

## Corporate Governance

### Company's Philosophy on Corporate Governance

The basic philosophy of the Company on Corporate Governance is to continuously strive to attain high levels of accountability, transparency responsibility and fairness in all aspects of its operations. Your Company remains committed towards protection and enhancement of overall long term value of all its stakeholders – shareholders, investors, customers, lenders and employees.

During the year under review, your Company continued its pursuit of achieving these objectives through the adoption of competitive corporate strategies, prudent business plans and systematic monitoring of risks, while at the same time, creating checks and balances and an organisation that values people, propriety, equity and fair play.

Clause 49 of the Listing Agreement with the Stock Exchanges sets out the norms and disclosures that have to be made by companies on the Corporate Governance front. In this report, we confirm our compliance with the corporate governance criteria, as required under the said clause.

### Board of Directors

#### COMPOSITION

The Board of Directors of the Company consists of 11 Directors, of whom, four are Wholetime Directors. The composition and category of the Directors is as follows :

| Name of Director                | Category                           |
|---------------------------------|------------------------------------|
| Mr. L M Thapar                  | Executive                          |
| Mr. Gautam Thapar               | Executive                          |
| Mr. Shardul S Shroff            | Non Executive                      |
| Mr. R K Ahoja                   | Non Executive (UTI Nominee)        |
| Mr. Subir Bisht                 | Non Executive (ICICI Bank Nominee) |
| Dr. Ram S Tarneja               | Non Executive                      |
| Mr. Sanjay Labroo               | Non Executive                      |
| Vice Admiral K K Nayyar (Retd.) | Non Executive                      |
| Dr. Cherif Sedky                | Non Executive                      |
| Mr. R R Vederah                 | Executive                          |
| Mr. B Hariharan                 | Executive                          |

The Board functions either as a full Board or through Committees. The Board and its Committees meet at regular intervals. Meetings of the Board are generally chaired by Mr. L M Thapar.

The Board of Directors has constituted three Committees in compliance with the Corporate Governance norms, viz., Audit Committee, Shareholders / Investors' Grievance Committee and the Remuneration Committee. Besides these Committees, the Board has also constituted certain Committees for looking after day-to-day matters, viz., Committees for Shares, Debentures, Borrowings, Investments, Powers of Attorney and Banking Matters. Minutes of these Committee Meetings are circulated and discussed with the Board.

### MEETINGS & ATTENDANCE

Seven meetings of the Board of Directors were held during the financial year 2001-02 on 27th July, 2001, 17th September, 2001, 15th October, 2001, 2nd November, 2001, 28th January, 2002, 22nd April, 2002 and 14th June, 2002. The attendance of each Director at the Meetings of the Board is detailed below:

| Name of Director                | No. of Meetings attended |
|---------------------------------|--------------------------|
| Mr. L M Thapar                  | 7                        |
| Mr. Gautam Thapar               | 7                        |
| Mr. Shardul S Shroff            | 2                        |
| Mr. R K Ahoja                   | 3                        |
| Mr. Subir Bisht                 | 0*                       |
| Dr. Ram S Tarneja               | 5                        |
| Mr. Sanjay Labroo               | 4                        |
| Vice Admiral K K Nayyar (Retd.) | 6                        |
| Dr. Cherif Sedky                | 1                        |
| Mr. R R Vederah                 | 7                        |
| Mr. B Hariharan                 | 7                        |
| Mr. S B Mathur <sup>1</sup>     | 5                        |
| Mr. K G Vassal <sup>2</sup>     | 3                        |
| Mr. M J Subbaiah <sup>3</sup>   | 4                        |
| Mr. G P Kohli <sup>4</sup>      | 0                        |
| Mr. M M Thapar <sup>5</sup>     | 0                        |

<sup>1</sup>Ceased to be a Director on 21/8/02

<sup>2</sup>Ceased to be a Director on 12/12/01

<sup>3</sup>Ceased to be a Director on 29/1/02

<sup>4</sup>Ceased to be a Director on 13/9/01

<sup>5</sup>Ceased to be a Director on 16/10/01

\* Mr. Subir Bisht has been appointed as the nominee of ICICI Bank Limited on the Board of Directors w.e.f. 17th June, 2002.

### HOLDING OF DIRECTORSHIPS IN OTHER COMPANIES

The Directors of the Company also hold positions as Directors, Committee Members, Trustees, Partners and Shareholders in other reputed companies, trusts, associations and firms. Details of the same are as follows:

#### Mr. L M Thapar

Chairman - M/s Ballarpur Industries Limited, M/s Bilt Paper Holdings Limited, M/s Orient Engg. & Commercial Company Limited, M/s The Pioneer Limited and M/s T T & G Trading Private Limited.

Director - M/s Argent Fund Management Limited, M/s CG Maersk Information Technologies (P) Ltd., M/s Bilt Middle East (P) Limited, UAE, M/s Goetze (India) Limited, M/s Himalayan Hideaways (P) Limited, M/s J G Containers (Malaysia) Sdn. Bhd., Malaysia, M/s Karam Chand Thapar & Bros. Limited and M/s Lazard India Limited.

#### Member

(shareholding above 2%)

M/s Karam Chand Thapar & Bros. Limited, M/s Himalayan Hideaways (P) Limited, M/s Pembri Industrial & Engineering Co. (P) Limited and M/s T T & G Trading (P) Limited.

Committees of Ballarpur Industries Limited, where Mr. L M Thapar is a Chairman are the Committees of Directors for Shares, Debentures, Borrowings, Investments, Powers of Attorney and Banking Matters. He is also a member of the Remuneration Committee.

#### Mr. Gautam Thapar

Vice Chairman & Managing Director- M/s Ballarpur Industries Limited.

Chairman - M/s Bilt Industrial Packaging Company Limited.

Managing Director - M/s Bilt Paper Holdings Limited.

Director - M/s BILT Chemicals Limited, M/s Bilt Graphic Papers Limited, M/s CG Capital & Investments Limited, M/s Crompton Greaves Limited, M/s Global Green Company Limited, M/s iBilt Technologies Limited, M/s Janpath Investments & Holdings Limited, M/s Feed Back Ventures (P) Limited and M/s Asahi Safety Glass Limited.

Alternate Director - M/s CG Maersk Infn Technologies Limited.

#### Member

(Shareholding above 2%)

M/s Karam Chand Thapar & Bros. Limited and M/s Vani Investments Limited.

Mr. Gautam Thapar is a Member of the Managing Committee of ASSOCHAM and the Council of Thapar

Institute of Engineering & Technology, Patiala. Mr Thapar is also a member of various committees of BILT including the Committees of Directors for Shares, Debentures, Borrowings, Investments, Powers of Attorney and Banking Matters and the Shareholders/ Investors' Grievance Committee.

He is also the Chairman of the Audit Committee of M/s Janpath Investments and Holdings Limited.

#### Dr. Ram S Tarneja

Chairman - M/s Jolly Board Limited, M/s Nissin ABC Logistics (P) Limited, M/s S.I. Property Development Limited and M/s Tarneja Farming (P) Limited.

Vice Chairman - M/s Arim Metal Industries (P) Limited.

Director - M/s Ballarpur Industries Limited, M/s Bharat Gears Limited, M/s Bennett Coleman & Co. Limited, M/s GATI Limited, M/s Housing Development Finance Corporation Limited, M/s ITC Limited, M/s Nesco Limited (formerly New Standard Engineering Company Limited), M/s Otis Elevators Company (India) Limited, M/s Phillips Carbon Black Limited, M/s Rallis India Limited, M/s Inter Active Learning Solutions (P) Limited and M/s Transcorp International Limited.

Alternate Director - M/s Phoenix Township Limited, M/s Givo Limited, M/s Boruka Textiles Limited and M/s Sir Owen Williams Investment Limited.

Dr. Ram S Tarneja is also Chairman / Member / Trustee of various Committees, including :

Remuneration Committee - M/s GATI Limited, M/s ITC Limited, M/s Rallis India Limited, Audit Committee - M/s Bharat Gears Limited, M/s Rallis India Limited, M/s Bennet Coleman & Co. Limited and M/s Otis Elevators Company (India) Limited, Legal & Safety Audit Committee - M/s ITC Limited, Nominations Committee - M/s ITC Limited, Share Transfer Committee - M/s Otis Elevators Company (India) Limited and Shareholders / Investors' Grievance Committee - M/s Housing Development Finance Corporation Limited, M/s Ballarpur Industries Limited and M/s Rallis India Limited.

#### Vice Admiral K K Nayyar (Retd.)

Director - M/s Ballarpur Industries Limited and M/s Reliance Petroleum Limited.

Vice Admiral K K Nayyar (Retd.) is also a member of the Audit Committee and Remuneration Committee of M/s Ballarpur Industries Limited.

#### Mr. R R Vederah

Deputy Managing Director - Ballarpur Industries Limited

Director - M/s APR Packaging Limited, M/s Bilt Graphic Papers Limited, M/s Bilt Tree Tech Limited, M/s Bilt Industrial Packaging Company Limited and M/s The Paperbase Company Limited.

He is also the member of the Audit Committee of M/s BILT Graphic Papers Limited.

#### Dr. Cherif Sedky

Director - M/s Ballarpur Industries Limited, M/s Yemen Investment & Development International Limited, M/s Nimir Group Holdings Limited and M/s National US Arab Chamber of Commerce Inc.

Dr. Cherif Sedky is also a member of the Shareholders / Investors' Grievance Committee of M/s Ballarpur Industries Limited.

#### Mr. B Hariharan

Director - M/s APR Packaging Limited, M/s Ballarpur Industries Limited, M/s Best Bilt Bio-Tech Limited, M/s Bilt Chemicals Limited, M/s Bilt Graphic Papers Limited, M/s Bilt Tree Tech Limited, M/s Bilt Infrastructure Limited, M/s Bilt Industrial Packaging Company Limited, M/s Global Green Company Limited, M/s Toscana Lasts Limited and M/s NewQuest Corporation Limited.

He is a member of the Audit Committee of M/s Ballarpur Industries Limited, M/s Bilt Chemicals Limited, M/s BILT Graphic Papers Limited and M/s NewQuest Corporation Limited.

#### Mr. Sanjay Labroo

Managing Director & CEO - M/s Asahi India Safety Glass Limited and M/s Floatglass India Limited.

Director - M/s AIS Welkin Autoglass Services Limited, M/s Automart India Limited, M/s Essel Marketing (P) Limited, M/s Flavours and Food (India) (P) Limited, M/s Krishna Maruti Limited, M/s Maltex Malsters Limited, M/s Nishi Electronic (P) Limited M/s PVR Limited, M/s R S Estates Limited, M/s Allied Fincap Services Private Limited, M/s Asahi India Map Auto Glass Limited, M/s All India Flat Glass Manufacturers' Association and M/s Ballarpur Industries Limited.

Member  
(Shareholding above 2%)

M/s Asahi India Safety Glass Limited, M/s Allied Fincap Services (P) Limited, M/s Essel Marketing (P) Limited, M/s Nishi Electronics (P) Limited and M/s Sheild Autoglass Limited.

#### Mr. Shardul S Shroff

Director - M/s Apollo Tyres Limited, M/s GE Capital Transportation Financial Services Limited, M/s Infrastrucutre Development Finance Co. Limited, M/s Schoolnet India Limited, M/s Noida Toll Bridge Company Limited, M/s IRCON International Limited, M/s NIIT Limited, M/s Ballarpur Industries Limited, M/s Gujarat Positra Port Infrastructure Limited, M/s Bharat Aluminium Company Limited and M/s CMC Limited.

Partner - M/s Amarchand and Mangaldas and Hiralal Shroff & Co., M/s Amarchand and Mangaldas and Suresh A Shroff & Company, M/s Anand Amarchand & Managaldas, and M/s Suresh A Shroff & Co.

He is a member of the Audit Committee of M/s Infrastructure Development Finance Co. Limited, M/s IRCON International Limited and M/s NIIT Limited. He is also a member of the Share Grievance Committee of M/s Apollo Tyres Limited and M/s NIIT Limited. He is also a member of Share Transfer Cum Shareholders Grievance Committee of M/s CMC Limited.

#### Mr. R K Ahooja

Director - M/s Nirlon Limited, M/s Rockwool (India) Limited, M/s Webfil Limited, M/s Zenith Alloys & Steel Limited and M/s Ballarpur Industries Limited.

#### Mr. Subir Bisht

Director - M/s Jindal Steel & Power Limited, M/s Jindal Strips Limited and M/s Ballarpur Industries Limited.

#### INFORMATION SUPPLIED TO THE BOARD

Among others, this includes:

- Annual operating plans and budgets and any updates thereon.
- Capital budgets and updates, if any.
- Quarterly results of the Company and its operating divisions and segments.
- Minutes of meetings of Audit Committee and other
- Committees of the Board.

- Information on recruitment and remuneration of senior managers just below the Board level.

- Show cause, demand, prosecution and penalty notices, which are materially important.

- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.

- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.

- Any issue which involves possible public or product liability claims of substantial nature, including any judgement or order which, may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.

- Details of any joint venture or collaboration agreement.

- Transactions that involve substantial payments towards goodwill, brand equity or intellectual property.

- Significant labour problems and their possible solutions. Any significant development in human resources / industrial relations front like signing of wage agreements, implementation of voluntary retirement scheme, etc.

- Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business.

- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.

- Non-compliance of any regulatory, statutory nature or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer, etc.

- Business presentations covering production, marketing, raw materials, finance, etc, in depth.

The Board of Directors is regularly presented with all information under the above heads, whenever applicable. These are submitted either as part of the Agenda Papers or tabled during the course of the Board Meetings.

### Audit Committee

The Board of Directors has reconstituted the Audit Committee and at present, it comprises of two independent Non-Executive Directors, viz., Vice Admiral K K Nayyar (Retd) and Mr. R K Ahooja and Mr. B Hariharan, who is an Executive Director. Vice Admiral K K Nayyar (Retd.) is the Chairman of the Committee. The constitution of the Committee also meets with the requirements of Section 292A of the Companies Act, 1956.

The terms of reference stipulated by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement and are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- Reviewing with management the annual financial statements before submission to the board, focusing primarily on;
  - Any changes in accounting policies and practices.
  - Major accounting entries based on exercise of judgement by management.
  - Qualifications in draft audit report.
  - Significant adjustments arising out of audit.
  - The going concern assumption.
  - Compliance with accounting standards.
  - Compliance with stock exchange and legal requirements concerning financial statements.
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.
- Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors on any significant findings and follow up there on.

- Reviewing the finding of any internal investigations by the internal auditors, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with external auditors before the audit commences, regarding the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- Review of the Company's financial and risk management policies.
- To look into the reasons for substantial defaults in the payment to depositors, debentureholders, shareholders (in case of non payment of declared dividends) and creditors.

During the year, the Committee met four times i.e., on 27th July, 2001, 28th January 2002, 22nd April, 2002 and 13th June, 2002.

Ms. Neerja Sharma, Company Secretary, acts as the Secretary of the Audit Committee.

### Remuneration of Directors.

The Remuneration Policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis. The remuneration policy is in consonance with the existing industry practice.

The remuneration of the Directors is decided by the Board of Directors as per the remuneration policy of the Company within the ceiling fixed by the shareholders.

The break-up of the remuneration paid to the Directors during the year ended 30th June, 2002, is as under:

### Non-Executive Directors:

| Name of the Director            | Sitting Fees paid (Rs.) | Commission* (Rs. in Lakhs) |
|---------------------------------|-------------------------|----------------------------|
| Mr. R K Ahooja                  | 25,000                  | 2.00                       |
| Mr. Subir Bisht                 | 0                       | 2.00                       |
| Dr. Ram S Tarneja               | 40,000                  | 2.00                       |
| Vice Admiral K K Nayyar (Retd.) | 45,000                  | 2.00                       |
| Dr. Cherif Sedky                | 5,000                   | 2.00                       |
| Mr. Sanjay Labroo               | 25,000                  | 2.00                       |
| Mr. Shardul S Shroff            | 10,000                  | 2.00                       |

\* Payment subject to necessary approvals.

The Non-Executive Directors are paid a sitting fee of Rs. 5,000/- for every meeting of the Board / Committee attended by them. Besides, sitting fees, the Non-Executive Directors are also entitled to commission out of the profits of the Company, as approved by the Board, within the overall limit prescribed by the Companies Act, 1956.

### Executive Directors:

| Name of Director   | Salary (Rs. Lacs) | Com. (Rs. Lacs) | Prerequisites & allowances (Rs. Lacs) | Retiral Benefits* | Tenure                       |
|--|-------------------|-----------------|---------------------------------------|-------------------|------------------------------|
| Mr. L M Thapar   | 48.00             | 53.63           | 8.88                                  | 12.96             | Non retiring Director        |
| Mr. Gautam Thapar  | 48.00             | 53.63           | 8.17                                  | 12.96             | 5 year w.e.f. 16/4/99        |
| Mr. R R Vederah  | 59.00             | -               | 4.80                                  | 6.75              | Liable to retire by rotation |
| Mr. B Hariharan  | 32.87             | -               | 4.33                                  | 2.83              | Liable to retire by rotation |
| *Contributions to Provident Fund and Superannuation Fund |                   |                 |                                       |                   |                              |

### Shareholders / Investors' Grievance Committee

The Shareholders / Investors' Grievance Committee constituted by the Board of Directors, comprises of Dr. Ram S Tarneja as the Chairman and Mr. Gautam Thapar and Dr. Cherif Sedky as members. The Committee looks into investor issues with emphasis on redressal of complaints of shareholders / investors relating to:

- Transfer and transmission of shares
- Non-receipt of Balance Sheet, dividends, etc.
- Redressal of investors' queries
- Issues relating to Fixed Deposits

During the year, three meetings of the Committee were held on 28th January, 2002, 20th February, 2002, and 29th May, 2002. All meetings were attended by Dr. Ram S Tarneja and Mr. Gautam Thapar, though Dr. Sedky could not be present for any of the meetings.

The Board of Directors has delegated the power of approving transfer and transmission of Shares and other matters like consolidation of certificates, issue of duplicate certificates, dematerialisation/ rematerialisation of shares, to the Committee of Directors for shares. All these matters are approved by the Committee regularly, on a weekly basis.

Ms. Neerja Sharma, Company Secretary, is the Compliance Officer of the Committee.

Of the total 1738 shareholder queries, correspondence and complaints received during the fiscal year, all were processed to the satisfaction

of the Shareholders. On 31st July, 2002, 39 shareholder queries, and / or correspondence were pending. The number of share transfers pending on that date was 2, in respect of 112 shares.

### General Body Meetings

The last three Annual General Meetings of the Company were held at the Registered Office of the Company at P.O. Ballarpur, District Chandrapur, Maharashtra, as per details given below:

| Year      | Date / Day                   | Time       |
|-----------|------------------------------|------------|
| 1998-1999 | 22nd Dec., 1999<br>Wednesday | 10.30 a.m. |
| 1999-2000 | 13th Dec., 2000<br>Wednesday | 11.00 a.m. |
| 2000-2001 | 21st Dec., 2001<br>Friday    | 11.00 a.m. |

No Special Resolution was put through postal ballot last year.

**Disclosures**

**a. Related Party Transactions**

The Company has not entered into any transaction of a material nature with the Promoters, Directors or the Management, their subsidiaries or relatives, etc., that may have any potential conflict with the interest of the Company.

**b. Compliances by the Company**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities, on all matters relating to capital markets during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other statutory authorities relating to the above.

**Means of communication**

- a. At present, the half yearly report on accounts is not being sent to each household of shareholders.
- b. The quarterly results are usually published in the Times of India, The Economic Times, the Hitvada (Nagpur - English edition) and the Lokmat (Nagpur - English, Hindi and Marathi editions). These results are also put up at the Company's website at www.biltpaper.com.

**General Shareholder Information**

AGM : Date, Time and Venue

The 57<sup>th</sup> Annual General Meeting of the Company is scheduled to be held at 3.00 pm on 23rd December, 2002, at the Registered Office at P.O. Ballarpur Paper Mills-442901, Dist. Chandrapur Maharashtra. The Accounts for the Financial Year 1st July, 2001 - 30th June, 2002, will be considered and adopted by the Shareholders at the Annual General Meeting.

**Financial Calendar**

The next financial year of the Company is 1st July, 2002 - 30th June, 2003.

The Quarterly Results will be adopted by the Board of Directors as per the following schedule :-

| For the Quarter ending | End of the following month |
|------------------------|----------------------------|
| September, 2002        | October, 2002              |
| December, 2002         | January, 2003              |
| March, 2003            | April, 2003                |
| June, 2003             | July, 2003                 |

**Date of Book Closure**

The book closure period is from 16th December, 2002 to 23rd December, 2002 (both days inclusive).

**Dividend Payment Dates**

The record date is fixed as 23rd December, 2002. If the Shareholders declare the Dividend, the same will be distributed within the statutory period of 30 days.

The Dividend in the past has been distributed on the following dates:-

| Year      | Date of Distribution | Date of AGM     |
|-----------|----------------------|-----------------|
| 2000-2001 | 26th Dec.,2001       | 21st Dec.,2001  |
| 1999-2000 | 12th Jan., 2001      | 13th Dec.,2000  |
| 1998-1999 | 20th Jan.,2000       | 22nd Dec.,1999  |
| 1997-1998 | 26th Apr.,1999       | 22nd Mar.,1999  |
| 1996-1997 | 25th Oct.,1997       | 24th Sept.,1997 |
| 1995-1996 | 9th Aug.,1996        | 31st July, 1996 |

**Listing on Stock Exchanges and the Stock Code allotted**

The Stock Exchange, Mumbai, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001 is the Regional Stock Exchange for the Company. However, the Shares of the Company are also Listed on the following Stock Exchanges:

- The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata - 700 001.

- The Delhi Stock Exchange Association Limited, DSE House, 3/1 Asaf Ali Road, New Delhi - 110 002.
- National Stock Exchange of India Limited, Exchange Plaza, 5<sup>th</sup> Floor, Plot No. C/1, C-Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051.

The Stock code allotted by these Stock Exchange are as follows :-

| Name  | Code           |
|---|----------------|
| The Stock Exchange, Mumbai                      | 500102         |
| The Delhi Stock Exchange Association Limited    | 3028           |
| National Stock Exchange of India Limited        | BILT           |
| The Calcutta Stock Exchange Association Limited | 002 & 10000002 |

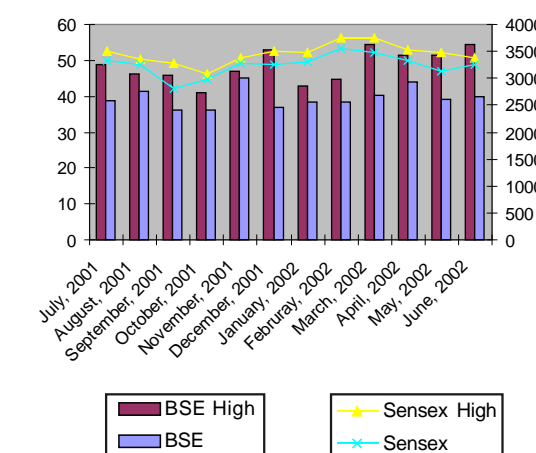
The Company has paid the Annual Listing fees for the year 2002-2003 due to all the Stock Exchanges where the Equity Shares of the Company are listed.

**Market price data and performance in comparison to BSE Sensex**

The monthly High / Low Stock price of the Company is as follows

| Month           | BSE   |       | NSE   |       |
|-----------------|-------|-------|-------|-------|
|                 | High  | Low   | High  | Low   |
| July, 2001      | 49.00 | 38.80 | 47.50 | 40.70 |
| August, 2001    | 46.20 | 41.25 | 45.75 | 42.85 |
| September, 2001 | 45.90 | 36.30 | 43.95 | 36.70 |
| October, 2001   | 41.00 | 36.25 | 40.05 | 37.30 |
| November, 2001  | 47.00 | 45.05 | 46.90 | 39.85 |
| December, 2001  | 53.00 | 37.00 | 44.85 | 37.95 |
| January, 2002   | 42.90 | 38.55 | 44.50 | 38.85 |
| February, 2002  | 44.80 | 38.40 | 43.75 | 38.50 |
| March, 2002     | 54.25 | 40.20 | 53.50 | 40.70 |
| April, 2002     | 51.50 | 44.00 | 48.60 | 44.10 |
| May, 2002       | 51.50 | 39.00 | 50.35 | 39.85 |
| June, 2002      | 54.40 | 40.00 | 53.65 | 40.50 |

Comparison of the Stock Price with the BSE Sensex



**Registrar and Transfer Agent**

M/s RCMC Share Registry (P) Limited-1515, (1st Floor) Bhisam Pitamah Marg, Kotla Mubarakpur, New Delhi - 110 003, is the Registrar and Share Transfer Agent for the Equity Shares of the Company in paper and electronic form.

**Share Transfer System**

The Committee of the Directors for Shares approves the transfer of shares regularly, on a weekly basis.

Transfers are processed weekly i.e on 7<sup>th</sup>, 15<sup>th</sup>, 22<sup>nd</sup> and 30<sup>th</sup> / 31<sup>st</sup> of every month.

The shares for transfer received in physical form by the Company, are transferred and thereafter an option letter is sent to the transferee(s) for receipt of transferred shares in dematerialised form. The Depositories have prescribed the time for exercising this option as 30 days.

## Distribution of Shareholding

List of top Shareholders of the Company as on 16<sup>th</sup> July, 2002.

| Name   | No. of Shares | Percentage |
|--|---------------|------------|
| Bilt Paper Holdings Limited                      | 3,35,07,040*  | 26.01      |
| Unit Trust of India                              | 1,28,65,137   | 9.99       |
| Al Murjan Trading and Industrial Company Limited | 1,00,00,000   | 7.76       |
| Life Insurance Corporation of India              | 74,00,206     | 5.74       |
| Karam Chand Thapar & Bros. Limited               | 70,32,460**   | 5.46       |
| CIHL Private Equity Limited                      | 72,40,000     | 5.62       |
| General Insurance Corporation of India           | 46,54,115     | 3.61       |
| Modern Agencies Limited                          | 28,01,908**   | 2.17       |
| United India Insurance Company Limited           | 25,91,941     | 2.01       |
| The New India Assurance Company Limited          | 12,08,960     | 1.69       |

\* Voting Rights in respect of 72,97,413 Shares held by Mr. L M Thapar

\*\* Voting Rights held by Mr. L M Thapar

Shareholding Pattern as on 16<sup>th</sup> July, 2002

| Category and Name      | No. of Shares |            | Percentage |
|------------------------|---------------|------------|------------|
|                        | Paper Form    | Demat Form |            |
| Individuals            | 4849784       | 13172452   | 14.02      |
| Banks                  | 25704         | 69173      | 0.07       |
| Insurance Companies    | 1220          | 19119163   | 14.88      |
| Financial Institutions | 342304        | 13793181   | 11.00      |
| Group Companies        | 11250332      | 34877531   | 35.89      |
| Bodies Corporate       | 11933443      | 13060042   | 19.45      |
| Mutual Funds           | 21193         | 5898479    | 4.60       |
| Government and Trusts  | 19622         | 92718      | 0.09       |

Distribution of the Shareholding as on 16<sup>th</sup> July, 2002

| Share holding of nominal value of | Share Holders |            | Share Amount   |            |
|-----------------------------------|---------------|------------|----------------|------------|
|                                   | Rs. (1)       | Number (2) | % to Total (3) | In Rs. (4) |
| Up to - 5,000                     | 71403         | 92.140     | 68999410       | 5.369      |
| 5,001 - 10,000                    | 3039          | 3.922      | 23599590       | 1.836      |
| 10,001 - 20,000                   | 1534          | 1.980      | 23019090       | 1.791      |
| 20,001 - 30,000                   | 490           | 0.632      | 12299060       | 0.957      |
| 30,001 - 40,000                   | 253           | 0.326      | 8985200        | 0.699      |
| 40,001 - 50,000                   | 179           | 0.231      | 8475270        | 0.659      |
| 50,001 - 1,00,000                 | 282           | 0.364      | 20765510       | 1.616      |
| 1,00,001 and above                | 314           | 0.405      | 1119120280     | 87.073     |
| TOTAL                             | 77494         | 100.000    | 1285263410     | 100.000    |

## Dematerialisation of Shares

The Equity Shares of the Company can be traded on the Stock Exchanges only in dematerialised form with effect from 29<sup>th</sup> November, 1999. The Equity Shares of the Company are available for trading in the depository systems, of both the Depositories viz. The National Securities Depositories Limited and The Central Depositories Services (India) Limited. More than 79.36% of the Equity Shares of the Company have been dematerialized aggregating to 101992118 Equity Shares as on 19<sup>th</sup> August, 2002. There were 141 GDRs out-Standing as on 30<sup>th</sup> June, 2002.

## Plant Locations of the Company

- Unit Ballarpur  
P.O. Ballarpur Paper Mills - 442 901  
Distt. Chandrapur, Maharashtra
- Unit Choudwar  
P.O. Daulatabad  
Distt. Cuttack - 754 026  
Orissa
- Unit APR, Kamalapuram  
Township - 506 172  
Warangal Distt.,  
Andhra Pradesh
- Unit Sewa  
Gaganpur, P.O. Jeypore  
Railway Station,  
Distt. Koraput - 764 002  
Orissa

- Unit Shree Gopal  
P.O. Yamunanagar,  
Distt. Yamunanagar,  
Haryana - 135 001

## Address for correspondence

The address for correspondence is  
The Company Secretary,  
Ballarpur Industries Limited,  
First India Place,  
Tower C Block A,  
Sushant Lok I,  
Mehrauli Gurgaon Road,  
Gurgaon - 122 002.

For and on behalf of the Board of Directors

L M THAPAR – CHAIRMAN  
GAUTAM THAPAR – VICE CHAIRMAN & MANAGING  
DIRECTOR  
R R VEDERAH – DEPUTY MANAGING DIRECTOR  
B HARIHARAN – GROUP DIRECTOR (FINANCE)  
Date : 27<sup>th</sup> August, 2002  
Place : New Delhi

## CERTIFICATE

To the Members  
of Ballarpur Industries Ltd.

We have examined the compliance of conditions of Corporate Governance by Ballarpur Industries Ltd. (the Company), for the year ended on 30<sup>th</sup> June, 2002 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

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

In our opinion and to the best of our knowledge and according to the information and explanations given to us, we certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement. We state that in respect of investor grievances received during the year ended 30<sup>th</sup> June 2002, no investor grievance is pending without a reply from the Company for a period exceeding one month except a few legal cases pending at various stages of correspondence as per the records maintained by the Company and presented to the Investors/Shareholders Grievance Committee.

We further 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.

for K.K. MANKESHWAR & CO.  
Chartered Accountants  
ASHWIN MANKESHWAR  
Partner

Camp : Gurgaon  
Dated : 27<sup>th</sup> August, 2002