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**Ballarpur Industries Limited**

### Board of Directors

|   |  |
|---|--|
| L M Thapar (Chairman)                             |  |
| Gautam Thapar (Vice Chairman & Managing Director) |  |
| M J Subbaiah (Nominee of ICICI)                   |  |
| K G Vassal (Nominee of UTI)                       |  |
| G P Kohli (Nominee of LIC)                        |  |
| Vice Admiral K.K. Nayyar (Retd.)                  |  |
| Dr. Ram S Tarneja                                 |  |
| M M Thapar  |  |
| Dr. Cherif Sedky                                  |  |
| R R Vederah                                       |  |
| B Hariharan                                       |  |
| Shardul S Shroff                                  |  |
| Sanjay Labroo                                     |  |



Neerja Sharma  
**General Manager & Company Secretary**

#### Auditors

K. K. Mankeshwar & Co.  
Chartered Accountants  
King's Way, Nagpur - 440 001

#### Registered Office

P.O. Ballarpur - 442 901,  
District Chandrapur, Maharashtra

#### Head Office

Thapar House, 124, Janpath,  
New Delhi - 110 001.

#### Operating Office

First India Place  
Tower C, Block-A  
Sushant Lok-I, Mehrauli Road  
Gurgaon - 122 002

#### Listing on Stock Exchanges

Ordinary Shares of the Company are listed on the following Stock Exchanges :-

The Stock Exchange, Mumbai  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

The Calcutta Stock Exchange Association Limited  
7, Lyons Range Calcutta-700001

The Delhi Stock Exchange Association Limited  
West Plaza, Indira Gandhi Stadium, Indraprastha Estate,  
New Delhi-110002

National Stock Exchange of India Limited  
Trade World, Senapati Bapat Marg, Lower Parel, Mumbai-  
400013

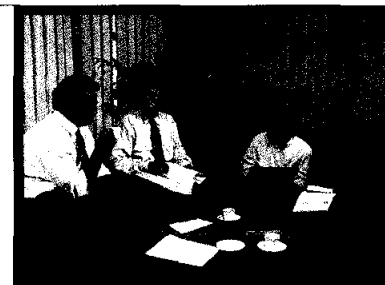
Listing fees up to the year 2001-2002 paid to all  
the above stock exchanges

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## Subsidiaries :

|   |         |
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| Janpath Investments and Holdings Limited                                | 63-80   |
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# Inculcating Professional Ethics



*Guiding Team  
Bilt to greater  
heights of  
efficiency &  
productivity*

Board of

**Directors**

Seated

Standing (left - right)

L M Thapar

• Gautam Thapar • Dr Cherif Sedky • B Hariharan  
• M J Subbaiah • Sanjay Labroo • R R Vederah

*"We're really proud of our teams... together, we've ensured that Bilt will always keep growing, stretching to all horizons, maintaining and building on its unmatched market position."*

Executive

Team

## Raising Competency Levels

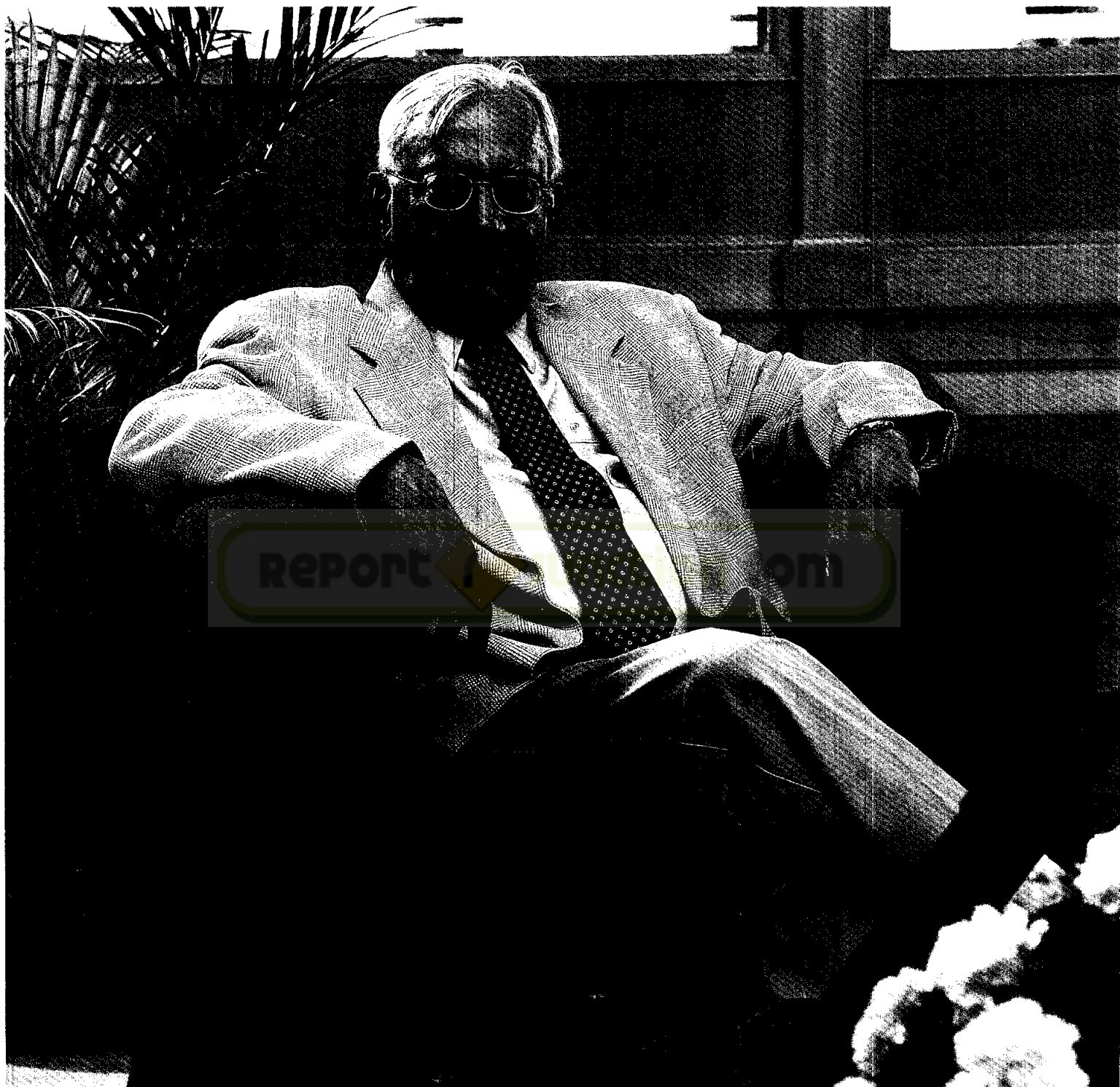


Left to right – B Hariharan, Gautam Thapar, R R Vederah

Sludge Garden







L M Thapar  
*Chairman*

*"The people at Bilt... sharpen their minds, focus their energies and talents, and are fired by an enthusiasm... Destined to achieve even greater things to come!"*

## Chairman's Review

Dear Shareholders,

Bilt finds itself poised upon a platform that is destined to go only up... exponentially. The Company is today stretching itself, reaching out and breaking free of its previous shackles. Given the prevailing market conditions, your Company has performed remarkably well, innovating and developing dynamic strategies, to increase market share, in line with its new focus on paper.

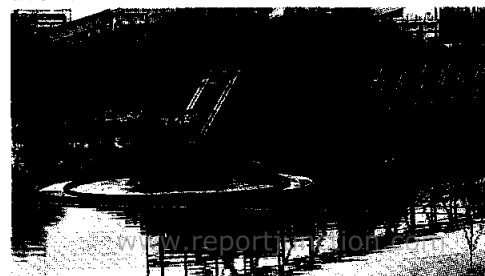
Bilt is well on its way to achieving the daunting target of producing 1 million tonnes of paper by 2004. Forays to other shores are already in the pipeline, and export earnings thereof are expected to help Bilt achieve a position of one of the top 15 paper companies in Asia Pacific.

Some of the areas being addressed are post-merger management, matching international norms, while enabling access to the global knowledge arena to amass intellectual wealth. These initiatives deeply involve the people behind Bilt, and are a part of their all-encompassing development. Furthermore, an Employee Development Centre programme has been introduced to inculcate world-class competencies, while providing a plethora of opportunities for everyone at Bilt. The Company has gone on-line to promote the use of e-based, self-learning modules. The senior management is being groomed on leadership skills through a Leadership Development Programme, in a partnership with Center for Creative Leadership, USA.

**A wise man once said... "Only passions, great passions, can elevate the soul to great things"** – I can see that the people at Bilt believe in this principle. As they sharpen their minds, focus their energies and talents, and are fired by an enthusiasm, Bilt is destined to achieve even greater things to come, propelled by the efforts of its people.

L M Thapar  
Chairman

Water Treatment Clarifier





Gautam Thapar  
*Vice Chairman & Managing Director*



*"With dedicated plants achieving economies of scale, it has emerged as one of the most economical paper producers in the Asian region."*

## Vice-Chairman & Managing Director

**discusses the Company's Growth and Positioning**

### How has BILT performed during the last year?

BILT has shown significant growth during the last year. Revenues have grown 8.79 %, Operating profits 28.9%, and the net profits have recorded an impressive gain of 47.3%. Earnings per share delivered by the Company have been Rs 14.01, registering a growth of 47.3% over the last year. The market share of the Company stands higher than 10%.

The Company has achieved higher operational efficiencies, increased volumes and improved realisation, through constant efforts in achieving customer satisfaction, improving quality and focus on cutting costs. The outstanding performance is a result of the Company's renewed endeavour and focus, in delivering higher stakeholder value.

### What are the future prospects for BILT?

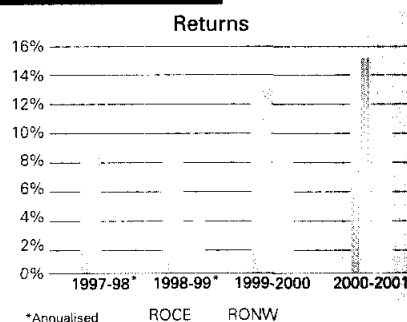
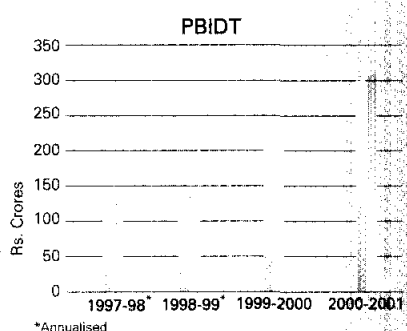
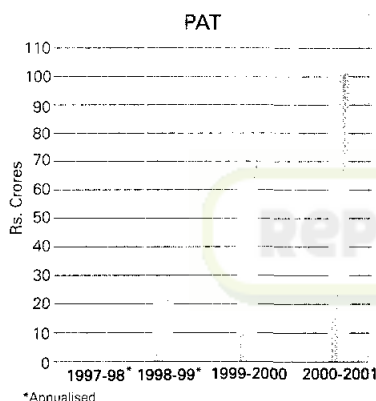
BILT has emerged as a leading company in the Indian Paper Industry with a market share of more than 10% (excluding the newsprint segment). The Company is a focused paper player, catering to most of the segments in the paper market, with a strong distribution network and logistics support. With dedicated plants achieving economies of scale, it has emerged as one of the most economical paper producers in the Asian region. The gearing of the Company is optimal, allowing Bilt to meet its growth objectives. The stockholding of the promoters is also at a required optimum level, providing opportunities of value creation for investors. The Company is also looking at various opportunities to consolidate its core competency in paper business, to enhance shareholder value.

The Company's shares remain under-valued currently, primarily due to the market perception about past performance / transparency issues and investments in non-core assets, which have since been hived off / sold.

However, the incumbent management firmly believes in creation of shareholder value through re-creation of a transparent and focused Company in the paper business. It is confident that the markets would soon recognise the initiatives taken by the Company in this direction, leading to significant value generation for shareholders in the near future.

### Is the capital structure of BILT satisfactory?

The current debt : equity structure of BILT is 1.29 : 1, which is expected



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to reach 1 : 1 during the coming year. The Company recognizes the capital-intensive nature of the industry, which requires the expansion plans of the company to be financed by a judicious mix of debt and equity. In line with this, BILT has been able to raise long-term funds to the tune of Rs. 1500 mn during the year at extremely competitive rates of 11.7% p.a. from the market. This debt was partially guaranteed by IFC, Washington. The debt has a maturity profile of 10 years, which aligns with the maturity profile of revenue generations from long-gestation, capital-intensive projects. This structuring is a financial innovation, and is the first of its type in the world.

### **How is BILT positioning itself with the globalisation of Indian business and impending implications of WTO?**

The Company's strategy is to leverage its existing number one position to redefine the market to provide 'value for money' products. The products are globally competitive in quality and are sold directly to its customers. We are moving towards dedicating specific machines to cater to customer segments located in a defined geographical region. This demarcation of manufacturing facilities will help the Company gain economies of scale and produce products of international quality at globally competitive prices. Furthermore, the Company has already upgraded its marketing and distribution network through direct customer contact, information management and tracking services. BILT has recently undertaken an ERP initiative, which would strengthen Customer Relationship Management (CRM). Currently, BILT is doing business directly with more than 2000 customers, a number negligible in the earlier year. BILT also has a strong, exclusive dealer network of more than 70 dealers, spread geographically across the country. Additionally, the new launches by BILT in premium segments have been extremely successful. "BILT COPY POWER" has become a major brand in the copier paper segment.

BILT now has manufacturing facilities spread across the country, strong logistics support and an efficient marketing and distribution network. With constant technological up-gradation and expansion plans, BILT is emerging as a low-cost paper producer in the Asian region, having the advantage of economies of scale. This will help the Company become one of the top-50 paper companies globally, enabling it meet the challenges of reduced import duties in India post WTO regime.

### **How is the Company ensuring fiber resource availability for its growth?**

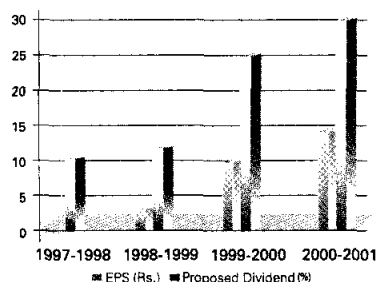
BILT has recently entered into contract farming mechanism on a large scale. Under this process, the farmers work exclusively for BILT on their marginal fields and generate fast growing pulpwood. The Company distributes high quality saplings to farmers for this purpose. During last year, the Company distributed 8 mn saplings to farmers and has plans to distribute 17 mn saplings in the coming year. The Company has created the necessary infrastructure to produce the required saplings in its farms. The ultimate objective of BILT is to increase its dependence on contract farming and provide approx 70 mn saplings a year to the farmers. This process would ensure sustainable availability of fiber on a long term. With this model working successfully, BILT envisages constant and regular availability of fiber resource for its expansion and growth plans.

### **How is the Company faring with respect to IT?**

BILT has engaged Oracle & Honeywell to implement ERP solutions. The exercise is already underway and the pilot phase is to be completed by the end of the calendar year 2002. ERP implementation would enable BILT to have a sharper customer focus, and production would be channeled to provide products based on specific customer needs. It would also enable the Company to reduce cycle time and with a strong Supply Chain Management (SCM) in place, the input costs would get rationalised, leading to better margins.

### **What are BILT's plans in the area of its people development?**

Development of Human Resource has been identified as a critical activity within BILT; the Company realises that its people will drive growth. As a part of providing growth opportunities to professionals, two of the senior executives have been elevated to the Board level. The Company is regularly investing significant funds in training and development of human resource. The people development process has been planned taking into account the potential leaders, and grooming them for facing challenges of the future. This exercise is being regularly done in collaboration with some of the leading people development institutions in the world, such as SHL-UK, IMD-Luusanne and IIM-Ahmedabad.



**EPS & Dividend**