

CORPORATE GOVERNANCE



THE COMPANY'S CORPORATE GOVERNANCE

philosophy is to continuously strive to attain higher levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company also acknowledges and appreciates its responsibility towards the society at large and has embarked upon various initiatives to effectuate this.

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 strategic monitoring and mitigation of risks, while at the same time, creating checks and balances and an organization that values people, propriety, equity and fair play. The Company follows sound and healthy business practices in all facets of its operations and conducts its business in a transparent manner.

BILT is led by a strong and independent Board, which provides it strong oversight and strategic counsel. The Company has established systems and procedures to ensure that the Board of the Company remains well-informed and well-equipped to fulfil its oversight responsibilities and to provide management the strategic direction it needs to create long-term shareholder value.

In India, corporate governance standards for listed companies are regulated by the Securities and Exchange Board of India (SEBI) through Clause 49 of the listing agreement with the Stock Exchanges. The stipulations mandated by Clause 49 became applicable to your Company in March 2001 and have been fully complied with since then. In the year under review, SEBI, through circulars dated 29th October 2004 and 29th March 2005, has suggested changes to the existing Clause 49 and has mandated listed companies to comply with the proposed Clause 49 by 31st December 2005. BILT has already adopted many of the practices stipulated in the proposed Clause 49 and has established procedures and systems to be fully compliant before it becomes mandatory.

This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports BILT's compliance with the mandated Clause 49 and highlights the initiatives taken by the Company to comply with the proposed Clause 49.

BOARD OF DIRECTORS

Composition of the Board

THE BOARD OF THE COMPANY comprises of 11 members. Apart from the Chairman, who is an executive Director, the Board comprises of three executive Directors and seven independent Directors. The composition of the Board is in conformity with Clause 49 of the listing agreement, which stipulates

that 50 per cent of the Board should comprise of independent Directors if the Chairman is executive. Table 1 sets forth detailed information on the composition of the Board.

Number of Board Meetings

IN THE YEAR UNDER REVIEW, the Board of Directors held 6 meetings on 9th July, 2004, 25th August, 2004, 28th October, 2004, 25th January, 2005, 26th April, 2005 and 3rd June, 2005.

Directors' attendance record and Directorships held

AS MANDATED BY THE CLAUSE 49, none of the Directors are members of more than ten Board level committees nor are they Chairmen of more than five committees in which they are members.

As mandated by the Clause 49, the independent Directors on BILT's Board, apart from receiving Directors' remuneration, do not have any other material pecuniary relationship or transactions with the Company,

its promoters, its management or its subsidiaries, which in the judgement of the board affect the independence of judgement of the Directors.

Mr. B. Hariharan and Mr. R. K. Ahojja attended the Annual General Meeting of the Company held on 15th December, 2004.

Information supplied to the Board

THE FOLLOWING INFORMATION is regularly placed before the Board :

- Annual operating plans & budgets and any update thereof
- Capital budgets and any updates thereof
- Quarterly results for the Company and operating divisions
- Minutes of the meetings of the audit committee and other committees of the Board
- Information on recruitment of senior officers just below the level of Board, including appointment or removal of Chief Financial Officer and Company Secretary
- Materially important show cause,

TABLE 1 COMPOSITION OF THE BOARD OF DIRECTORS

NAME OF THE DIRECTORS	DESIGNATION	CATEGORY	ATTENDANCE PARTICULARS		NO. OF DIRECTORSHIPS AND COMMITTEE MEMBERSHIPS / CHAIRMANSHIPS IN OTHER PUBLIC COMPANIES		
			NUMBER OF BOARD MEETINGS		OTHER DIRECTORSHIPS	COMMITTEE MEMBERSHIPS	COMMITTEE CHAIRMANSHIP
			Held	Attended			
Mr. L. M. Thapar	CHAIRMAN	Executive	6	5	7	1	—
Mr. Gautam Thapar	VICE CHAIRMAN & MANAGING DIRECTOR	Executive	6	6	9	5	4
Mr. R.R. Vederah	Jt. MANAGING DIRECTOR	Executive	6	6	4	—	1
Mr. B. Hariharan	GROUP DIRECTOR (FIN.)	Executive	6	6	9	3	3
Mr. Shardul S Shroff	DIRECTOR	Independent	6	2	4	4	1
Dr. Cherif Sedky*	DIRECTOR	Independent	6	—	—	—	—
Dr. Ram S. Tarneja	DIRECTOR	Independent	6	6	13	6	3
Mr. Sanjay Labroo	DIRECTOR	Independent	6	5	9	3	—
Vice Admiral K.K. Nayyar(Retd.)	DIRECTOR	Independent	6	5	—	—	—
Mr. R.K. Ahojja**	DIRECTOR	Independent	6	6	1	—	—
Mrs. Ramni Nirula***	DIRECTOR	Independent	6	5	3	—	—
Mr. P .K. Banerji****	DIRECTOR	Independent	6	5	—	—	—

* Dr. Cherif Sedky resigned from the Board of Directors of the Company with effect from 9th March, 2005.

** Nominee Director appointed by UTI. *** Nominee Director appointed by ICICI Bank Limited. **** Nominee Director appointed by LIC.

demand, prosecution notices and penalty notices

- 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 payment towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions. Any significant development in Human Resources / Industrial Relations front like signing of wage agreement, implementation of voluntary retirement scheme, etc.
- Sale of investments, subsidiaries, assets, which is not in the normal course of business
- Details of foreign exchange exposures and the steps taken by 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

The Board is normally presented with detailed notes on these matters, as part of the agenda papers of the meeting. The draft minutes of the proceedings of Board meetings are circulated to the Board members within 7 days for their comments and are entered in the minutes book within the

stipulated time from the conclusion of the meeting.

The Company has established procedures to enable its Board to periodically review compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

Remuneration paid to Directors

TABLE 2 GIVES details of remuneration paid to Directors for the financial year 2004-05.

TABLE 2 DETAILS OF REMUNERATION PAID TO DIRECTORS					(Amount in Rs.)
NAME OF THE DIRECTORS	SITTING FEES	SALARY AND PERQUISITES	SUPER-ANNUATION FUND	COMMISSION	TOTAL
Mr. L. M. Thapar	—	9,892,772	1,080,000	21,050,000	32,022,772
Mr. Gautam Thapar	—	9,791,559	1,080,000	21,050,000	31,921,559
Mr. R.R. Vederah	—	11,225,544	509,765	—	11,735,309
Mr. B. Hariharan	—	6,522,636	300,001	—	6,822,637
Mr. Shardul S Shroff	40,000	—	—	300,000	340,000
Dr. Ram S. Tarneja	160,000	—	—	300,000	460,000
Mr. Sanjay Labroo	100,000	—	—	300,000	400,000
Vice Admiral K.K. Nayyar (Retd.)	220,000	—	—	300,000	520,000
Mr. R.K. Ahojja	220,000	—	—	300,000*	520,000
Mrs. Ramni Nirula	160,000	—	—	300,000	460,000**
Mr. P.K. Banerji	220,000	—	—	300,000*	520,000
Total	1,120,000	37,432,511	2,969,766	44,200,000	85,722,277

* Commission has been paid directly to the respective Institutions represented by Mr R K Ahojja and Mr P K Banerji, as per the terms of nomination ** The sitting fee and Commission in respect of Mrs Ramni Nirula has been paid directly to ICICI Bank Limited, as per terms of nomination

Table 3 gives details of the shares held by the non-executive Directors as on 30th June, 2005.

TABLE 3 DETAILS OF THE SHARES HELD BY THE NON-EXECUTIVE DIRECTORS AS ON 30TH JUNE 2005	
NAME	NUMBER OF SHARES HELD
Mr. Shardul S Shroff	—
Dr. Ram S. Tarneja	—
Mr. Sanjay Labroo	31,934
Vice Admiral K.K. Nayyar (Retd.)	10,000
Mr. R.K. Ahojja	—
Mrs. Ramni Nirula	—
Mr. P.K. Banerji	—

RISK MANAGEMENT

BILT RECOGNISES THAT RISK MANAGEMENT is a key element to business planning. To this end, the company is in the process of deploying a risk-based control system across all its business activities. This framework will facilitate recognition and response to strategic, operational, financial and compliance risks across all its operations. The risk framework will also ensure that the Board, and the Audit Committee, is periodically informed on the material risks facing the Company and the initiatives taken by the Company to mitigate those risks.

COMMITTEES OF THE BOARD

THE DETAILS OF THE COMPOSITION of BILT's Audit Committee, Remuneration

Committee and Investors'/Shareholders' Grievance Committee are presented in Table 4. Apart from the above, BILT has other Board-level Committees for managing the day to day decisions pertaining to operations/ business of the Company.

All decisions pertaining to the constitution of committees, appointment of members and fixing of terms of service for committee members are taken by the Board of Directors. Details on the role and composition of these committees, including the number of meetings held during the financial year and attendance, are provided below:

Audit Committee

THE AUDIT COMMITTEE COMPRISES of four independent Directors and one executive Director. The Audit Committee held five meetings during the financial year 2004-05 on 24th August, 2004, 27th October, 2004, 16th December, 2004, 24th January, 2005 and 25th April, 2005. The time gap between any two meetings was less than four months. The details of the Audit Committee are given in Table 5.

Mrs. Neerja Sharma, Chief General Manager & Company Secretary acts as the Secretary of the Audit Committee. The head of internal audit, the representative of the statutory auditors and cost auditors attend the meeting as and when invited by the Audit Committee.

All members of the Audit Committee have accounting and financial management knowledge.

The functions of the Audit Committee include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees

TABLE 4 COMPOSITION OF THE COMMITTEES OF THE BOARD

NAME OF THE DIRECTORS	AUDIT	REMUNERATION	INVESTORS' / SHAREHOLDERS' GRIEVANCE	
Mr. L. M. Thapar	—	Member	—	—
Mr. Gautam Thapar	—	—	Member	—
Mr. R.R. Vederah	—	—	—	—
Mr. B. Hariharan*	Member	—	Member	—
Mr. Shardul S Shroff	—	—	—	—
Dr. Cherif Sedky**	—	—	—	—
Dr. Ram S. Tarneja	—	—	Chairman	—
Mr. Sanjay Labroo	—	—	—	—
Vice Admiral K.K. Nayyar (Retd.)	Member	Chairman	—	—
Mr. R.K. Ahoja	Chairman	—	—	—
Mrs. Ramni Nirula ***	Member	Member	—	—
Mr. P.K. Banerji	Member	Member	—	—

*Mr B Hariharan was appointed as a member of the Investors' / Shareholders' Grievance Committee on 26th April, 2005.
 ** Dr. Cherif Sedky resigned from the Board of Directors of the Company with effect from 9th March, 2005 and therefore he ceased to be a member of Investors'/Shareholders' Grievance Committee from the said date. *** Mrs. Ramni Nirula was appointed as member of the Audit Committee and Remuneration Committee on 9th July, 2004.

TABLE 5 ATTENDANCE RECORD OF THE AUDIT COMMITTEE

NAME OF MEMBERS	STATUS	NO. OF MEETINGS	
		HELD	ATTENDED
Mr. R.K. Ahoja	Chairman	5	5
Vice Admiral K.K. Nayyar (Retd.)	Member	5	5
Mrs. Ramni Nirula	Member	5	3
Mr. P.K. Banerji	Member	5	5
Mr. B. Hariharan	Member	5	5

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Changes, if any, in accounting policies and practices and reasons for the same
 - ii. Significant adjustments made in the financial statements arising out of audit findings
 - iii. Qualifications in the draft audit report
- Reviewing the quarterly financial statements before submission to the board for approval
- Reviewing performance of statutory and internal auditors and the adequacy of the 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
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee

The Audit Committee is empowered, pursuant to its terms of reference, to:

- Investigate any activity within its terms of reference and to seek any information it requires from any employee
- Obtain legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise, when considered necessary

Remuneration Committee

THE REMUNERATION COMMITTEE comprises of three independent Directors and

TABLE 6 ATTENDANCE DETAILS OF THE REMUNERATION COMMITTEE

NAME OF MEMBERS	STATUS	NO. OF MEETINGS	
		HELD	ATTENDED
Mr. L. M. Thapar	Member	1	1
Vice Admiral K.K. Nayyar (Retd.)	Chairman	1	1
Mrs. Ramni Nirula	Member	1	0
Mr. P.K. Banerji	Member	1	1

one executive Director. Table 6 gives the details. The Remuneration Committee met once during the financial year 2004-05 on 25th January, 2005.

The functioning and terms of reference of the Committee are as prescribed under the Listing Agreement with the Stock Exchanges. The Committee determines the Company's policy on all elements of the remuneration of Directors and senior managerial personnel. The remuneration of Directors is approved by the Remuneration Committee and the Board of Directors as per the remuneration policy of the Company within the ceiling fixed by the shareholders.

The remuneration policy of the Company is aimed at rewarding performance based on periodic review of achievements. The overall philosophy is to keep employees motivated to deliver higher performance within the overall targeted wage bill.

Shareholders'/Investors' Grievance Committee

THE SHAREHOLDERS'/INVESTORS'

Grievance Committee consists of one independent Director and two executive Directors. The Committee met twice during the year under review on 30th November, 2004 and 22nd February, 2005. Table 7 gives the details.

The responsibilities of the Shareholders'/ Investors' Grievance Committee is to supervise the mechanism of investor grievance redressal and to ensure cordial investor relations.

TABLE 7 ATTENDANCE DETAILS OF SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

NAME OF MEMBER	STATUS	NO. OF MEETINGS	
		Held	Attended
Mr. Gautam Thapar	Member	2	2
Mr. B Hariharan*	Member	2	0
Dr. Ram S. Tarneja	Chairman	2	2
Dr. Cherif Sedky**	Member	2	0

* Mr B Hariharan was appointed as a member of the Committee on 26th April, 2005.

** Dr. Cherif Sedky resigned from the Board of Directors of the Company with effect from 9th March, 2005 and therefore he ceased to be a member of Investors'/Shareholders' Grievance Committee from the said date.

TABLE 8 NATURE OF COMPLAINTS RECEIVED AND ATTENDED TO DURING THE FINANCIAL YEAR 2004-2005

NATURE	PENDING AS ON 01.07.2004	RECEIVED DURING THE YEAR	REDRESSED DURING THE YEAR	PENDING AS ON 30.06.2005
Complaints received from SEBI, Stock Exchanges, Registrar of Companies/ Department of Company Affairs etc.	Nil	8	8	Nil

Details of queries and grievances received and attended by the Company during the year 2004-05 is given in Table 8.

MANAGEMENT

Management Discussion and Analysis

ANNUAL REPORT HAS A DETAILED section on Management Discussion and Analysis.

Disclosures

A DISCLOSURE OF ALL RELATED party transactions has been made in the notes to the accounts of the balance sheet presented in this Annual Report. All the Directors have disclosed their interest in Form No. 24AA pursuant to Section 299 of the Companies Act, 1956 and as and when any changes in their interests take place, they are placed before the Board at its meetings.

Disclosure of Accounting Treatment in preparation of Financial Statements

BILT HAS FOLLOWED the guidelines of accounting standards laid down by the Institute of Chartered Accountants of India (ICAI) in preparation of its financial statements.

Details of Non-Compliance by the Company

BILT HAS COMPLIED WITH all the requirements of regulatory authorities. No penalties/strictures were imposed on the Company by the stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Code for Prevention of Insider-trading Practices

IN COMPLIANCE WITH THE SEBI regulation on prevention of insider trading, the Company has instituted a comprehensive code of conduct for its management and staff. The code lays down guidelines, which advises them on procedures to be followed and disclosures to be made, while dealing in shares of BILT.

SHAREHOLDERS

Reappointment/Appointment of Directors

IN ACCORDANCE WITH THE provisions of the Companies Act, 1956 and the articles of association of BILT, one-third of its rotational Directors retire every year and, if eligible, offer themselves for re-election at every Annual General Meeting. Consequently, two Directors viz. Mr. Shardul S Shroff and Mr. Sanjay Labroo would retire this year and being eligible, offer themselves for re-appointment. Their brief CVs are given below:

MR. SHARDUL S. SHROFF - Mr. Shardul S. Shroff is a managing partner of

Amarchand & Mangaldas & Suresh A. Shroff, a leading Indian corporate law firm. He has significant experience in advising companies on a wide range of corporate matters across many industrial sectors. He has also been closely involved in formulating national economic legislation as a member of high-level committees appointed by the Government. Table 9 gives the details of his Directorships and Committee memberships/ Chairmanships in other public limited companies in India.

MR. SANJAY LABROO - Mr. Sanjay Labroo is a graduate from the Doon School and has done MBA in Finance and Management from the Wharton School of Business & Finance, Pennsylvania, USA. Mr. Labroo is the Managing Director & CEO of Asahi India Glass Limited. Table 10 gives the details of his Directorships and Committee memberships/Chairmanships in other public limited companies in India.

Means of Communication with Shareholders

THE QUARTERLY RESULTS OF the Company are usually published in the Times of India, The Economic Times, The Hitavada (Nagpur - English edition) and Lokmat (Nagpur - English, Hindi and Marathi editions) as per the requirements of the Listing Agreement. These results are also put up on the Company's website at www.bilt.com. The Company also sends the results and announcements to the Luxembourg Stock Exchange for the benefit of the FCCB and GDS holders.

As per the requirements of Clause 51 of the Listing Agreement, all the data relating to quarterly financial results, shareholding pattern etc. is electronically filed on the EDI-FAR website within the prescribed timeframe.

General Body Meetings

TABLE 12 GIVES the details of the last five General Meetings.

TABLE 9 DETAILS OF DIRECTORSHIP AND MEMBERSHIP OF COMMITTEES OF BOARDS APART FROM BILT

NAME OF THE DIRECTOR	DIRECTORSHIP	COMMITTEE MEMBERSHIP	COMMITTEE CHAIRMANSHIP
Mr. Shardul S Shroff	Infrastructure Development Finance Company Ltd.	Audit Committee	-
	Apollo Tyres Ltd.	Share Grievance Committee	-
	NIIT Ltd.	Audit Committee	Remuneration Committee
	CMC Ltd.	Share Transfer/Shareholders Grievance Committee	-

TABLE 10 DETAILS OF DIRECTORSHIP AND MEMBERSHIP OF COMMITTEES OF BOARDS APART FROM BILT

NAME OF THE DIRECTOR	DIRECTORSHIP	COMMITTEE MEMBERSHIP	COMMITTEE CHAIRMANSHIP
Mr. Sanjay Labroo	Asahi India Glass Ltd.	Investors' Grievance Committee	—
	AIS Welkin Auto Glass Services Ltd.	—	—
	AIS Glass Solutions Ltd.	—	—
	Asahi India Map Auto Glass Ltd.	—	—
	Automartindia Ltd.	Audit Committee	—
	Crompton Greaves Ltd.	Audit Committee	—
	Krishna Maruti Ltd.	—	—
	Maltex Malsters Ltd.	—	—
	Shield Autoglass Ltd.	—	—

TABLE 11 PUBLICATIONS OF THE FINANCIAL RESULTS DURING 2004-2005

DESCRIPTION	DATE
Audited Financial Results for the year ended on 30th June, 2004	26th August, 2004
Un-audited Financial Results for the quarter ended on 30th September, 2004	29th October, 2004
Un-audited Financial Results for the quarter / half year ended on 31st December, 2004	26th January, 2005
Un-audited Financial Results for the quarter / Nine months ended on 31st March, 2005	27th April, 2005

TABLE 12 DETAILS OF THE LAST FIVE GENERAL MEETINGS

FINANCIAL YEAR	CATEGORY *	LOCATION OF THE MEETING	DATE	TIME
2001-02	AGM	P.O. Ballarpur Paper Mills — 442901, Distt. Chandrapur, Maharashtra	23rd December, 2002	3.00 p.m
2002-03	AGM	P.O. Ballarpur Paper Mills — 442901, Distt. Chandrapur, Maharashtra	24th December, 2003	3.00 p.m
2003-04	EGM	P.O. Ballarpur Paper Mills — 442901, Distt. Chandrapur, Maharashtra.	23rd October, 2003	3.00 p.m
2003-04	AGM	P.O. Ballarpur Paper Mills — 442901, Distt. Chandrapur, Maharashtra.	15th December, 2004	3.00 p.m
2005-06	EGM	P.O. Ballarpur Paper Mills — 442901, Distt. Chandrapur, Maharashtra.	6th July, 2005	3.00 p.m

*AGM - Annual General Meeting, EGM - Extraordinary General Meeting

The following Special Resolutions were taken up in the last three AGMs, and were passed with requisite majority.

2001 - 2002

1. Issuance and allotment of equity shares / preference shares / securities convertible into equity shares etc. for an amount not exceeding USD 100 Million.
2. Payment of remuneration by way of commission to the non-executive Directors of the Company.

2002 - 2003

1. Re-appointment of Statutory Auditors

under Section 224A of the Companies Act, 1956.

2003 - 2004

1. De-listing of Equity Shares from the Delhi Stock Exchange Association Ltd. and Calcutta Stock Exchange Association Ltd.
2. Approval for acquisition of up to 49% of total paid up share capital of the Company by Foreign Institutional Investors.

ADDITIONAL SHAREHOLDER INFORMATION

Annual General Meeting

DATE 7th December, 2005
TIME 12:00 Noon
VENUE P.O. Ballarpur Paper Mills 442 901
 Distt. Chandrapur
 Maharashtra

Financial Calendar

FINANCIAL YEAR 2004-05

For the year ended 30th June 2005, results were announced on:

FIRST QUARTER 28th October, 2004

HALF YEARLY 25th January, 2005

THIRD QUARTER 26th April, 2005

ANNUAL 30th August, 2005

For the year ending 30th June 2006, results will tentatively be announced as per following schedule :

OCTOBER, 2005 First quarter

JANUARY, 2006 Half yearly

APRIL, 2006 Third quarter

AUGUST, 2006 Fourth quarter / Annual

Book Closure

The share transfer books and register of members of the Company shall remain closed from Thursday, the 24th November, 2005 to Wednesday, the 7th December, 2005 (both days inclusive).

TABLE 13 BILT'S STOCK EXCHANGE CODES ETC.

ISIN NO.	INE294A01011
Mumbai Stock Exchange Code	500102
National Stock Exchange Code	BILT
Bloomberg Code	BILT@IN
Reuters Code	BILT.BO

TABLE 14 HIGHS, LOWS AND VOLUMES OF BILT'S SHARES FOR 2004-05 AT BSE AND NSE

MONTH	BOMBAY STOCK EXCHANGE LIMITED			NATIONAL STOCK EXCHANGE OF INDIA LIMITED		
	HIGH (RS)	LOW (RS)	VOLUME (NOS)	HIGH (RS.)	LOW (RS.)	VOLUME (NOS)
July 2004	66.30	55.60	11,92,974	66.45	58.35	28,19,068
August 2004	86.15	64.35	1,00,37,837	86.25	64.10	2,14,35,498
September 2004	83.75	75.05	38,15,845	83.85	75.10	89,27,106
October 2004	85.95	74.00	51,93,951	87.00	73.00	1,00,44,979
November 2004	84.00	71.00	35,61,564	84.00	70.00	79,84,358
December 2004	97.50	78.10	74,21,306	97.50	78.00	1,40,49,279
January 2005	100.40	80.00	33,50,508	100.75	79.60	81,09,028
February 2005	106.50	85.25	79,25,724	106.50	85.70	1,98,76,359
March 2005	110.50	90.10	69,47,379	110.40	84.55	1,73,45,735
April 2005	107.00	94.50	51,45,923	107.00	94.60	1,20,48,366
May 2005	124.30	100.50	63,07,584	124.40	100.80	1,78,66,885
June 2005	124.45	106.25	34,24,400	124.50	105.05	1,38,77,492



Dividend Payment

AN INTERIM DIVIDEND of 12.5% per equity share was paid on 14th February, 2005. A final dividend of 25% per equity share (including the interim dividend of 12.5%) has been recommended by the Board and will be paid within the prescribed statutory period, subject to declaration by the shareholders at the Annual General Meeting.

Listing

AT PRESENT, THE EQUITY SHARES of the Company are listed on Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE). The annual listing fees for the financial year 2005-2006 has been paid to both the stock exchanges.

Stock Market Data

TABLE 14 AND CHART A gives details.

Distribution of Shareholding

TABLE 15 AND 16 GIVES the distribution of shareholding of the equity shares of the Company by size and by ownership class as on 30th June 2005.

DEMATERIALISATION OF SHARES

THE EQUITY SHARES of the Company can be traded on the Stock Exchanges only in dematerialised form. The Equity Shares of the Company are available for trading in the depository systems of both the Depositories viz. The National Securities Depository Limited and The Central Depository Services (India) Limited. As on 30 June 2005, approxi-

TABLE 15 SHAREHOLDING PATTERN BY SIZE

NUMBER OF EQUITY SHARES HOLDING	PHYSICAL FORM		DEMATERIALISED FORM		TOTAL NUMBER OF SHARE HOLDERS	% OF SHARE HOLDERS	TOTAL NUMBER OF SHARES	% OF SHARE HOLDING
	NO. OF SHARE HOLDERS	NO. OF SHARES	NO. OF SHARE HOLDERS	NO. OF SHARES				
1-1000	31,764	2,037,700	33,690	6,193,717	65,454	96.59	8,231,417	5.07
1001-5000	267	565,486	1,598	3,522,526	1,865	2.76	4,088,012	2.52
5001-10000	14	98,366	183	1,380,460	197	0.29	1,478,826	0.91
10001 and above	9	10,268,522	237	138,362,377	246	0.36	148,630,899	91.50
Total	32,054	12,970,074	35,708	149,459,080	67,762	100.00	162,429,154	100.00

TABLE 16 SHAREHOLDING PATTERN BY OWNERSHIP

PARTICULARS	AS ON 30.06.05				AS ON 30.06.04			
	NO. OF SHARE HOLDERS	% OF SHARE HOLDERS	NO. OF SHARES HELD	% OF SHARE HOLDING	NO. OF SHARE HOLDERS	% OF SHARE HOLDERS	NO. OF SHARES HELD	% OF SHARE HOLDING
Directors, promoters and family members	19	0.03	63,252,290	38.94	23	0.03	60,259,379	37.10
FII's	47	0.07	27,679,193	17.04	27	0.04	21,285,349	13.10
Mutual Funds	48	0.07	18,668,628	11.49	45	0.06	17,111,829	10.53
Financial Institutions/ Banks/ Insurance Companies	73	0.11	2,36,48,056	14.56	70	0.09	2,86,46,823	17.64
NRI's	1194	1.76	4,17,744	0.26	1152	1.56	4,32,560	0.27
Corporates	1359	2.00	67,45,365	4.15	1474	2.00	5,072,578	3.12
Individuals	65021	95.96	2,20,17,878	13.56	71064	96.22	2,96,20,636	18.24
Total	67,761	100.00	162,429,154	100.00	73,855	100.00	162,429,154	100.00

mately 92% of the total equity shares of the Company were held in dematerialised form.

**Outstanding GDRs/
ADRs/Warrants/Options/FCCBs**

OF THE TOTAL GDSs issued by the Company 12,47,836 equity shares of Rs. 10/- each representing GDSs were outstanding as on 30th June, 2005. In addition to this FCCBs aggregating to USD 45 Million issued in November, 2003 and USD 60 Million issued in July, 2005 are outstanding.

Registrar and Transfer Agent

THE COMPANY IN COMPLIANCE with SEBI guidelines has appointed a common share transfer agency for both the physical and electronic form of shareholding. The Registrar and Share Transfer Agent for the Equity Shares of the Company both in paper and electronic form is:

M/s RCMC Share Registry (P) Limited
1515, (1st Floor), Bhisham Pitamah Marg,
Kotla Mubarakpur, New Delhi - 110 003

Share Transfer System

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.

The Committee of the Directors for Shares approves the transfer of shares on a weekly basis i.e on 7th, 15th, 22nd and 30th/31st of every month.

The turnaround time for the share transfer process is 15 days from the receipt of complete documents.

**Company's Registered Office
Address**

P.O. Ballarpur Paper Mills 442 901
Distt. Chandrapur, Maharashtra
PHONE 07172-240515, 240211
FAX 07172-240548

Plant Locations

- 1. UNIT BALLARPUR**
P.O. Ballarpur Paper Mills 442 901
Distt. Chandrapur, Maharashtra
- 2. UNIT AP RAYONS, KAMALAPURAM**
Township 506 172
Warangal Distt, Andhra Pradesh
- 3. UNIT SEWA**
Gaganpur, P.O. Jeypore, Railway Station,
Distt. - Koraput 764 002, Orissa
- 4. UNIT SHREE GOPAL**
P.O. Yamunanagar, Distt. Yamunanagar,
Haryana 135 001
- 5. UNIT BHIGWAN**
105 Milestone, Pune-Solapur Highway,
Bhadalwadi - Paundhwadi, Near Bhigwan
Taluka, Indapur, Dist Pune - 413105

Address for Correspondence

The Company Secretary,
Ballarpur Industries Limited
First India Place, Tower C
Block A, Sushant Lok - I,
Mehrauli Gurgaon Road
Gurgaon 122 002
PHONE +91 124 2804242/ 43
FAX +91 124 2804261

For and on behalf of the Board of Directors

L.M. Thapar **CHAIRMAN**
Gautam Thapar **VICE CHAIRMAN &
MANAGING DIRECTOR**
R.R. Vederah **JOINT MANAGING
DIRECTOR**
B. Hariharan **GROUP DIRECTOR (FIN.)**

DATE 30th August, 2005
PLACE New Delhi

CERTIFICATE

To the Members of Ballarpur Industries Limited

We have reviewed the compliance of conditions of Corporate Governance by Ballarpur Industries Ltd. (the Company), for the year ended 30th June 2005 as stipulated in clause 49 of the Listing Agreement of the Company with Stock Exchanges, with the relevant records and documents maintained by the Company and furnished to us.

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 conditions of Corporate Governance as stipulated in the abovementioned Listing Agreement.

We state that in respect of investor grievances received during the year ended 30th June 2005, no investor grievance is pending without a reply from the Company for a period exceeding one month 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.

Ashwin Mankeshwar

PARTNER

MEMBERSHIP NO. 46219

For and on behalf of

K.K. Mankeshwar & Co.,

CHARTERED ACCOUNTANTS

CAMP Gurgaon

DATE 30th August, 2005