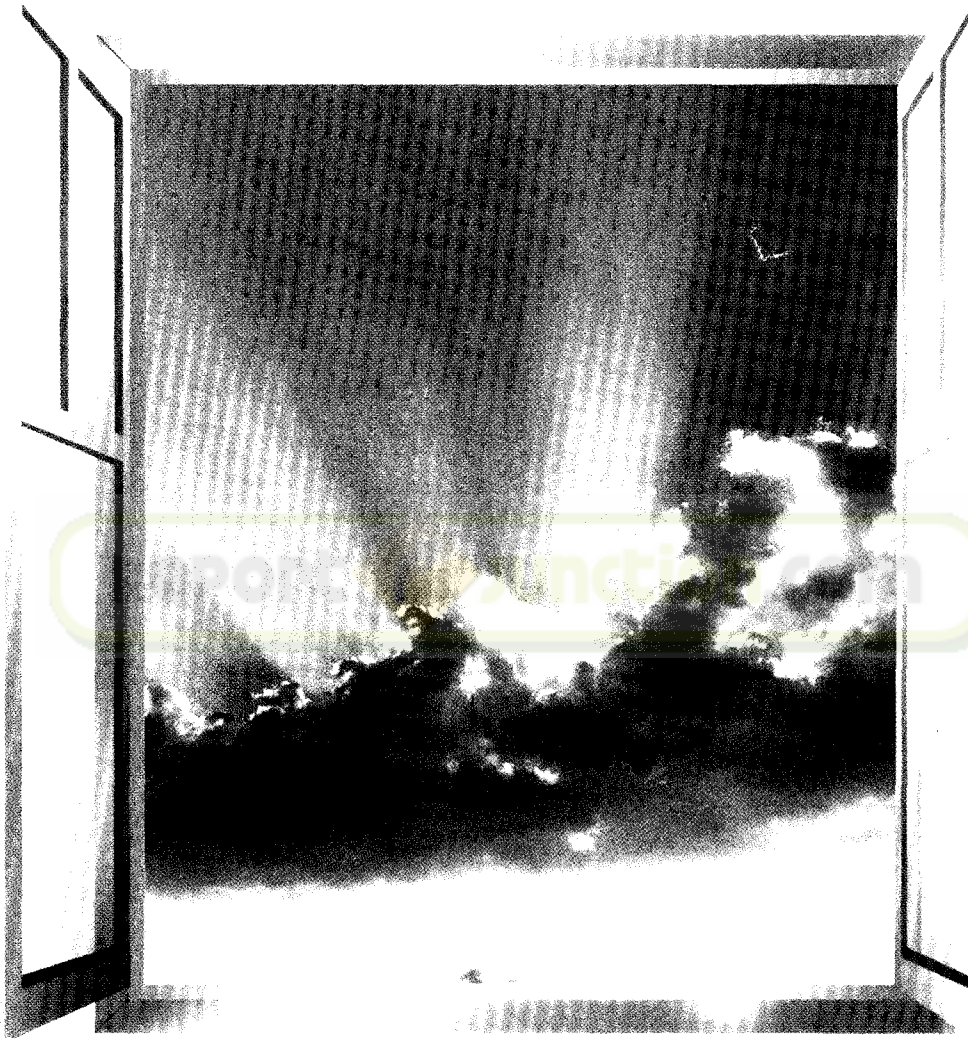
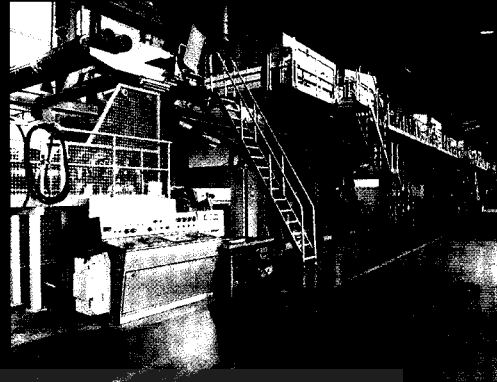


# Annual Reports Library



**Ballarpur Industries Limited**

Annual Report - 2001-2002



Amidst the shifting trends of today's market scenario, BILT stands on a solid foundation of experience and leadership. With a renewed commitment and a resurgent spirit, it enables us to look ahead. To see our goals with a long-term perspective. To see emerging opportunities better... To write a new chapter in growth.

## NOTICE

The fifty-seventh Annual General Meeting of the Company will be held at 3.00 p.m. on Monday, the 23<sup>rd</sup> December, 2002, at its Registered Office at P. O. Ballarpur Paper Mills - 442 901, District Chandrapur, Maharashtra, to transact the following business :

### ORDINARY BUSINESS

- To receive, consider and adopt the Audited Profit & Loss Account for the year ended 30<sup>th</sup> June, 2002, Balance Sheet as on that date and the Directors' and Auditors' Reports thereon.
- To note and confirm the Interim Dividend on 12%, 12.50%, 13% and 14.25% Preference Shares.
- To declare Dividend on 11% Preference Shares and Equity Shares.
- To appoint a Director in place of Vice Admiral K. K. Nayyar (Retd.) who retires by rotation and is eligible for re-appointment.
- To appoint a Director in place of Dr. Cherif Sedky who retires by rotation and is eligible for re-appointment.
- To appoint Auditors and to fix their remuneration and for this purpose, to consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :  
"RESOLVED that pursuant to Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s K. K. Mankeshwar & Co., Chartered Accountants, King'sway, Nagpur, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting, at a remuneration to be decided by the Board of Directors."

### SPECIAL BUSINESS

- To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :  
"RESOLVED that subject to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government and/or other authorities, as may be necessary, the consent of the Company be and is hereby accorded to the change in designation of Mr. R R Vederah, Whole Time Director of the Company, from Director & COO to Deputy Managing Director w.e.f. 14<sup>th</sup> June, 2002, at the existing remuneration, perquisites and benefits as given below, which were approved in the Annual General Meeting held on 13<sup>th</sup> December, 2000, with liberty to the Board of Directors to make and/or accept any variation in the said terms and conditions within the maximum limits stipulated by this resolution :

#### SALARY

Rs. 25,00,000/- (Rupees Twenty Five Lacs) per annum with authority to the Board of Directors to increase the salary from time to time up to a sum not exceeding Rs. 50,00,000/- (Rupees Fifty Lacs) per annum.

#### PERFORMANCE INCENTIVE

Performance linked incentive not exceeding Rs. 25,00,000/- (Rupees Twenty Five Lacs) per annum with authority to the Board of Directors to increase the incentive from time to time up to a sum not exceeding Rs. 50,00,000/- (Rupees Fifty Lacs) per annum.

#### PERQUISITES

In addition to salary, he shall also be entitled to perquisites like rent-free furnished accommodation, gas, electricity, water and furnishings, medical reimbursement for self and family, leave travel allowance for self and family, club fees, personal accident insurance etc., in accordance with the Rules of the Company, the monetary value of such perquisites will be limited to Rs. 22,42,780/- (Rupees Twenty Two Lacs Forty Two Thousand Seven Hundred and Eighty) per annum.

For the purpose of the aforesaid perquisites :

- Perquisites shall be valued as per Income Tax Rules, wherever applicable, and in the absence of any such Rule, shall be valued at actual cost;
- The following shall not be included :
  - Use of Company car for official purposes and telephone at residence, including payment for local calls and long distance official calls;
  - Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act;
  - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and
  - Encashment of leave at the end of the tenure.

"RESOLVED FURTHER that in the event of loss or inadequacy of profits, the above mentioned remuneration, perquisites and benefits will be regarded as minimum remuneration in accordance with the provisions of Section 198(4) and other applicable provisions and rules thereto of the Companies Act, 1956, and

the Board of Directors be and is hereby authorized to take such approvals as may be necessary for payment of such minimum remuneration, in case of such eventuality.

"RESOLVED FURTHER that the aggregate of the remuneration and perquisites payable to Mr. R R Vederah along with those payable to other Wholtime Directors shall not exceed 10% of the profits of the Company calculated in accordance with the provisions of Sections 198 and 309 of the Companies Act, 1956.

"RESOLVED FURTHER that Mr. R R Vederah shall carry out all duties subject to the supervision, control and direction of Mr. Gautam Thapar - Vice Chairman and Managing Director, and shall perform such other duties and services as shall from time to time be entrusted to him by the Vice Chairman and Managing Director."

- To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and / or charging by the Board of Directors of the Company / Committee thereof (hereinafter referred to as 'the Board') of the movable and immovable properties/assets of the Company pertaining to White House, Dr. Vithal Raghunath Road, Bandra, Mumbai and at Units Ballarpur, Choudwar, A P Rayons - Kamalapuram, Shree Gopal and Sewa, as security / additional security in favour of :

- UTI Bank Limited, as trustees for the holders of 1000 - 10.50% Secured Redeemable Non-Convertible Debentures of Rs. 14,00,000/- (Rupees fourteen lacs) each aggregating to Rs. 140,00,00,000/- (Rupees one hundred and forty crores) and
- Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO") as security / additional security for the Guarantee provided by it aggregating upto Rs. 140,00,00,000/- (Rupees one hundred and forty crores) in respect of 1000 - 10.50% Secured Redeemable Non-Convertible Debentures of Rs. 14,00,000/- (Rupees fourteen lacs) each aggregating to Rs. 140,00,00,000/- (Rupees one hundred and forty crores);

together with interest at the agreed rate, compound and / or additional interest, further interest, liquidated damages, commitment charges, premia on prepayment or on redemption, with charges, expenses and other monies payable by the Company in connection with the said Debentures.

"RESOLVED FURTHER that the Board be and is hereby authorised to finalise, settle and execute such documents, deeds, agreements and/or papers as may be required and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.

"RESOLVED FURTHER that the acts, deeds and things already done by the Board in this regard be and are hereby confirmed, approved and ratified."

- To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and / or charging by the Board of Directors of the Company / Committee thereof (hereinafter referred to as 'the Board') of the movable and immovable properties/assets of the Company pertaining to :

- Residential property at Vijay Villa, Janki Kutir, Juhu, Mumbai;
- Residential property at Twin Towers Building, Flat no. 103 B, 10th floor, Veer Savarkar Marg, Prabhadevi, Mumbai; and
- Freehold land at Village Tajpur Khurd, Tehsil Mehrauli, New Delhi;

as security / additional security in favour of The Western India Trustee and Executor Company Limited, the trustees for the holders of the 9.5% Fully Convertible Debentures of Rs. 304/- each (FCDs) allotted in the Rights Issue of the Company aggregating upto Rs. 53.48 lacs, for securing the interest on FCDs, other monies in respect thereof, all costs, charges, expenses and other moneys payable by the Company.

"RESOLVED FURTHER that the Board be and is hereby authorised to finalise, settle and execute such documents, deeds, agreements and / or papers as may be required and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.

"RESOLVED FURTHER that the acts, deeds and things already done by the Board in this regard be and are hereby confirmed, approved and ratified."

- To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED that consent of the Company be and is hereby accorded in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956, for mortgaging and / or charging by the Board of Directors of the Company / Committee thereof (hereinafter referred to as 'the Board') of the movable and immovable properties/assets of the Company pertaining to Village Budasan, Taluka Kadi, District Mehsana, Gujarat and Units Ballarpur, Choudwar, A P Rayons - Kamalapuram, Shree Gopal and Sewa, as security/ additional security in favour of UTI Bank Limited, as trustees for the holders of



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40,00,000 - 13.50% Secured Redeemable Non-convertible Debentures of Rs. 100/- (Rupees one hundred) each aggregating Rs. 40,00,00,000/- (Rupees forty crores) together with interest at the agreed rate, compound and / or additional interest, further interest, liquidated damages, commitment charges, premia on prepayment or on redemption, with charges, expenses and other monies payable by the Company in connection with the said Debentures.

"RESOLVED FURTHER that the Board be and is hereby authorised to finalise, settle and execute such documents, deeds, agreements and / or papers as may be required and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.

"RESOLVED FURTHER that the acts, deeds and things already done by the Board in this regard be and are hereby confirmed, approved and ratified."

11. To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of sub-section 3 of Section 228 and other applicable provisions, if any, of the Companies Act, 1956, the Board of Directors be and is hereby authorised to appoint Branch Auditors for Auditing the Annual Accounts relating to various branches of the Company, both existing and future and to fix their remuneration.

"RESOLVED FURTHER that the acts, deeds & things already done by the Board of Directors in this regard be and are hereby confirmed, approved and ratified."

12. To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution :

"RESOLVED that pursuant to the provisions of Section 94 of the Companies Act, 1956 read with Article 70 of the Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased to Rs. 400,00,00,000/- (Rupees Four hundred crores) divided into :

- (i) 29,75,00,000 (Twenty nine crores and seventy five lacs) Equity Shares of Rs. 10/- each and  
(ii) 1,02,50,000/- (One crore two lacs and fifty thousand) Preference Shares of Rs. 100/- each

by addition to the existing Share Capital of the Company of 10,00,00,000 (Ten crores) Equity Shares of Rs. 10/- each.

"RESOLVED FURTHER that the existing clause V of the Memorandum of Association of the Company be deleted and the following be substituted therefor:

V. The Authorised Share Capital of the Company is Rs. 400,00,00,000/- (Rupees Four hundred crores) divided into :

- (i) 29,75,00,000 (Twenty nine crores and seventy five lacs) Equity Shares of Rs. 10/- each and  
(ii) 1,02,50,000/- (One crore two lacs and fifty thousand) Preference Shares of Rs. 100/- each."

13. To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution :

"RESOLVED that pursuant to the provisions of Sections 81(1), 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force and the provisions of the Memorandum and Articles of Association of the Company and in accordance with listing agreements entered into by the Company with the Stock Exchanges where the shares of the Company are listed and subject to the approval of the Government of India (hereafter referred to as "GOI"), Securities and Exchange Board of India (hereinafter referred to as "SEBI"), Reserve Bank of India (hereinafter referred to as "RBI") and all other appropriate authorities and departments, if and to the extent necessary and such other approvals, permissions and sanctions, as may be necessary and subject to such condition(s) and modification(s) as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company and/or a duly authorised Committee thereof for the time being exercising the powers conferred by the Board of Directors (hereinafter referred to as the "Board"), at its sole discretion, the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot Equity Shares/ Preference Shares/ any securities convertible into Equity Shares whether optionally or otherwise/ securities linked to Equity Shares/ Depository Receipts/ Non-Convertible Debt Bonds with or without Warrants/ any other financial instruments (hereinafter referred to as "securities") for an aggregate amount not exceeding US\$ 100 million (US Dollars one hundred million only) and/ or rupee equivalent thereof, subscribed in rupees and/ or foreign currency(ies), to the existing shareholders/ Foreign Investors (whether institutions and/ or incorporated bodies and/ or individuals or otherwise), Overseas Corporate Bodies/ Non Resident Indians/ Foreign Institutional Investors/ Financial Institutions/ Banks/ Mutual Funds/ Companies and to such other persons/ entities as may be considered to be in the best interest of the Company and whether or not such investors are members of the Company, through prospectus/ letter of offer/ circular and/ or on private placement basis, at such time or times, in such tranche or tranches, at such price or prices, at a discount or premium to market price, in such manner and on such terms and conditions including security, rate of interest etc., as may be decided or considered appropriate by the Board at the time of such issue or

allotment considering the prevailing market conditions and other relevant factors and in consultation with the Lead Manager(s) and Advisors.

"RESOLVED FURTHER that without prejudice to the generality of the above, issue of securities in international offering shall comply with necessary regulatory requirements and may have all or any terms or combination of terms in accordance with the international practice including but not limited to conditions in relation to payment of interest, additional interest, premium on redemption, pre-payment and any other debt service payment whatsoever and all such terms as are provided in international offerings of this nature including terms for issue of additional Equity Shares, variation of conversion price of the securities during the duration of the securities etc.

"RESOLVED FURTHER that the Board is also authorised to enter into and execute all such arrangements with any Lead Managers / Underwriters / Depositories / Custodians and all such agents as may be involved or concerned in such offering of securities and to remunerate them including by way of payment of commission, brokerage, fees or the like.

"RESOLVED FURTHER that the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board to mortgage and/or charge, in addition to the mortgages/charges created/to be created by the Company, in such form and manner and with such ranking and on such terms as the Board may determine, all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default in favour of the Agents/Trustees/Lenders for securing the Securities together with interest, additional interest, compound interest, accumulated interest, remuneration of the trustees, premium (if any) on redemption or other costs, charges and expenses payable by the Company in terms of the Trust Deed(s) / other document(s) to be finalised and executed between the Company and the Agents/Trustees/Lenders and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board and the Agents/ Depositories/Trustees/Lenders.

"RESOLVED FURTHER that the Company and / or any agency or body authorised by the Company may issue Depository Receipts representing the underlying Equity Shares / Convertible Bonds issued by the Company in registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability or free transferability thereof as per the international regulations and practices and under the forms and practices prevalent in international markets.

"RESOLVED FURTHER that the Board be and is hereby authorised to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any securities referred to above, as may be necessary, in accordance with the terms of the offering and all such shares to rank pari-passu with the existing Equity Shares of the Company in all respects.

"RESOLVED FURTHER that for the purpose of giving effect to any issue or allotment of Equity Shares/ Securities/ Instruments/ Depository Receipts or securities representing the same, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable and to settle any questions, difficulty or doubt that may arise in regard to the offering, issue, allotment and utilization of the issue proceeds, as it may, in its absolute discretion, deem fit and proper."

14. To consider and if thought fit, to pass the following resolution with or without modification(s) as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 198, 309 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification(s) or re-enactment(s) thereof and subject to such approvals as may be required, consent of the Company be and is hereby granted for payment of remuneration to the Directors who are not in wholetime employment of the Company, by way of Commission.

"RESOLVED FURTHER that the Board of Directors and/ or a duly Authorised Committee thereof (hereinafter referred to as the 'Board') be and is hereby authorised to decide the amount of commission to be paid to the Directors, to seek such approvals as may be required and to do all such acts, deeds and things as may be required or considered necessary or incidental thereto.

"RESOLVED FURTHER that the acts, deeds and things already done by the Board in this regard be and are hereby confirmed, approved and ratified."

By Order of the Board



**NEERJA SHARMA**  
General Manager &  
Company Secretary

Date : 10<sup>th</sup> October, 2002  
Place : New Delhi

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Bill  
Ballarpur Industries Limited  
Regd. Office: P.O. Ballarpur Paper Mills - 442 901, District Chandrapur, Maharashtra

## CIRCULAR TO THE SHAREHOLDERS

Dear Shareholder,

### Re: Dividend for the year 2001-02

We are pleased to inform you that the Board of Directors of the Company in its meeting held on Tuesday, the 27<sup>th</sup> August, 2002 had recommended a final dividend @ 20% i.e Rs. 2/- per equity share for the financial year 2001-02, on the enhanced equity share capital of the Company (i.e., including the shares allotted in the Rights Issue of the Company).

Subject to approval of the shareholders at the ensuing Annual General Meeting, the dividend will be paid to those shareholders whose names will appear:

- as beneficial owner as at the end of the business hours on 15<sup>th</sup> December, 2002 as per list to be furnished by Depositories in respect of the shares held in the electronic form; and
- as members in the register of members of the Company as on 23<sup>rd</sup> December, 2002 after giving effect to all valid share transfer in Physical Form which will be lodged with the company on or before 15<sup>th</sup> December, 2002.

Further, according to the provisions of Finance Act, 2002 (Act), the incidence of tax on dividend income would now be on the recipient and would be subject to the deduction of tax at source (TDS). However, in case of a resident individual, no such deduction will be made if the amount of dividend does not exceed Rs. 2,500/- p.a.

In all cases, where tax has been deducted at source, the Company is required to issue TDS Certificate(s) inter-alia quoting the Permanent Account Number (PAN) of the shareholder. Under section 139A(5A) of Income Tax Act, 1961, the obligation is cast on the resident shareholders, receiving dividend after TDS, to intimate his/her Permanent Account Number (PAN)/ General Index Register (GIR) Number to the Company. The relevant excerpt of the said section is reproduced below for your information:

"Section 139A(5A) : Every person receiving any sum or income or amount from which tax has been deducted under the provision of Chapter XVII B, shall intimate his / her Permanent Account Number to the person responsible for deducting such tax under that Chapter:  
Provided that nothing contained in this sub-section shall apply to a non-resident referred to in sub-section (4) of Section 115AC, or sub-section (2) of Section 115BBA, or to a non-resident Indian referred to in section 115G:  
Provided further that a person referred in this sub-section shall intimate the General Index Register Number till such time Permanent Account Number is allotted to such person".

Further, we would also like to draw your kind attention to the provisions of sub-section (2) of Section 272B of the Act, whereby intimating the false / wrong Permanent Account Number entails a penalty of Rs. 10,000/-. The relevant excerpt of the said section is reproduced below for your information:

"Section 272B(2) : If a person who is required to quote his Permanent Account Number in any document referred to in clause (c) of sub-section (5) of Section 139A, or to intimate such number as required by sub-section (5A) of that section, quotes or intimates a number which is false, and which he either knows or believes to be false or does not believe to be true, the Assessing Officer may direct that such person shall pay, by way of penalty, a sum of ten thousand rupees".

In the light of the above, you are requested to furnish your PAN/GIR No., in the attached form, and return the same to the Company to enable us to incorporate the same in the TDS Certificate (wherever applicable) to be issued to you.

Thanking You,

Yours faithfully,

for **BALLARPUR INDUSTRIES LIMITED**

**NEERJA SHARMA**

General Manager & Company Secretary

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## INTIMATION REGARDING PERMANENT ACCOUNT NUMBER

To  
The Secretarial Department  
Ballarpur Industries Limited  
P.O. Ballarpur Paper Mills - 442 901  
District Chandrapur, Maharashtra

I / We \_\_\_\_\_ being the first name shareholder of M/s. Ballarpur Industries Limited, holding \_\_\_\_\_ Equity Shares of Rs. 10/- each under Folio No. / DPID-Client Id No. \_\_\_\_\_ hereby state that my / our Permanent Account Number (PAN)/ General Index Register (GIR) Number is \_\_\_\_\_, which may please be mentioned on the TDS Certificate(s) to be issued by the Company with regard to deduction of tax on the dividends, to be paid to me / us by the Company.

Place: \_\_\_\_\_ (Signatures)

Date: \_\_\_\_\_ (Name)

\_\_\_\_\_ (Folio No. / DPID-Client Id)

# Annual Reports Library

Regd. Office: P. Ballarpur Paper Mills - 442 901, District Chandrapur, Maharashtra

Dear Shareholder,

## Re: Payment of dividend through Electronic Clearing Service (ECS)

We are pleased to inform you that it has been decided to provide the ECS facility so as to enable you to receive dividend(s) through electronic mode as a direct credit to your bank account. This will not only increase the convenience for the recipient by eliminating unwarranted correspondence for revalidation / issuance of duplicate dividend warrants but would ensure increased protection against fraudulent interception and encashment of dividend warrant apart from eliminating loss/damage of dividend warrants in transit.

Under this facility, your mandated bank account will directly receive credit of the dividend amount on due date and the same shall be indicated as a credit entry "ECS" in your Pass Book / Bank Statement.

The ECS facility is available for the remittance of dividend upto Rs.5 lakhs only and the facility is free of charge to the recipient.

In order to avail the ECS facility, the shareholders are requested to fill and sign the enclosed ECS mandate form. **In case of the shareholders holding shares in the electronic mode also, this bank mandate needs to be provided to the Company only.** The duly completed form is to be sent to the Company at-

The Secretarial Department  
Ballarpur Industries Limited  
P.O. Ballarpur Paper Mills - 442 901, District Chandrapur, Maharashtra

All information should be accurate and complete so that you get the credit of dividend in time. Kindly attach a photocopy of a cheque from your cheque book issued by your bank for verifying the accuracy of the MICR code no. indicated at the bottom of the cheque. Please note that these instructions will supersede all your previous bank mandates/details including those that may have been incorporated at the time of opening a beneficiary account with the Depository Participant.

**The completed mandate form should reach the above address on or before 5<sup>th</sup> December, 2002 to enable the Company to implement this facility.**

The company shall finalise the facility based upon the quantum of response received from shareholders and the arrangements so finalised with the dividend bankers and subject to the various approvals and directions from RBI/ other statutory agencies.

Thanking You,

Yours faithfully,

for **BALLARPUR INDUSTRIES LIMITED**



**NEERJA SHARMA**

General Manager & Company Secretary

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## ELECTRONIC CLEARING SERVICE MANDATE FORM

To  
The Secretarial Department  
Ballarpur Industries Limited  
P.O. Ballarpur Paper Mills - 442 901  
District Chandrapur, Maharashtra

Dear Sir / Madam,

### Form for Electronic Clearing Services for payment of dividend

Please fill in the information in CAPITAL LETTERS in ink. Please TICK whatever is applicable.

#### For shares held in physical form

Registered Folio No.:-

#### For shares held in electronic form

DP ID

Client ID

First Shareholder's Name : Shri / Smt. / Kum. / M/s. \_\_\_\_\_

First Shareholder's Address : \_\_\_\_\_

Pin Code : \_\_\_\_\_

Particulars of bank :

Bank Name												
Branch Name & Address												
Branch Code												
(9 Digits code number appearing on the MICR Band of the cheque supplied by the Bank. Please attach a Xerox copy of a cheque or a blank cheque of your bank duly cancelled for ensuring accuracy of the bank name, branch name and code number)												
Account Type	Savings			Current			Cash Credit					
Account no. (as appearing in the cheque book)												

I / We hereby declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I / We shall not hold the Company responsible. I / We also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

Place:

Date:

(Signature of shareholder)

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Regd. Office: D. Ballarpur Paper Mills - 442 901, District Chandrapur, Maharashtra

## PARTICULARS OF EMPLOYEES REQUIRED UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956, READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AS AMENDED AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 30TH JUNE, 2002.

### (A) EMPLOYED THROUGHOUT THE YEAR AND IN RECEIPT OF REMUNERATION AGGREGATING TO Rs. 24,00,000/- OR MORE

S. No.	Name	Designation/Nature of Duties	Remuneration	Qualification	Experience (years)	Date of Commencement of Employment	Age (years)	Last Employment Held Before Joining the Company	Period of Last Employment
1	Aggarwal Yogesh	Group Vice President (Sales & Marketing)	3,309,024	B.E. (Mech) PGDBM	16	16.02.99	38	Godrej G.E. Appliances	7 Years
2	Chhabra Vineet	Vice President	2,439,144	B.Com, CA	13	23.04.90	37	H.C.L. Limited	10 Months
3	Hanharan B.	Group Director - Finance	4,004,914	B.Sc. C.A., ACS	27	19.08.85	45	M/s. K Venkatchalam Aiyer & Co.	3 Years
4	Khurana S. K.	Sr. Vice President (Projects)	2,472,850	B. E. (Mech)	34	01.02.99	55	Phoenix Pulp & Paper Co. Ltd	2 Years
5	Paruthi S. C.	Sr. Vice President (Operations)	2,498,574	B.Sc. (Chemical Engg.)	28	18.11.72	53	Sinar Mas	2 Years
6	Thapar Gautam	Vice Chairman & Managing Director	6,903,542	B.Sc. (Chemical Engg.)	16	05.05.86	42		
7	Thapar L. M.	Chairman	6,974,721	B.E. University of southern California, U.S.A.	48	01.05.54	72		
8	Vederali Rajeev	Deputy Managing Director	7,055,743	B.Tech Chem Engg. M.Sc. (Chem. Engg.)	32	01.11.97	53	Sinar Mas	3 Years
9	Verma Yogesh	Vice President	2,686,048	B. E. (Hons) EEE (Collab) ME Ind. Prod.	20	16.01.92	45	Corporate Manager, Vardhman Group of Companies	8 Years

### (B) EMPLOYED PARTLY DURING THE YEAR

1	Pathak A. N.	Vice President	1,356,372	B.Sc Engg. Mech, ME Chartered	33	03.07.67	63	Esso Std Refining Co.	5-1/2 Years
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### NOTES:

- The above does not include employees whose salary in the aggregate exceeds Rs. 200000/- per month for the part of the year, by virtue of compensation and terminal benefits given under the Premature Voluntary/Early Retirement Scheme.
- Employment is contractual.
- Remuneration includes salary, allowances, medical expenses, leave travel concession, Company's contribution to provident and superannuation funds, gratuity paid, rent paid in providing residential accommodation and production bonus and commission where applicable, and when it is not possible to ascertain the actual expenses incurred by the Company in providing a perquisite, the monetary value of such perquisite calculated in accordance with the Income Tax Act, 1961, and rules made thereunder.

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**Bill**  
**Ballarpur Industries Limited**  
Regd. Office: P.O. Ballarpur Paper Mills - 442 901, District Chandrapur, Maharashtra

## Attendance Slip

I hereby record my presence at the ANNUAL GENERAL MEETING of the Company at its Registered Office at P.O. Ballarpur Paper Mills - 442 901, District Chandrapur, Maharashtra at 3.00 p.m., on Monday, the 23<sup>rd</sup> December, 2002.

Member's Folio No./ DP & Client ID No. ....

Name of the attending Member  
(in block letters) .....

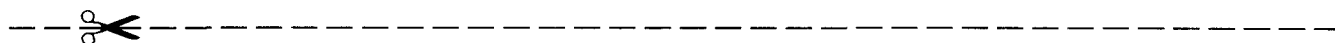
Name of Proxy (In block letters, to be filled in if the  
proxy attends instead of the member) .....

No. of shares held .....

Signature of the attending member/proxy .....

### NOTES :

1. If you intend to appoint a proxy, please complete the Proxy Form below and deposit it at the Company's Registered Office, at least 48 hours before the meeting.
2. Share/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and hand it over at the entrance duly filled up and signed.



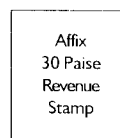
## Proxy Form

I / We .....  
of ..... being a member of Ballarpur Industries Limited  
holding ..... Equity Share(s) hereby appoint  
..... of .....  
or failing him/her ..... of .....  
as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at 3.00 p.m.  
on Monday, the 23<sup>rd</sup> December, 2002, and at any adjournment(s) thereof.

As witness my/our hand(s) this ..... day of ..... 2002.

Signed by the said .....

Folio No./ DP & Client ID No. ....



**NOTES :** The proxy, in order to be effective, must reach the Registered Office of the Company not less than FORTY EIGHT HOURS before the time for holding the aforesaid meeting.



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## Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and on a poll, vote instead of himself. A proxy need not be a member. Proxies in order to be effective must be received by the Company not less than 48 hours before the time for holding the meeting.
2. Members holding shares in electronic form are requested to provide their Client ID and DP ID numbers at the meeting for easy identification.
3. Explanatory Statement as required under Section 173(2) of the Companies Act, 1956, in respect of item nos. 7 to 14 is annexed and forms part of this notice.
4. All documents referred to in the accompanying Notice and Explanatory Statement are available for inspection at the Registered Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. except Saturdays, up to the date of the Annual General Meeting.

5. The share transfer books and register of members of the Company shall remain closed from Monday, the 16<sup>th</sup> day of December, 2002, to Monday, the 23<sup>rd</sup> day of December, 2002 (both days inclusive).

6. The Board of Directors recommends payment of dividend at the rate of 20% on the Equity Shares including on shares allotted in the recent Rights Issue of the Company. If approved at the ensuing Annual General Meeting, the dividend shall be paid out of profits of the Company to those shareholders whose names appear as Beneficial Owners as at end of business hours on 15<sup>th</sup> December, 2002, as per list to be furnished by Depositories in respect of shares held in Electronic form and as a Member in the Register of Members as on 23<sup>rd</sup> December, 2002, in respect of the shares held in physical form subject however, to the provisions of Section 206A of the Companies Act, 1956.

The dividend, if declared, shall be paid subject to the deduction of Tax at Source as per provisions of the Income Tax Act, 1961, and other applicable provisions.

As per present provisions, no tax will be deducted at source for resident individual shareholders, if the amount of dividend to be paid is Rs. 2,500/- or less. For claiming payment of dividend without deduction of tax at source, the Resident Individual Shareholders are required to send their declaration in prescribed form no. 15G, in duplicate, to Secretarial Department, P O Ballarpur Paper Mills - 442 901, Distt. Chandrapur, Maharashtra, **so as to reach the Company on or before 30<sup>th</sup> November, 2002.**

Other category of shareholders including Non Resident Shareholders, Bodies Corporate, etc., claiming payment of dividend without deduction of tax at source or at a lower rate, are required to send certificate to that effect from the accessing officer under the Income Tax Act, 1961, to Secretarial Department, P O Ballarpur Paper Mills - 442 901, Distt. Chandrapur, Maharashtra, **so as to reach the Company on or before 30<sup>th</sup> November, 2002.**

Members are requested to inform the Company of their Income Tax Permanent Account Number (PAN) / General Index Registration Number (GIR) allotted to them, to be stated in the Tax Deduction Certificate to be furnished by the Company, as may be applicable. In case the same has not been allotted to the shareholder, the fact of non-allotment should also be intimated to the Company. While sending the above information, the shareholders are requested to clearly state their Registered Folio No. / DP & Client ID Number.

7. Pursuant to Section 205A of the Companies Act, 1956, all the unclaimed / unpaid dividends up to the financial year ended 31<sup>st</sup> March, 1995, have been transferred to the General Revenue Account of the Central Government.

8. Members are hereby informed that dividends which remain unclaimed / un-encashed over a period of 7 years have to be transferred by the Company to the Investors Education & Protection Fund constituted by the Central Government under Sections 205(A) & 205(C) of the Companies Act, 1956.

The following are the details of the dividend paid by the Company and the respective due dates for transfer of unclaimed / un-encashed dividend to the Fund of the Central Government :

Date of Declaration of Dividend	Dividend for the year	Due date for transfer to the Government
31.07.1996	1995-96	15.09.2003
24.09.1997	1996-97	09.11.2004
22.03.1999	1997-98	07.05.2006
22.12.1999	1998-99	06.02.2007
13.12.2000	1999-00	19.01.2008
21.12.2001	2000-01	27.01.2009

It may be noted that no claim of the shareholders will be entertained for unclaimed dividends, after the said amount are transferred to the credit of the Investors Education and Protection Fund.

In view of the above, the shareholders are advised to send all the unencashed dividend warrants to the Company for payment, before the due dates for transfer to the Investors Education and Protection Fund.

9. The dividend rates on 12.5% and 13% Non-Convertible Redeemable Cumulative Preference Shares of Rs 100/- each, were revised w.e.f. 1<sup>st</sup> April, 2002, as detailed below :

No. of Shares	Existing Dividend Rate	Redemption Date	Revised Dividend Rate	
			Individuals	Bodies Corporate
27,500	12.5%	6th June, 2002	18.25%	19.76%
23,700	13%	6th June, 2003	18.98%	20.55%

The rates were revised as per terms of Issue to compensate the investors for loss suffered due to withdrawal of tax exemption on dividend income. The resolution at item no. 2 should accordingly be passed in light of this amendment.

10. Members are requested to immediately notify to the Company the change of address, mandate, bank particulars, etc. to ensure prompt action. Members are requested to clearly mention their Registered Folio Number in every correspondence with the Company. In case the shares are held in dematerialised form, the above intimation has to be forwarded to the respective Depository Participant.

11. Members holding shares in physical form can avail of the nomination facility, if not yet availed, as provided in section 109A of the Companies Act, 1956, by sending Form 2B in duplicate to the Company. Members holding shares in electronic form may write to their Depository Participant for the same.

12. Appointment / Re-appointment of Directors

At the ensuing Annual General Meeting, Vice Admiral K. K. Nayyar (Retd.) and Dr. Cherif Sedky, retire by rotation and are eligible for re-appointment. The following information is being provided in terms of the Code of the Corporate Governance:

- a) Vice Admiral K. K. Nayyar (Retd.)

Vice Admiral K. K. Nayyar (Retd.) is a graduate from the National Defence College. He also attended specialised courses at the Royal Naval College, Dartmouth, Royal Naval College, Greenwich and the Defence Services Staff College, Wellington.

He joined the Indian Navy in the year 1948 and retired as Vice Chief of Naval Staff in the year 1986. During his service he held the position of Flag Officer Commanding, Goa, and was responsible for all aviation assets including their operations, maintenance and training of personnel. As the Commander-in-Chief, South, he was responsible for naval operations including training and HRD. During his tenure as Vice Chief of the Naval Staff, he was responsible for organisation, planning and finance functions of the Navy.

Vice Admiral K. K. Nayyar (Retd.), has been on the Board of Directors of the Company for over 13 years. Besides this, Vice Admiral K. K. Nayyar (Retd.), is also the nominee of ICICI Bank Limited on the Board of Directors of Reliance Petroleum Limited. He is the Chairman of the Audit Committee and member of the Remuneration Committee of the Company. His expertise lies in the field of Finance, Planning and Human Resource Development.

- b) Dr. Cherif Sedky

Dr. Cherif Sedky is associated with Al Murjan Trading & Industrial Company Limited, Jeddah, which is the principle Company of the Al Murjan group. The group is owned by the Bin Mahfouz family, one of Saudi Arabia's leading Merchant families having business interest in areas of banking, real estate, insurance, energy, transportation etc.

He started his career in 1966 as an associate of Kirkpatrick & Lockhart, a law firm in Washington. In 1974, he became a partner of the firm working in the areas of litigation, arbitration, governmental agency practice, etc.

Dr. Sedky also served as Associate General Counsel to MCI Communications Corporation (merged with Worldcom).

In 1994, Dr. Sedky joined the Al Murjan group and is presently working as their Chief Legal Officer.

He is also a Director of Nimir Group Holdings Limited, Yemen Investment and Development International Limited and the National US-Arab Chamber of Commerce, Inc., USA.

Dr. Sedky is also the member of the Shareholders'/Investors' Grievance Committee of Ballarpur Industries Limited, and a member of the Executive Committee of National US-Arab Chamber of Commerce.

His expertise lies in the field of Law.

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## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

### ITEM NO. 7

The Board of Directors in its meeting held on 14<sup>th</sup> June, 2002, had changed the designation of Mr. R R Vederah, Wholtime Director of the Company, from Director & COO to Deputy Managing Director at his existing remuneration, perquisites and benefits.

Mr. Vederah is an Engineer from IIT, New Delhi and holds a Masters Degree in Chemical Engineering from The University of Ashton (U.K.). He started his career in 1970 with Larsen & Toubro Limited and joined Ballarpur Industries Limited (BILT) in 1981. He joined Sinar Mas as Executive Director in February 1993, and rejoined BILT on 3<sup>rd</sup> November, 1997. He was appointed as a Wholtime Director of the Company w.e.f. 16<sup>th</sup> October, 2000. Mr. Vederah has worked with the Company for over 17 years.

He has held various senior executive positions all through his career and specialises in Paper Industry with a wide-ranging experience in Corporate Management.

Mr. Vederah is on the Board of Directors of The Paperbase Company Limited, Bilt Tree Tech Limited, Bilt Industrial Packaging Company Limited (BIPCO), APR Packaging Limited and Bilt Graphic Papers Limited (BGPL).

In addition to being a member of various Committees of Directors of BILT viz. Borrowings, Debentures, Shares, Powers of Attorney, Banking Matters, etc., he is also a Member of various committees of BGPL & BIPCO.

The approval of the shareholders is being sought for the re-designation of Mr. R R Vederah, as Deputy Managing Director, in terms of Companies Act, 1956. The Directors consider the resolution to be in the interest of the Company and accordingly recommend the same for approval of the shareholders.

None of the Directors of the Company, except Mr. R R Vederah, is in any way concerned or interested in the resolution.

### ITEM NO. 8

During the year, the Company had issued Secured Redeemable Non Convertible Debentures on Private Placement basis aggregating to Rs. 140 crores.

The said debentures have been secured by a suitable mortgage and/or charge on the movable and/or immovable properties of the Company in favour of the Debenture holders acting through the Trustees viz. UTI Bank Limited.

The Company has also created suitable mortgage and/or charge on the movable and/or immovable properties of the Company in favour of Financierings-Maatschappij voor Ontwikkelingslanden N.V. ("FMO"), Netherlands as security / additional security for the Guarantee provided by it aggregating upto Rs. 140,00,00,000/- (Rupees one hundred and forty crores) for the repayment of the said Debentures.

For mortgaging and/or charging the Company's properties / assets in favour of the lenders / trustees / agents for securing the loans / financial assistance, consent of the Company in General Meeting is required in terms of Section 293(1) (a) of the Companies Act, 1956.

The aforementioned securities have been created in terms of the approval of the shareholders granted in the Extraordinary General Meeting held on 7<sup>th</sup> November, 2001. However, a specific approval is now being sought as per the terms of the issue of the said Debentures.

The Directors accordingly recommend the resolution for the approval of the shareholders.

None of the Directors of the Company except Mr. Shardul S Shroff, who is a Director of UTI Bank Limited, is in any way concerned or interested in the resolution.

### ITEM NO. 9

The Company had issued 9.5% Secured Fully Convertible Debentures of Rs. 304/- each on Rights Basis.

The interest on the said Debentures, other monies in respect thereof, all costs, charges, expenses and other moneys have been secured by a suitable mortgage and/or charge on the movable and/or immovable properties of the Company in favour of the Debenture holders acting through the Trustees viz. The Western India Trustee and Executor Company Limited.

For mortgaging and/or charging the Company's assets in favour of the lenders / trustees / agents for securing the loans / financial assistance, consent of the Company in General Meeting is required in terms of Section 293(1) (a) of the Companies Act, 1956.

The aforementioned securities have been created in terms of the approval of the shareholders granted in the Extraordinary General Meeting held on 7<sup>th</sup> November, 2001. However, a specific approval is now being sought from the shareholders.

The Directors accordingly recommend the resolution for the approval of the shareholders.

None of the Directors of the Company is in any way concerned or interested in the resolution.

### ITEM NO. 10

During the year, the Company had created security / additional security on Debentures issued on Private Placement basis aggregating to Rs. 40 crores. The security has been created by way of suitable mortgage and/or charge on the movable and/or immovable properties of the Company as mentioned in the resolution, in favour of the Debenture holders acting through the Trustees viz. UTI Bank Limited.

For mortgaging and/or charging the Company's assets in favour of the lenders / trustees / agents for securing the loans / financial assistance, consent of the Company in General Meeting is required in terms of Section 293(1) (a) of the Companies Act, 1956.

The aforementioned securities have been created in terms of the earlier approval of the shareholders granted under Section 293(1)(a) of the Companies Act, 1956. However, a specific approval is now being sought as per the terms of the issue of the said Debentures.

The Directors accordingly recommend the resolution for the approval of the shareholders.

None of the Directors of the Company except Mr. Shardul S Shroff, who is a Director of UTI Bank Limited, is in any way concerned or interested in the resolution.

### ITEM NO. 11

As per sub-section 3 of the Section 228 of the Companies Act, 1956, with the approval of the shareholders, the accounts relating to Branch offices of the Company can be audited otherwise than by the Statutory Auditors of the Company.

The Company has various Branch Offices across the Country. In terms of the said resolution, approval of the shareholders is being sought in terms of sub-section 3 of Section 228 of the Companies Act, 1956, for getting the accounts of existing and / or future branches to be opened by the Company, audited by persons otherwise than the Statutory Auditors of the Company.

The Directors consider the resolution to be in the interest of the Company and accordingly recommend the same for approval of the shareholders.

None of the Directors of the Company is in any way concerned or interested in the resolution.

### ITEM NOS. 12 AND 13

In order to mobilise funds for reduction of high cost borrowings, modernisation, capital expenditure, general corporate finances and working capital requirements, reorganisation and/or arrangements, it is proposed to issue Equity Shares / any securities convertible into Equity Shares whether optionally or otherwise / securities linked to Equity Shares / Depository Receipts / Non-Convertible Debt Bonds etc. in the domestic and/or international market in the manner stated in the resolution under item no. 13.

In view of the proposed issue of securities as mentioned above, the Authorised Capital of the Company is also required to be increased from Rs. 300 crores to Rs. 400 crores.

Accordingly, consent of the shareholders is being sought in terms of Sections 81(1), 81(1A), 94 and other applicable provisions, if any, of the Companies Act, 1956.

The Directors recommend the resolutions for approval of the shareholders.

None of the Directors of the Company is in any way concerned or interested in the resolutions except to the extent of their shareholdings in the Company.

### ITEM NO. 14

It is proposed to pay remuneration to the Directors who are not in wholtime employment of the Company by way of Commission.

In terms of Section 309 of the Companies Act, 1956, approval of the shareholders, by way of a special resolution, is required for payment of remuneration by way of Commission.

The proposal is placed for the approval of the shareholders.

All the Directors of the Company other than Messrs L M Thapar, Gautam Thapar, R R Vederah and B Hariharan may be regarded as interested in the matter.

By Order of the Board



**NEERJA SHARMA**  
General Manager &  
Company Secretary

Date : 10<sup>th</sup> October, 2002  
Place : New Delhi