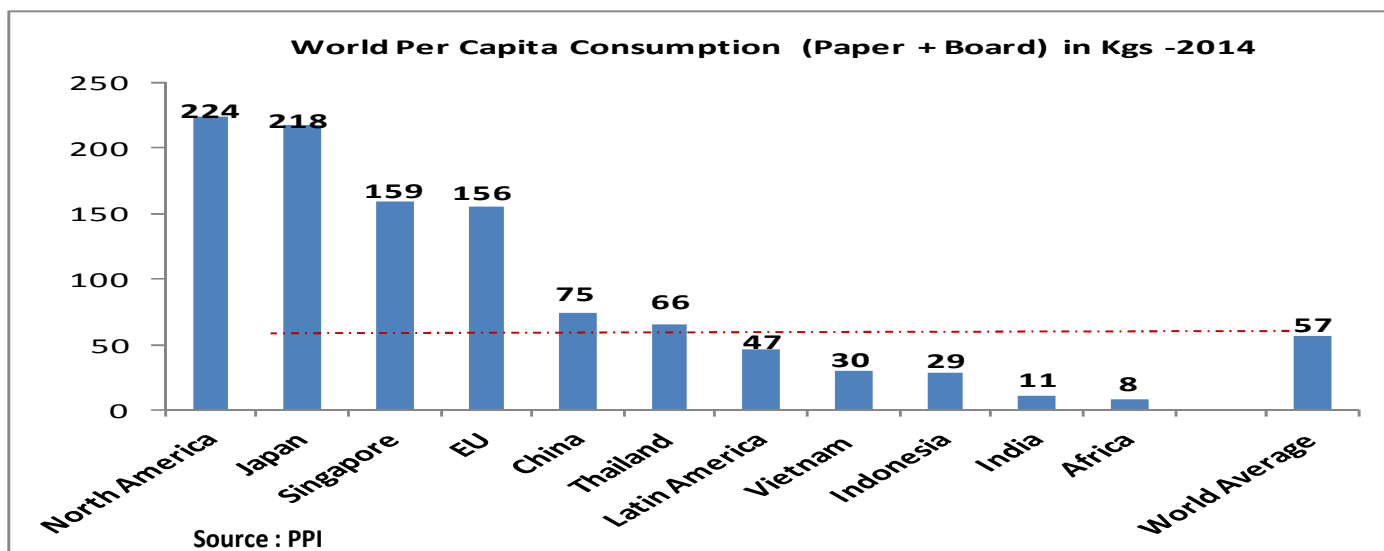
# Strategic Geographical Presence

- **Strategic location**
  - JKPM located close to raw material sources
  - CPM located close to large end customers & port
- **Strong distribution reach**
  - 4 regional offices
  - 14 warehouses
  - 206 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	% Share	CAGR %	Mn Tons	% Share	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

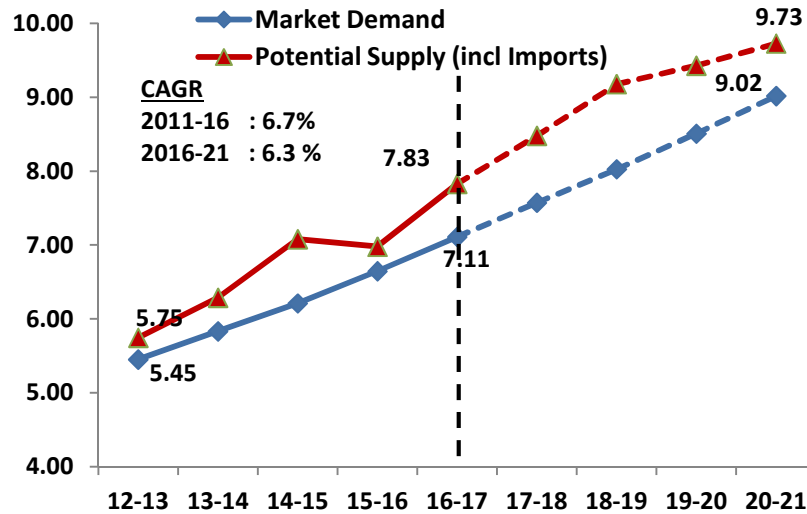
	Category	Market Size (in Lac MT)		Share of Total (15-16)	CAGR (5 Years) 2011-12	CAGR (14-15 to 18-19)
		15-16	18-19		Base year	Industry
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
<b>1.0</b>	<b>Writing &amp; Printing Paper</b>	<b>47.7</b>	<b>56.1</b>	<b>30%</b>	<b>5.5%</b>	<b>5.6%</b>
1.1	Creamwove/Maplitho (Low Bright)	19.0	21.5	12%	4.1%	4.2%
1.2	Maplitho (High Bright)	14.6	17.6	9%	6.9%	6.3%
1.3	Copier	6.6	8.0	4%	6.8%	6.5%
<b>1.4</b>	<b>Total Uncoated</b>	<b>40.2</b>	<b>47.1</b>	<b>26%</b>	<b>5.5%</b>	<b>5.3%</b>
1.5	Coated Paper	7.5	9.1	5%	5.3%	6.7%
<b>2.0</b>	<b>Total Packaging Paper &amp; Board</b>	<b>78.8</b>	<b>101.3</b>	<b>50%</b>	<b>9.0%</b>	<b>8.7%</b>
2.1	Recycled Duplex Board (Grey/White back)	29.1	36.9	18%	7.9%	8.3%
2.2	Virgin Boards (FBB/SBS)	6.6	9.6	4%	17.4%	13.0%
<b>2.3</b>	<b>Total Packaging Board</b>	<b>35.7</b>	<b>46.5</b>	<b>23%</b>	<b>9.4%</b>	<b>9.2%</b>
2.4	High end Kraft (35-45 BF)	4.3	6.1	3%	10.5%	12.0%
2.5	Medium & Low end Kraft(Below 35 BF)	38.7	48.7	25%	8.6%	7.9%
<b>2.6</b>	<b>Total Packaging Papers (Kraft)</b>	<b>43.1</b>	<b>54.8</b>	<b>27%</b>	<b>8.8%</b>	<b>8.3%</b>
<b>3.0</b>	<b>Tissue</b>	<b>1.0</b>	<b>1.6</b>	<b>1%</b>	<b>12.0%</b>	<b>15.6%</b>
<b>4.0</b>	<b>Other Speciality</b>	<b>3.7</b>	<b>4.7</b>	<b>2%</b>	<b>7.2%</b>	<b>8.3%</b>
3.0	Speciality Papers/Others	3.7	4.7	2%	7.2%	8.3%
4.0	Total Paper & Board	94.5	115.6	60%	7.0%	7.0%
<b>5.0</b>	<b>Newsprint</b>	<b>26.4</b>	<b>26.9</b>	<b>17%</b>	<b>3.5%</b>	<b>0.7%</b>
<b>6.0</b>	<b>Grand Total</b>	<b>157.6</b>	<b>190.6</b>	<b>100%</b>	<b>7.0%</b>	<b>6.5%</b>

Source: RISI/Poyry/Company Estimates

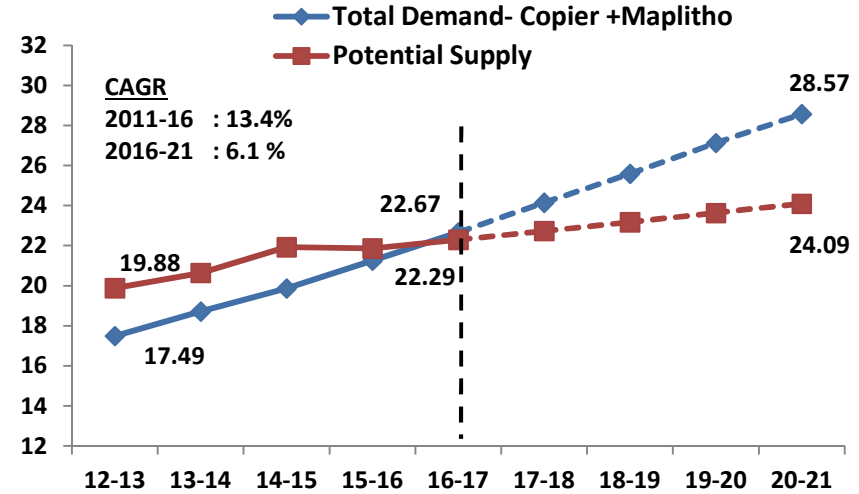


# Demand / Supply

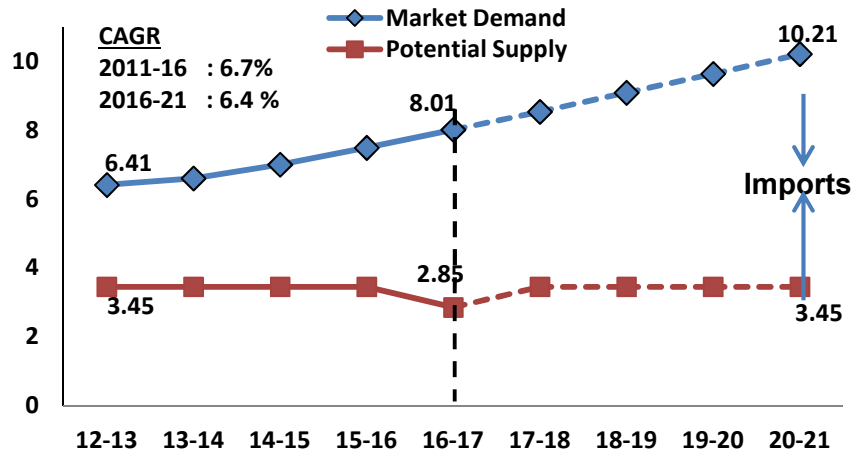
## Copier Paper - Lac MT



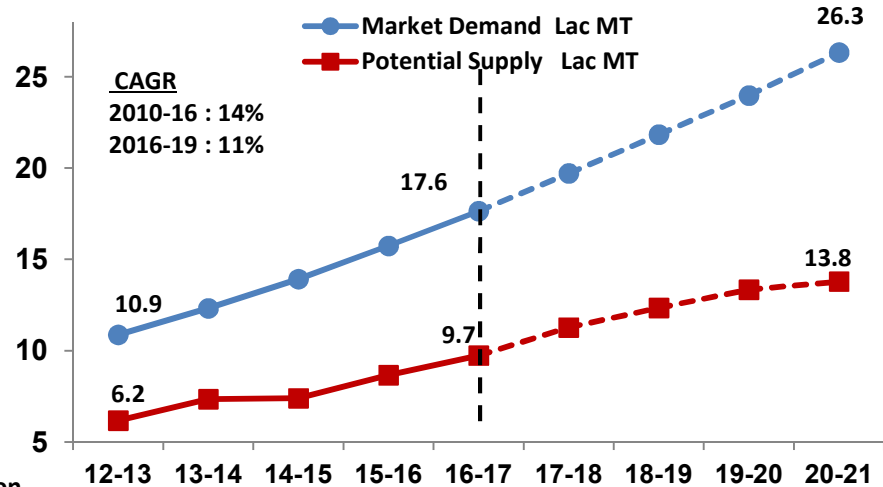
## Uncoated Paper (Copier + Maplitho) - Lac MT



## Coated Paper - Lac MT



## Virgin Fibre + High End Duplex Board - Lac MT

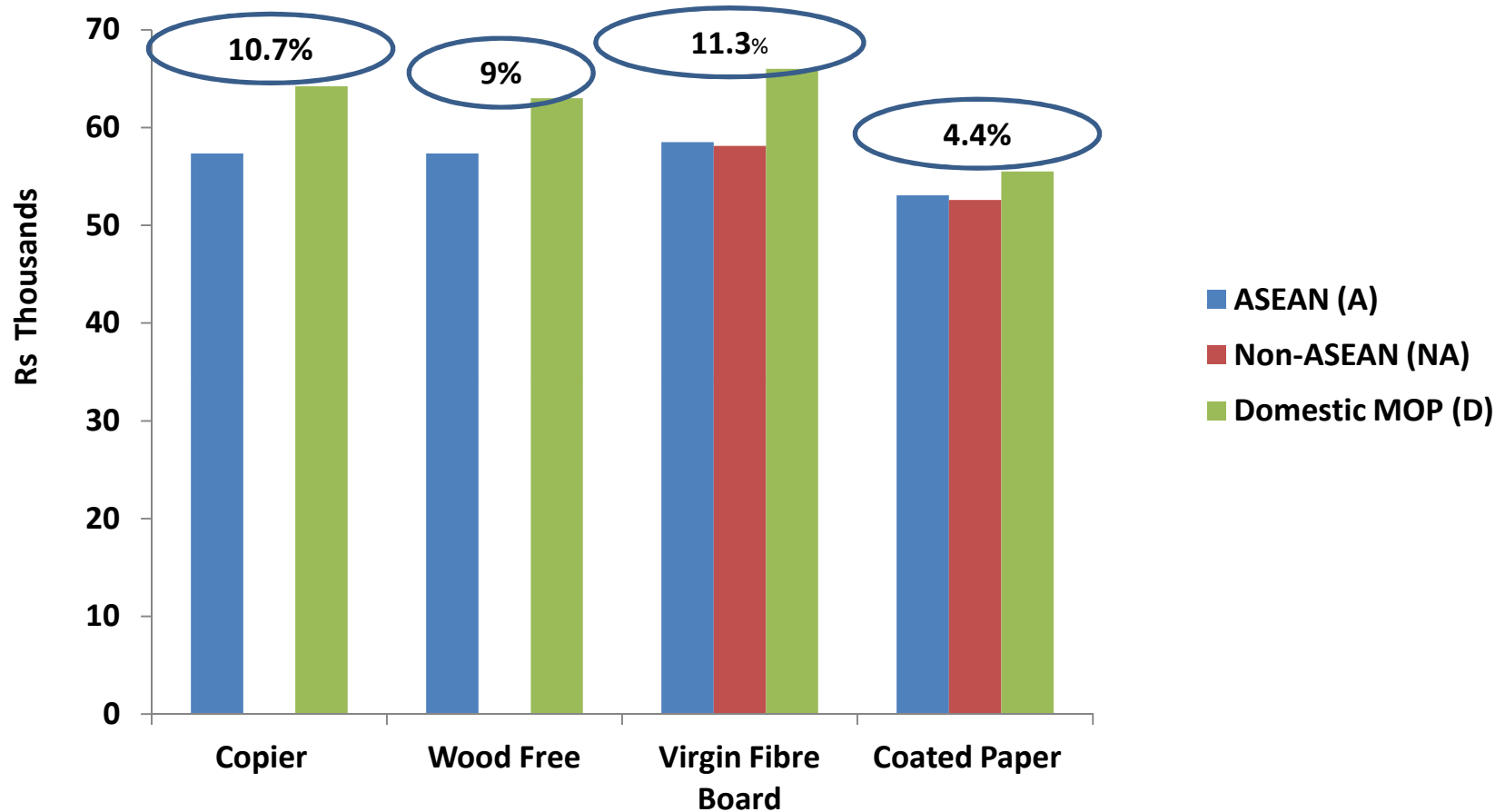


Source: Company Estimates \* Potential Supply @ 100% Capacity Utilization



# ASEAN FTA DIFFERENCE IN MOP\* – DOMESTIC vs IMPORTS

% difference of MOP – Domestic vis-à-vis  
ASEAN imports  
USD @ Rs 67



As of October 2016

Source: Company Estimates

\* MOP - Market Operating Price



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

Fibreline (215,000 TPA)



Paper Machine (165,000 TPA)



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

Power Plant



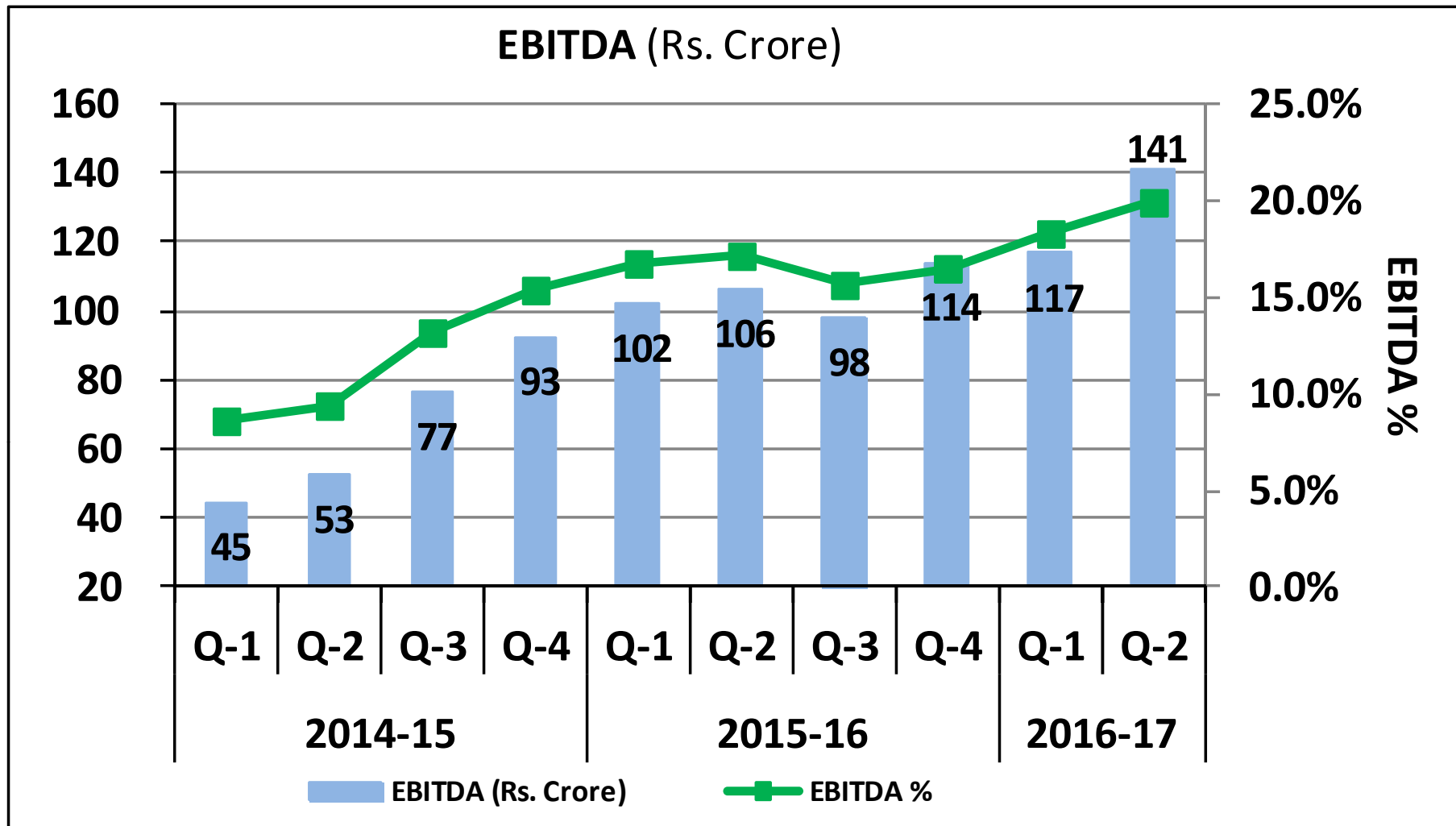
A4 Cutting Line



Robotic Palletizer



# JKPL Performance



Note: Current Year FY 2016-17 (Q1 & Q2) 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 Q2 & H1 (FY 2016-17 vs FY 2015-16) Rs. Cr.

	Unit	2nd Quarter (Q2)		6 Months (H1)		% Growth	
		2016-17	2015-16	2016-17	2015-16	Q2	H1
<b>Sales Volume</b>	MT	<b>1,27,315</b>	<b>1,11,510</b>	<b>2,41,637</b>	<b>2,19,945</b>	<b>14.2</b>	<b>9.9</b>
Uncoated Paper	MT	80,095	69,899	1,52,265	1,39,497	14.6	9.2
Coated Paper	MT	24,742	18,580	44,738	35,589	33.2	25.7
Virgin Fibre Board	MT	22,478	23,031	44,634	44,859	(2.4)	(0.5)
<b>Gross Sales</b>	<b>Rs. Cr</b>	<b>769</b>	701	<b>1,480</b>	1,384	<b>9.6</b>	<b>6.9</b>
<b>Net Sales</b>	<b>Rs. Cr</b>	<b>709</b>	620	<b>1,346</b>	1,230	<b>14.2</b>	<b>9.4</b>
<b>EBITDA</b>	<b>Rs. Cr</b>	<b>141</b>	107	<b>258</b>	210	<b>32.0</b>	<b>23</b>
<b>EBIT</b>	<b>Rs. Cr</b>	<b>111</b>	78	<b>198</b>	151	<b>42.8</b>	<b>31</b>
<b>PBT</b>	<b>Rs. Cr</b>	<b>62</b>	26	<b>101</b>	47	<b>141.3</b>	<b>114</b>
<b>PAT</b>	<b>Rs. Cr</b>	<b>44</b>	18	<b>71</b>	33	<b>144.9</b>	<b>115</b>
<b>EBITDA Margin</b>	<b>%</b>	<b>19.9%</b>	<b>17.2%</b>	<b>19.2%</b>	<b>17.0%</b>	<b>2.7%</b>	<b>2.1%</b>



# JKPL - Profitability

Rs. Cr.

S.N.	Description	2013-14	2014-15	2015-16	2016-17		
		12 Months	12 Months	12 Month	Q1	Q2	H1
<b>1</b>	<b>Net Sales</b>	<b>1,822</b>	<b>2,260</b>	<b>2,548</b>	<b>637</b>	<b>709</b>	<b>1,346</b>
1.1	Other Operating Income	17	20	33	1	12	13
<b>1.2</b>	<b>Total Income from Operations</b>	<b>1,838</b>	<b>2,280</b>	<b>2,581</b>	<b>638</b>	<b>721</b>	<b>1,359</b>
2	Cost of Materials Consumed	1,079	1,295	1,293	315	327	642
2.1	(Increase)/Decrease in Stock	(58)	(25)	19	(37)	23	(15)
2.2	Power, Fuel & Water	200	211	214	52	53	104
2.3	Excise Duty	100	121	127	31	35	67
2.4	Staff Costs	159	166	182	48	53	101
2.5	Purchase of Traded Goods	93	66	171	68	51	118
2.6	Other Expenditure	142	192	168	48	45	93
<b>2.7</b>	<b>Total Expenses</b>	<b>1,714</b>	<b>2,026</b>	<b>2,175</b>	<b>525</b>	<b>587</b>	<b>1,111</b>
3	Other Income	15	12	15	3	7	11
<b>4</b>	<b>EBITDA</b>	<b>139</b>	<b>266</b>	<b>421</b>	<b>117</b>	<b>141</b>	<b>258</b>
4	Finance Costs	122	204	198	48	49	97
<b>5</b>	<b>PBDT (3 + 4 - 5)</b>	<b>31</b>	<b>63</b>	<b>222</b>	<b>69</b>	<b>92</b>	<b>161</b>
6	Depreciation	122	114	107	30	30	60
7	PBT	(91)	(51)	115	39	62	101
<b>8</b>	<b>PAT</b>	<b>(77)</b>	<b>(13)</b>	<b>80</b>	<b>27</b>	<b>44</b>	<b>71</b>

## % to Net Sales

1	Materials Cost (2 + 2.1 + 2.5)	61.2	59.1	58.2	54.1	56.5	55.4
2	Power, Fuel & Water	11.0	9.3	8.4	8.1	7.4	7.8
3	Staff Costs	8.7	7.3	7.2	7.6	7.5	7.5
4	EBITDA	7.6	11.8	16.5	18.3	19.9	19.2

Note: Current Year FY 2016-17 (Q1 & Q2) is as per Ind AS which is effective from 1<sup>st</sup> April 2016, so not comparable with previous periods

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





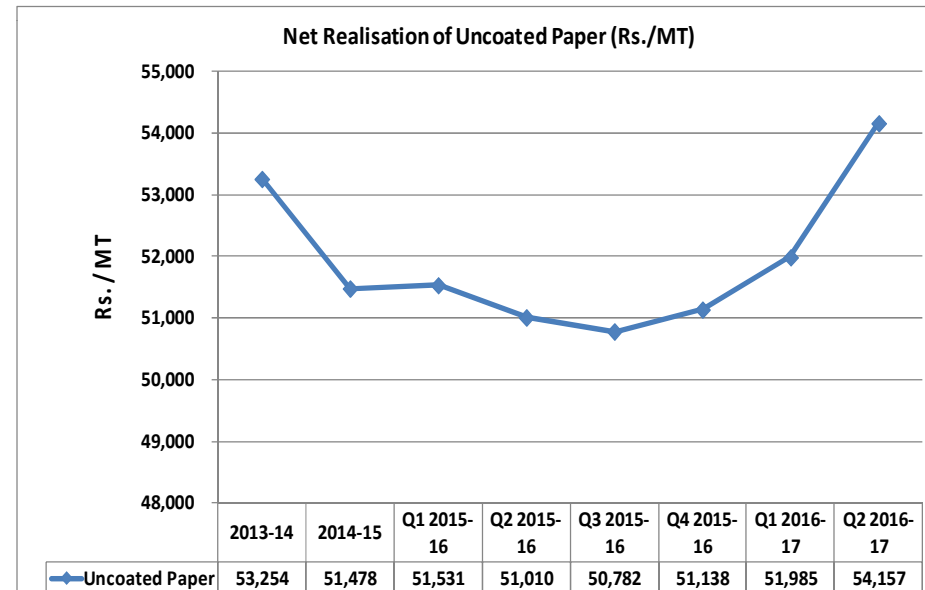
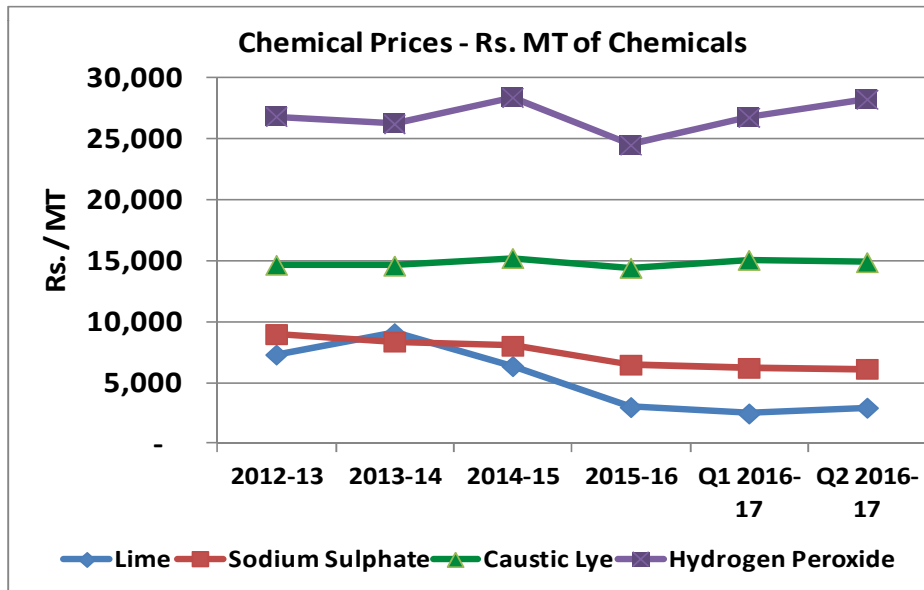
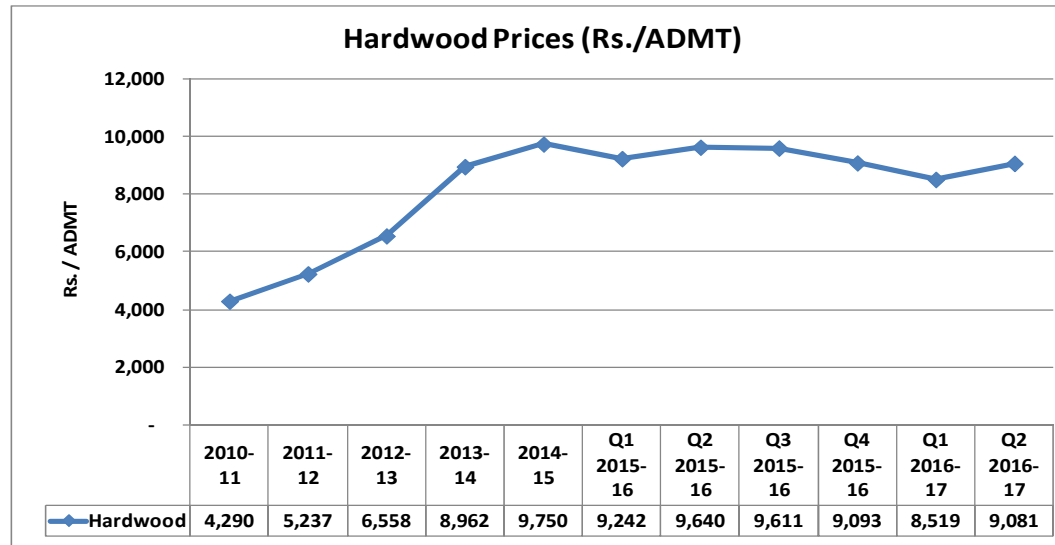
# Industry Turnaround... (I)

1. **Stability / Moderation in Raw Material Price**
2. **Moderation / Stability in Chemical Prices**
3. **Stability in Coal Prices**
4. **Gradual uptick 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 closure in between)
Unit – 3	55,000 TPA (temporary closure in between)
Unit – 4	2,50,000 TPA (temporary closure in between)



# Industry Turnaround... (II)



Source: Company Data

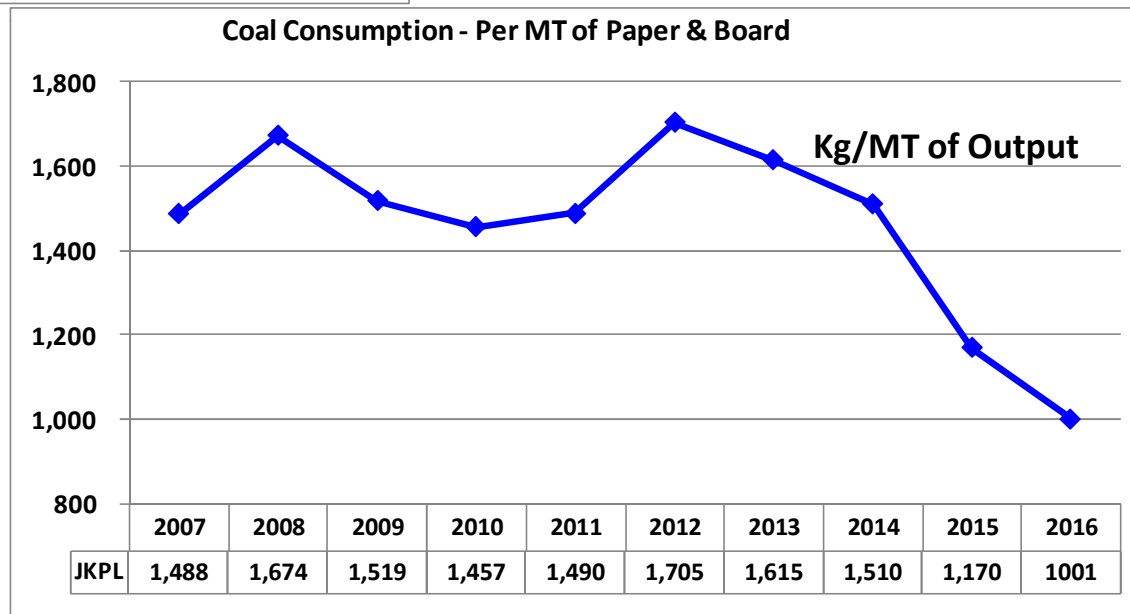
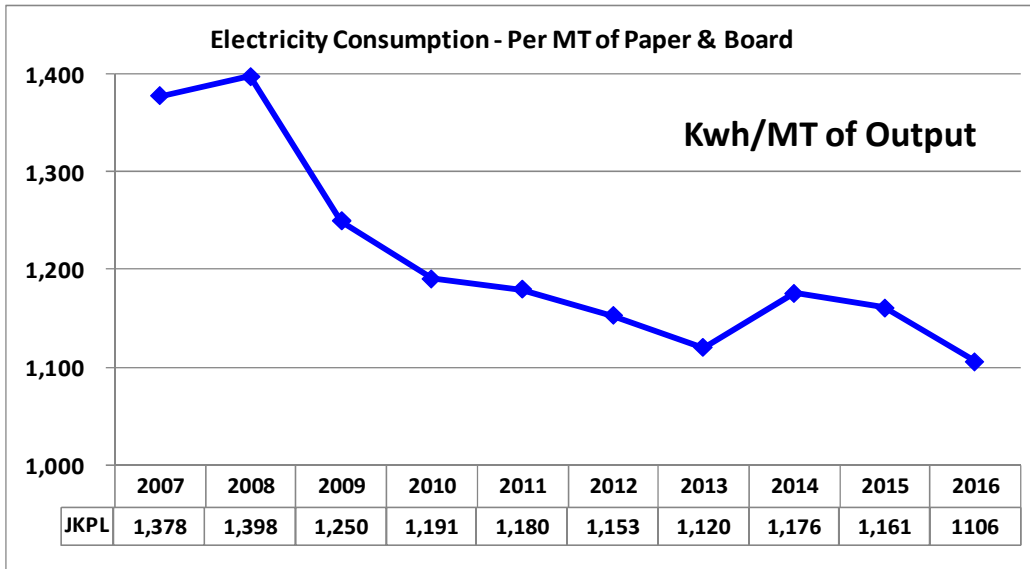


## JK Paper - Performance Highlights

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. Reduction in landed cost of raw material by 10.7% in FY 2015-16.
  - 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. JK Paper a net green company now 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)

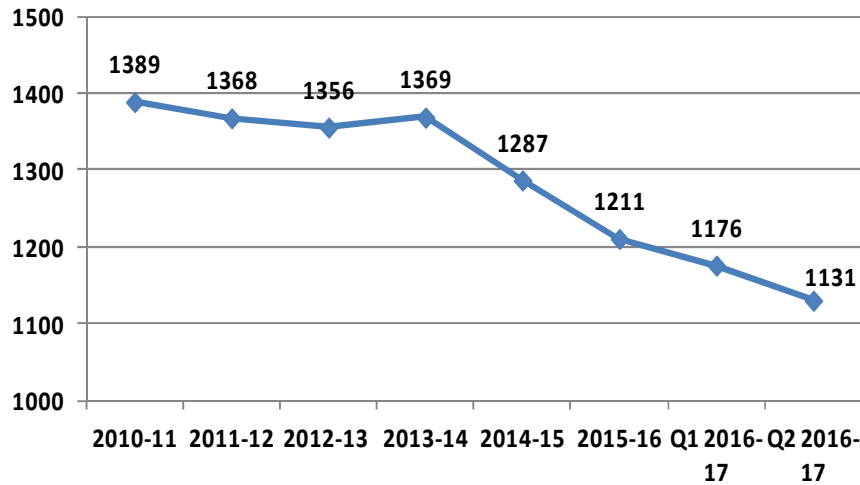


# JK Paper (Total Company) Consumption – Electricity & Coal

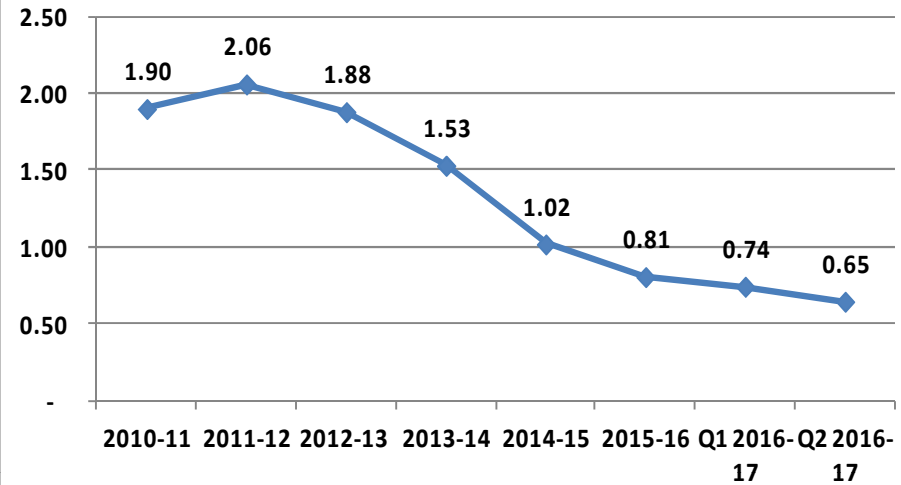


# JK Paper (Unit – JKPM) Efficiency Improvements

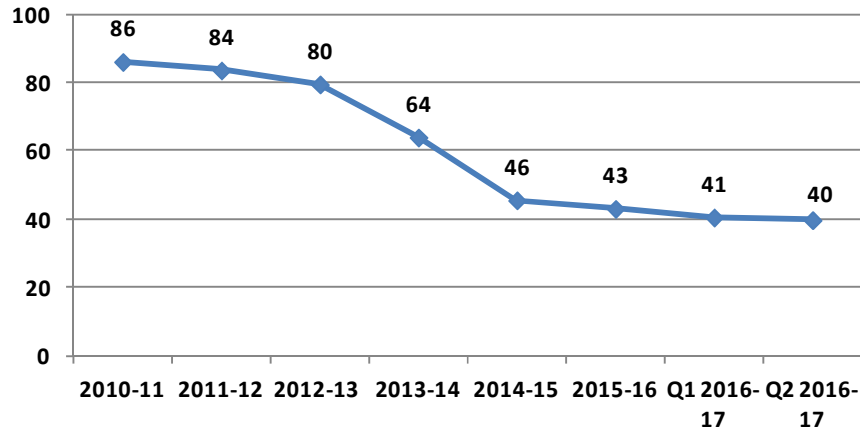
### Power Kwh/T Paper



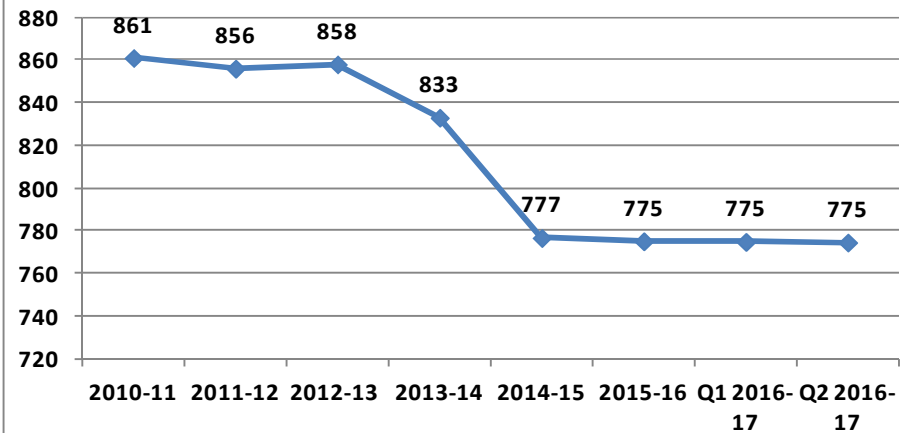
### Coal T/T Paper



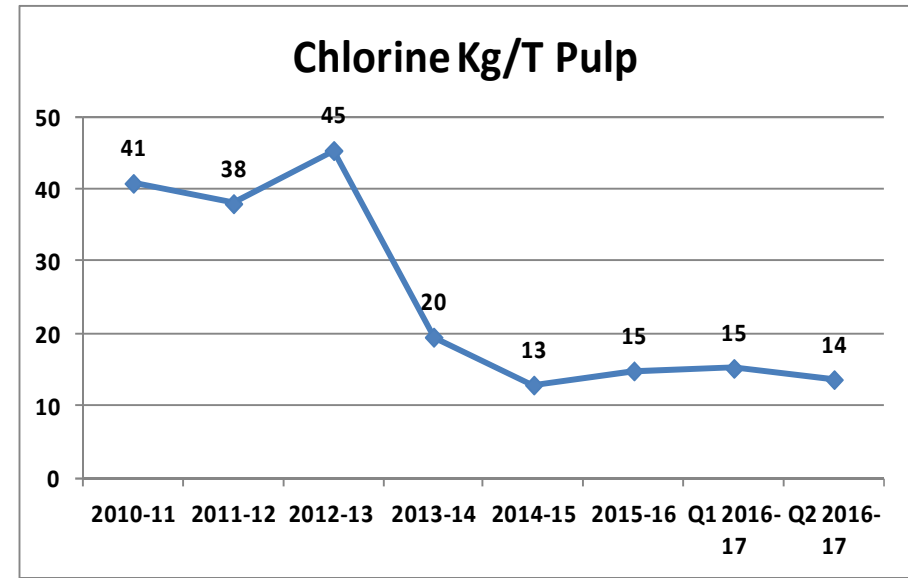
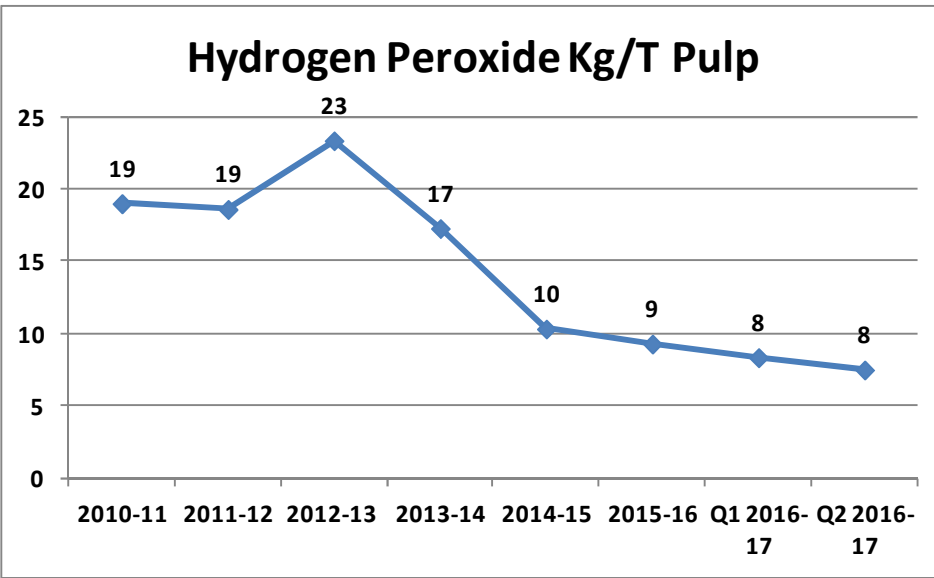
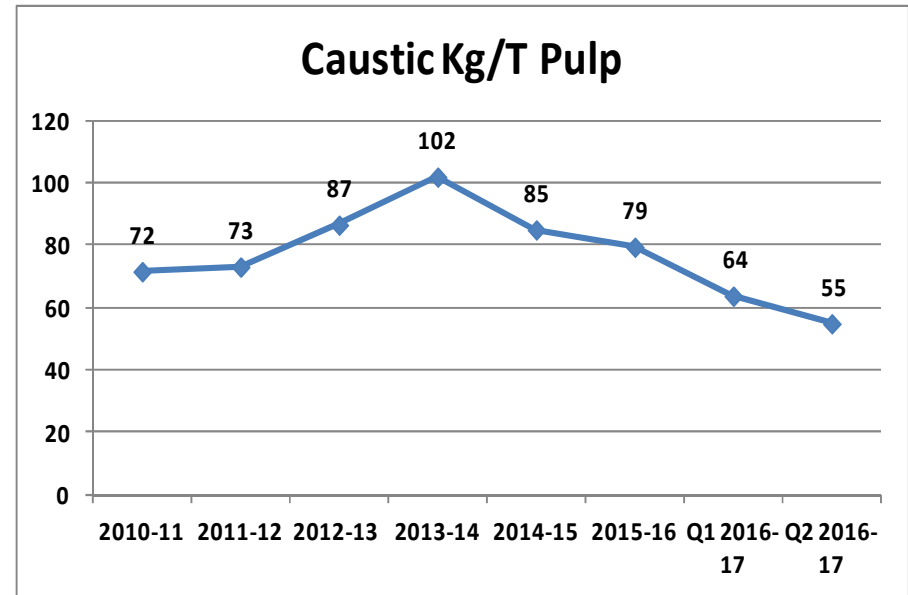
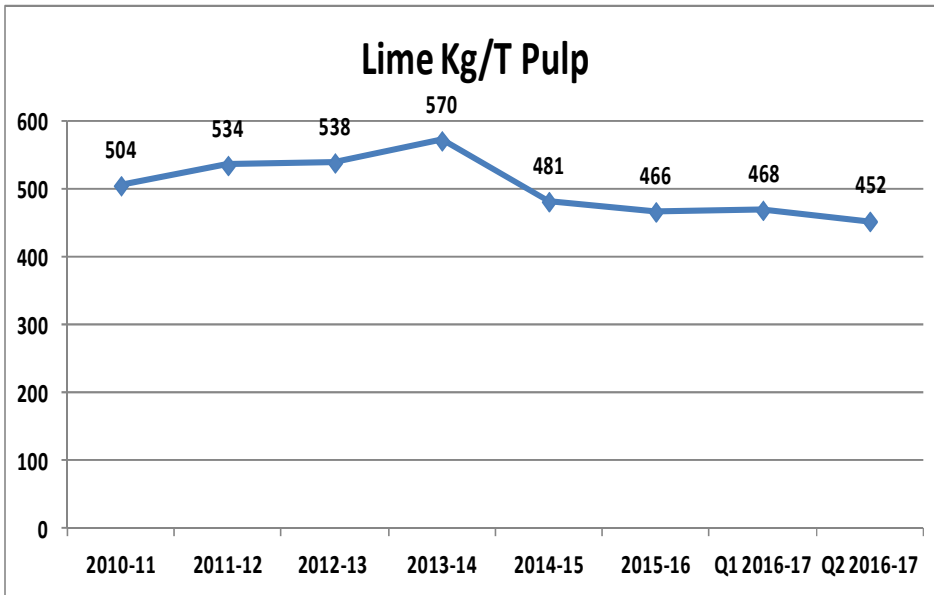
### Water M3/T Paper



### Furnish Kg Pulp/T paper

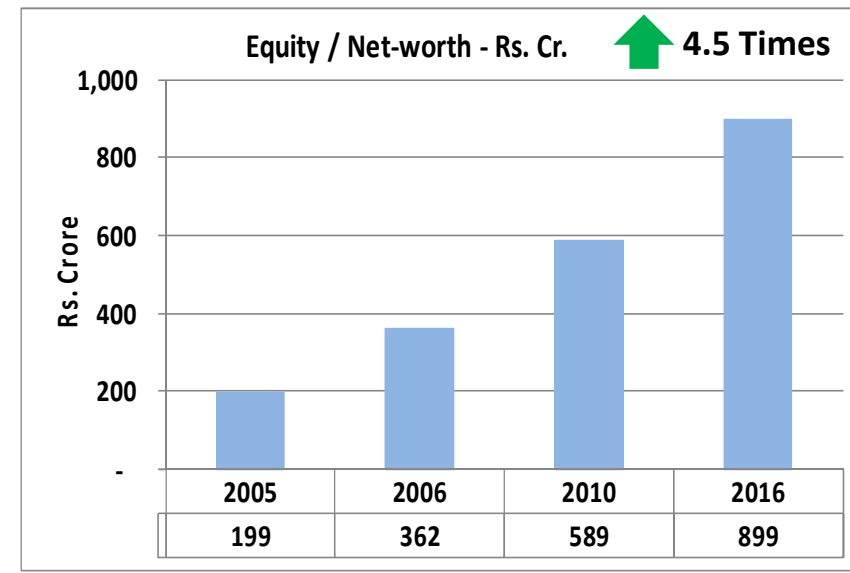
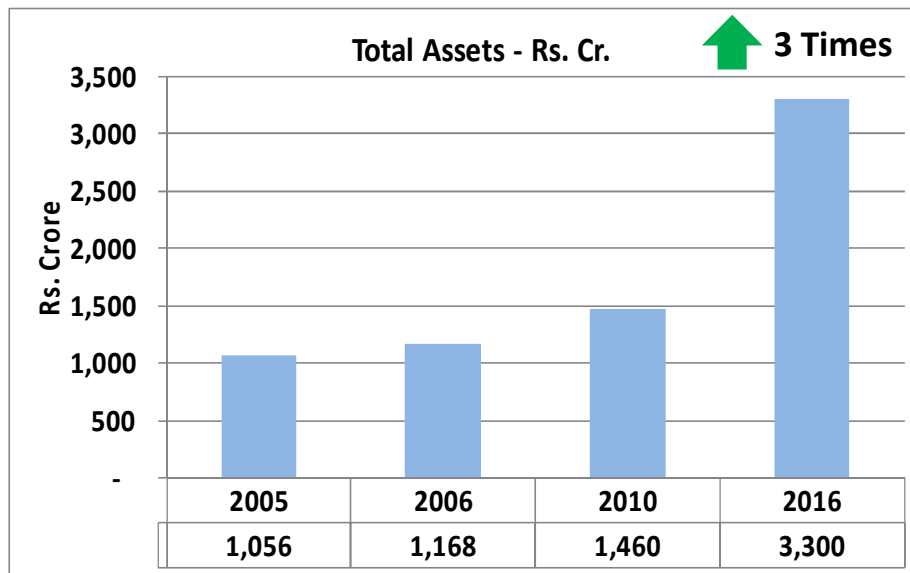
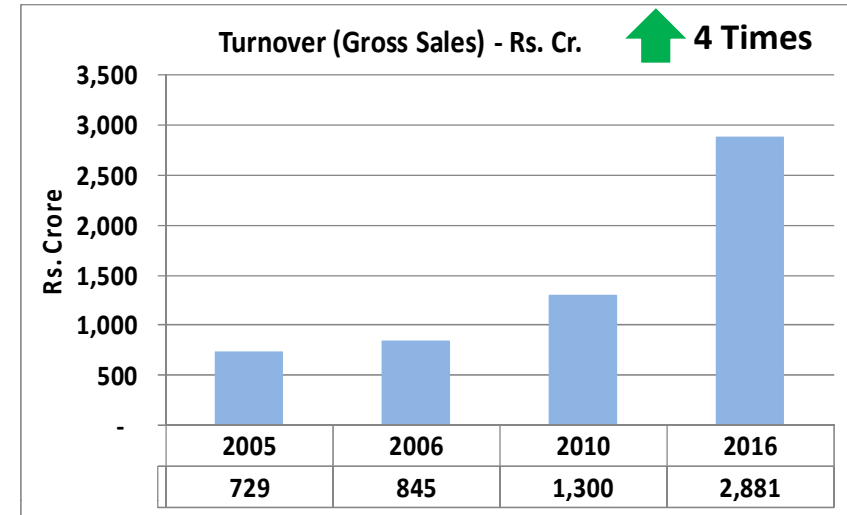
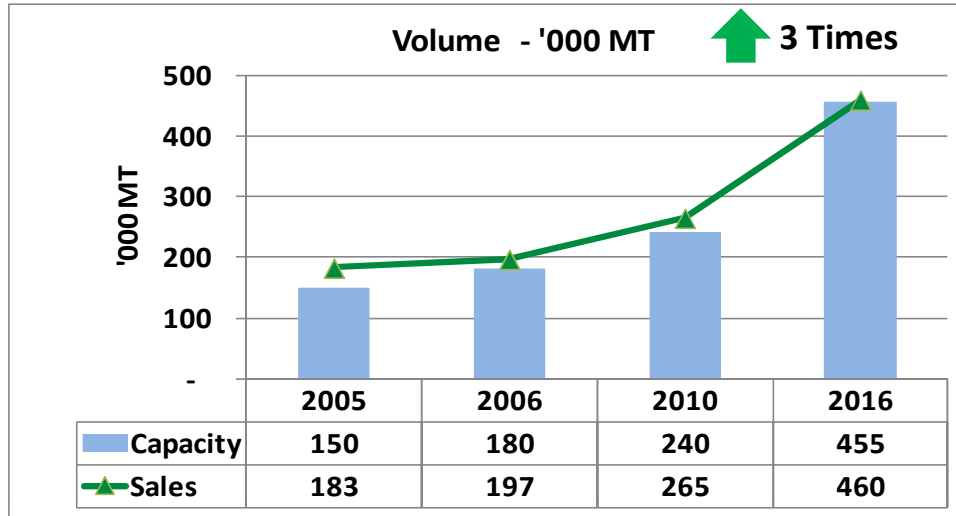


# JK Paper (Unit – JKPM) Chemical Consumption – Kg /T Pulp



# 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

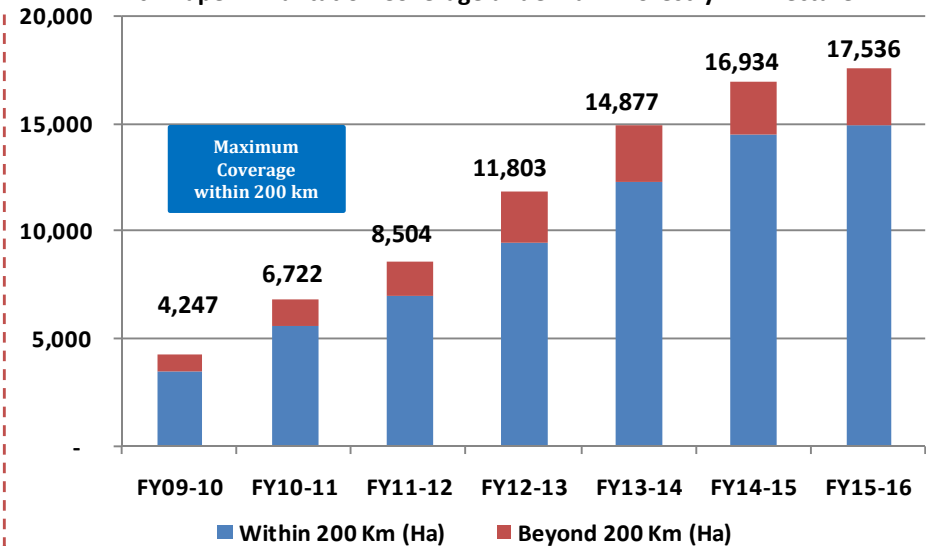
- Started in 1991-92
- 17,536 Ha area planted in 2015-16
- Overall > 1.44 Lac Ha till date



## 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

Sl. No.	Financial Year >>>	2012-13	2014-15	2015-16	H1 (2016-17)
<b>1</b>	<b>Quantity</b>	<b>In MT</b>			
1.1	Production	2,92,582	4,13,835	4,49,918	2,39,123
1.2	Capacity Utilisation	101%	91%	98.9%	105%
1.3	Sales Volume	2,90,421	3,98,387	4,59,977	2,41,637
<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>1,480</b>
2.2	Net Sales	1,537	2,260	2,548	1,346
<b>2.3</b>	<b>Operating Profit (EBITDA)</b>	<b>144</b>	<b>266</b>	<b>421</b>	<b>258</b>
2.4	Cash Profit (PBDT)	95	63	222	161
2.5	Profit / (Loss) Before Tax (PBT)	37	(51)	115	101
<b>2.6</b>	<b>Profit / (Loss) After Tax (PAT)</b>	<b>38</b>	<b>(13)</b>	<b>80</b>	<b>71</b>
<b>3</b>	<b>Key Ratios</b>				
3.1	EBITDA as % to Net Sales	9.4%	11.8%	16.5%	19.2%
3.2	Equity (Net Worth) - Rs. Cr.	872	775	896	955
3.3	Return on Equity (ROE)	4.4%	-ve	8.9%	14.8%

Note: Current Year FY 2016-17 (H1) is as per Ind AS which is effective from 1<sup>st</sup> April 2016, so not comparable with previous periods



## Financial Highlights – Balance Sheet

Rs. Cr.

Year End >>>	31st March			30th Sep
	2014	2015	2016	2016
<b>Total Assets</b>	3,058	2,897	2,868	2,903
<b>Net Fixed Assets</b>	2,465	2,294	2,292	2,377
<b>CWIP</b>	17	27	20	25
<b>Investments</b>	96	28	35	268
<b>Net Current Assets (excl. cash)</b>	472	530	507	230
<b>Cash / Bank balance</b>	8	17	15	3
<b>Capital Employed</b>	3,058	2,897	2,868	2,903
<b>Equity Capital</b>	137	137	149	149
<b>Reserves</b>	658	638	747	806
<b>Net Worth</b>	795	775	896	955
<b>Borrowings</b>	2,189	2,089	1,923	1,933
<b>Deferred Tax Liability</b>	74	33	49	15

### Ratios - Times

<b>Net Debt / Equity *</b>	2.74	2.67	2.12	1.78
<b>Net Long-term Debt / Equity *</b>	2.47	2.36	1.97	1.61
<b>Net Debt / EBITDA *</b>	15.75	7.77	4.51	3.29
<b>FACR</b>	1.49	1.49	1.57	1.65

\*Debt is net of cash & current Investments

Note: Current Year FY 2016-17 (H1) is as per Ind AS which is effective from 1<sup>st</sup> April 2016, so not comparable with previous periods



# Key Awards & CSR

## Key Awards received in last one year

### Unit JKPM

1. 1st Prize among Pulp and Paper Industries in the prestigious “National Energy Conservation Award 2015” organised by Ministry of Power and Bureau of Energy Efficiency (BEE)
2. “Energy Efficient Unit” for Excellence in Energy Management Award-2015” organized by CII
3. Winner at the prestigious “7th -SRISTI- G- CUBE (Good Green Governance) Award -2015 organised by SRISTI publication
4. Greentech Excellence Gold Award for Outstanding achievement in Safety Management by Greentech Foundation
5. CSR wing **SPARSH** bagged “**Best Performance Award**” from Hon’ble Minister Higher Education, Science & Technology and Rural Development, Odisha

### Unit CPM

1. Greentech Environment Gold Award 2015 from Greentech Foundation
2. Best “Social Innovative Project Award” by 5th World CSR Congress

## Livelihood Interventions

1. 87 Self help Groups (SHGs) with over 1000 members stabilised
2. 456 SC & ST youth mobilised and micro enterprises viz., tailoring, cycle mart etc set up where monthly income is Rs 7500- 10,000.
3. Create demand for govt programs viz., DDU GKY & MUDRA
4. ITI UKAI upgraded under PPP mode, 2 new KVK’s started in remote villages

## CSR



## Education

1. Adult Literacy a long standing program of JKO has enabled 14,259 tribal women become literate
2. Encouraging Merit & Scholarship amongst tribal students through free education, tutorial support

## Health

1. JK Center for Tribal Eye Health in partnership with the LVPEi eye hospital - screened > 8500 patients, > 600 surgeries.
2. Educate women on govt programs on MCH & JSY, follow all protocols during pregnancy & post natal care, ensure 100% compliance on immunisation.
3. Community out reach through general health & blood donation camps; satellite dispensary benefitted over 81000 people till date.



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*For further information, please speak to Mr. V. Kumaraswamy, Chief Finance Officer, JK Paper Limited at 91-11-23724337.  
Email: vkmr@jkmail.com*



**THANK YOU**

