

ANNUAL REPORT 2002 - 2003

WINNING BRANDS BUILDING



JK PAPER LTD.

"We at Navneet, are most pleased to say that we have been using JK's International quality papers for over 3 decades in our premium products."

*-Navin Shah/Raju Gala-President
Navneet Publications (I) Ltd.*

"JK's product is superb and their service is excellent."

*-Mohan Rao. K.
Titan Industries Limited
A leading Consumer of JK Copier*

"I use JK Paper for its consistent good quality."

*-P. Narendra - Managing Director
Pragati Art Printers*

"'Nightingale' is proud to print high-end diaries on JK Maplitho. The company produces the finest quality of Printing and Writing paper."

*-R Chockalingam-Chairman
Srinivas fine Arts*

*Truly,
some of life's best moments
come on paper...*

Imagine life without paper? Without the priceless pages of history? Without books, newspapers, letters, report cards, degrees...

We pay tribute to the pioneering efforts of our Founding fathers who ushered a revolution in the Indian Paper Industry by establishing JK Paper Mills at Rayagada, Orissa over four decades ago. A journey that has ever since inspired us to achieve the unthinkable. This success story has been inked with our relentless pursuit and passion for living a dream that continues to fuel our imagination. To tread a path dared by few.

*Harsh Pati Singhania
Managing Director*



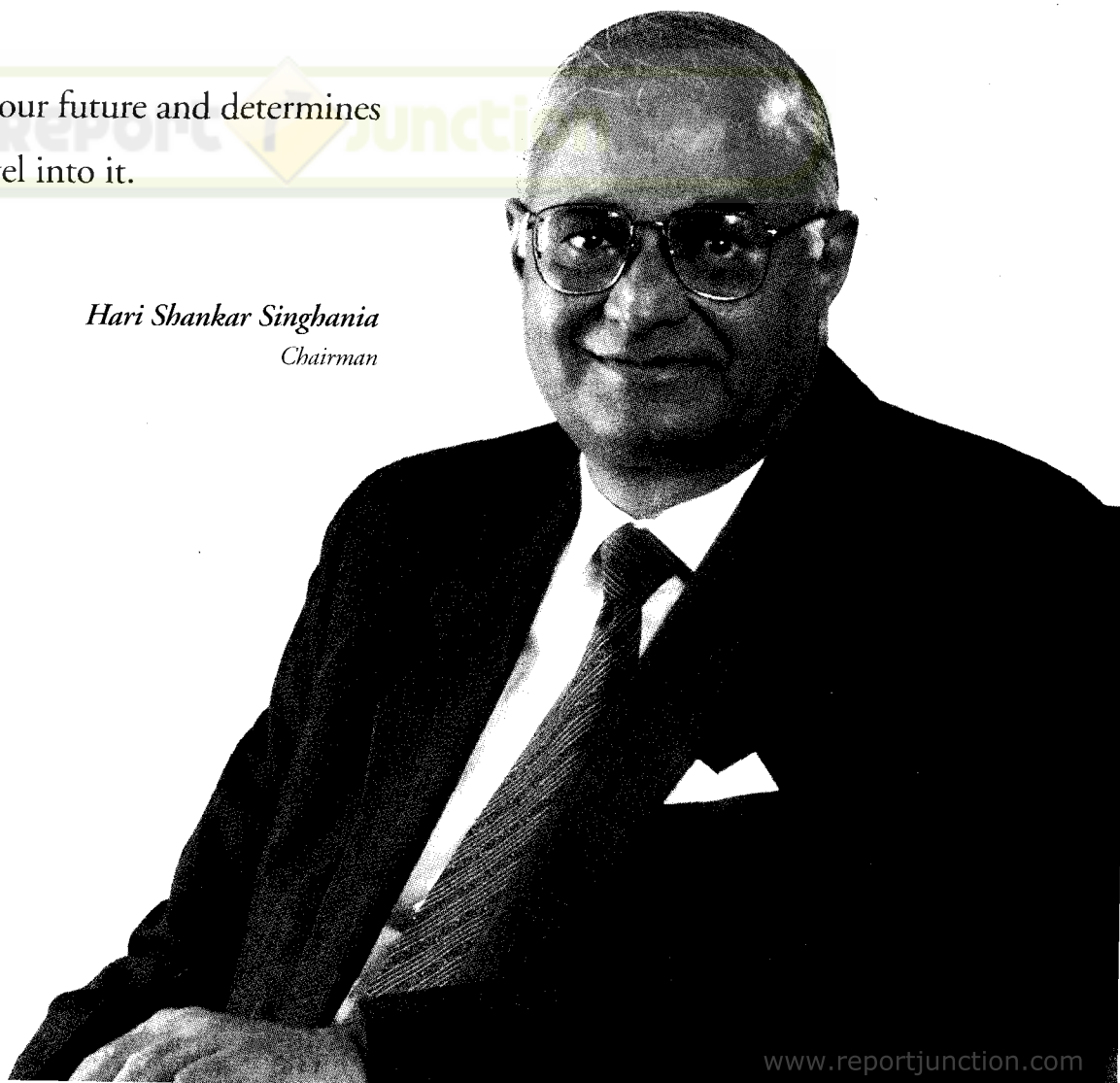
Vision

Our vision is:

'To be a dynamic benchmark and leader in the Indian Paper Industry'.

This vision defines our future and determines how far we will travel into it.

Hari Shankar Singhania
Chairman



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Board of Directors

Hari Shankar Singhania

Chairman

Harsh Pati Singhania

Managing Director

Om Prakash Goyal

Whole-time Director

Dhirendra Kumar

Gajanan Khaitan

P.K. Kaul

Shailendra Swarup

Offices

Registered Office

P.O. Central Pulp Mills - 394 660

Fort Songadh,

Dist. Surat (Gujarat)

Administrative Office

Nehru House,

4, Bahadur Shah Zafar Marg,

New Delhi- 110 002

Bankers

State Bank of India

Bank of Maharashtra

Canara Bank

UTI Bank

Company Website

www.jkpaper.com

Plants

JK Paper Mills

Jaykaypur- 765 017,

Rayagada (Orissa)

Central Pulp Mills

P. O. Central Pulp Mills - 394 660

Fort Songadh,

Dist. Surat (Gujarat)

Auditors

S. S. Kothari & Co.,

Chartered Accountants

New Delhi

Lodha & Co.

Chartered Accountants

New Delhi

Company Secretary

S. C. Gupta

Big ideas that come alive on paper...

It's always the Big Ideas that inspire brands to turn BIG ! At JK Paper it is the vision of *'Being a dynamic benchmark and leader in the Indian Paper Industry'* that was the big idea - that triggered a long, successful and memorable brand journey - spanning over four decades - way back in 1962.

This big idea manifested itself inextricably in a culture of creating exemplary Quality Product offerings, Leadership in new product segments and a highly customer-focused business approach.

We wish to take you back on a journey with us in time to experience the making of a **Winning Brand** that led to the creation of Milestones in the Indian Paper Industry, transforming it from a pure commodity-led business to a brand driven one, with customers at its core.

Report Junction.com





Your paper speaks a world about who you are!

At JK Paper, the belief that Quality is not accidental, is reflected in its relentless efforts, expertise and die-hard commitment to constantly improve, making a paper mill with a modest beginning of 18,000 tpa, emerge a clear winner today.

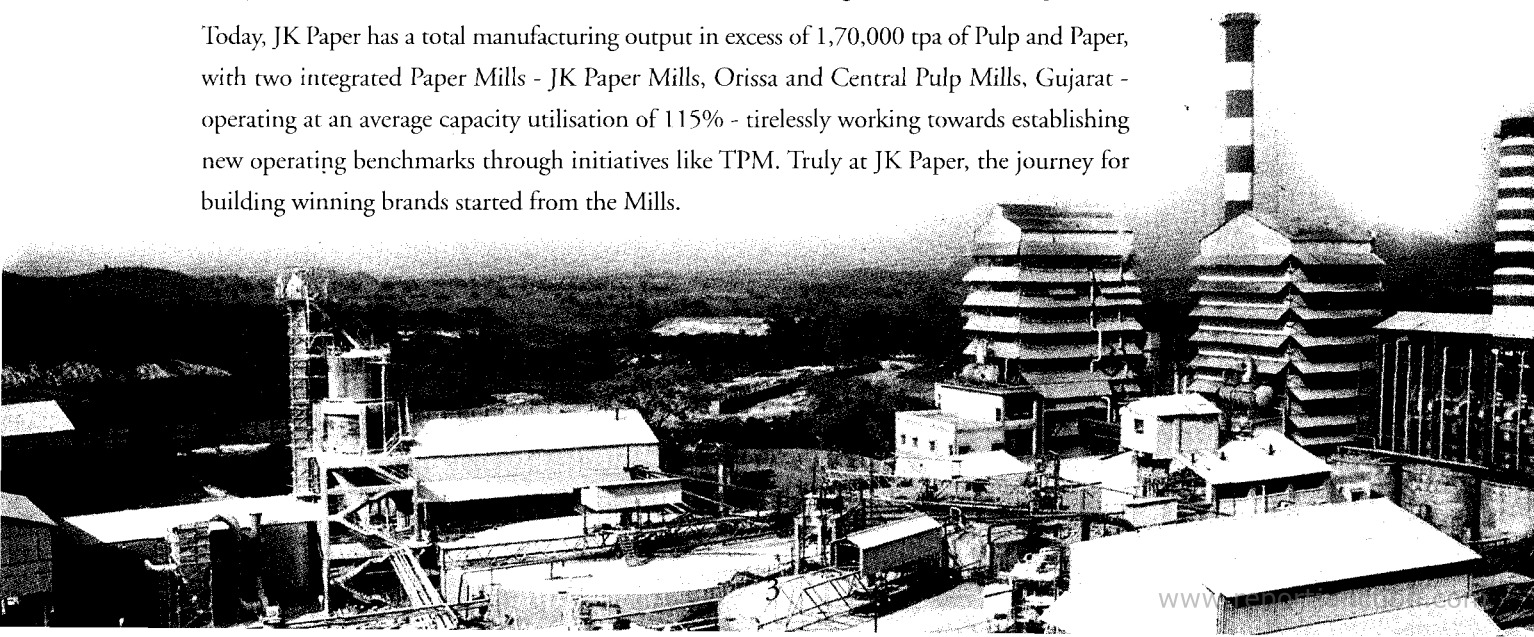
JK Paper Mills under the dynamic leadership of the Visionary - Shri Hari Shankar Singhania - took off with a single-minded mission of delivering world class paper to the Indian market. A time when import of such quality of paper meant a whopping Customs Duty of 180%!

When the rest of the industry was content with producing ordinary creamwove quality, JK pioneered in 1962 the Surface sized Maplitho Paper, which popularly came to be called 'JK Maplitho' - a premium quality printing paper ideally suited for the Litho Printing Process. Today, JK Maplitho (SHB) in its new avatar is the Industry benchmark - inspiring the rest of the industry to establish their Maplitho quality of paper much later and even now.

While competition focused primarily on expanding capacities, adding more machines, JK was obsessed with Quality - to give the consumer value for his money by continuously investing in Technology, Processes, Machinery etc., to upgrade the quality of its paper - year after year - making it a dynamic benchmark and leader in the Industry.

With an eye on the customer's ever changing needs, the high calibre and committed Technical workforce felt empowered to develop new product offerings that generated continuous customer delight. This endeavour saw the installation of one of India's first Chlorine dioxide Plants to produce high quality Pulp & Paper, achieving the distinction of being the first integrated Pulp & Paper Mill in India to be awarded the ISO 9001 certification, besides winning recognition from the Centre for Science & Environment for being India's Greenest Paper Mill.

Today, JK Paper has a total manufacturing output in excess of 1,70,000 tpa of Pulp and Paper, with two integrated Paper Mills - JK Paper Mills, Orissa and Central Pulp Mills, Gujarat - operating at an average capacity utilisation of 115% - tirelessly working towards establishing new operating benchmarks through initiatives like TPM. Truly at JK Paper, the journey for building winning brands started from the Mills.



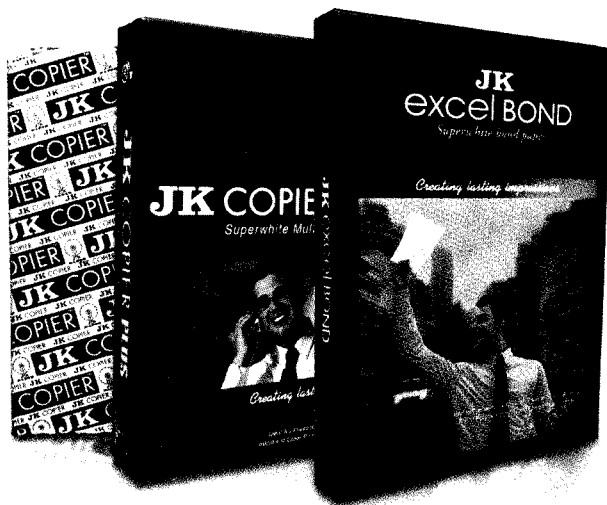
It's surely a winning strategy if it reflects on paper!

JK Paper has been constantly creating value in a highly capital intensive and cyclical business, in which volume is traditionally considered to be the key profit driver. While most companies concentrated on increasing capacity, JK Paper responded with a brand driven strategy, with customers at its heart.

In the process, JK Paper has created brand leaders like JK Copier and JK Easy Copier in a commodity-led market making it India's largest and most dominant player in the branded paper segment. As a result, more than 40% of its current revenues come from branded papers.

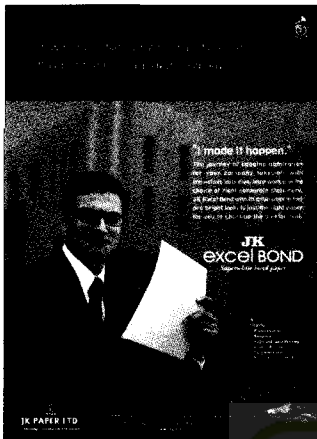
All of JK Paper's leading products including its Printing & Writing grades of JK Maplitho SHB, JK Evervite, JK Pulp Board, JK Maplitho-CG etc. and its branded cut-size range command premium prices over competition, due to their strong brand equity among the customers and trade.

With a wide and deep distribution network of nearly 100 distributors, over 1700 dealers, 10 warehouses, 4 Regional Marketing Offices and tools like an on-line order tracking system and on-line ordering of branded products in metro markets, JK Paper is able to serve its customers most effectively. This has resulted in market expansion for its branded papers and furthered its pursuit in creating value for its brands. Surely, the right formula for creating winning brands!





For those who thought paper was low involvement- think again!



Now see your ideas come alive.



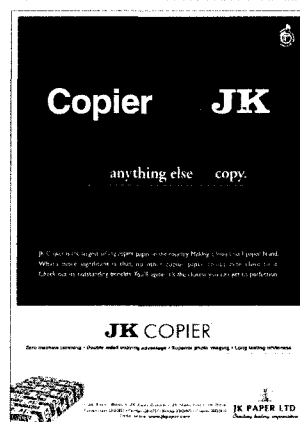
Introducing JK Cote!

JK Cote - brings to you the world's most quality coated paper to create vivid color in the marketing and business world. It is the only paper that can make your ideas come alive.

JK Cote

Premium Quality Coated Paper

Available in various weights, colors, and finishes.



JK Paper has always been synonymous with premium quality paper since its inception, which gets more than amply reflected in the customer's trust in all its products giving it the status of 'Brands' among its competitors. However, the real transformation in Marketing of Paper came in the early 1990's, through JK Paper's customer-driven business approach. Advancements in printing technology in the Copier segment, with upgradation from liquid toner printing to dry toner - saw the evolution of a Premium and Brighter Copier Paper - made to exacting specifications - in consumer friendly packs of various sizes. JK Paper was among the earliest to invest in state-of-the-art A4 cutting lines to enable mass production of these products.

This major initiative not only brought in a transformational change in the Copier Paper business but also significantly impacted the way the Paper business was being managed in India. New distribution channels were created with the mission of getting closer to customers along with segmentation of the market by Quality and Price.

The Marketing Campaign of 'Creating Lasting Impressions' witnessed the successful revival of JK Excel Bond in its new '*avtaar*'. Innovative and international packaging, thought provoking print communication and a new-found retail strategy were initiatives towards raising the consumer's involvement in respect of the quality of paper used by them. Thus, creating the desired pull and preference for the Company's brands.

These brand-building efforts for JK Copier, JK Easy Copier, JK Excel Bond and JK Bond led to an increase in market share, further contributing to the building of the umbrella brand - JK Paper. The most recent initiative in this direction has been the successful introduction of its top-of-the-line brand - 'JK Copier Plus' - the superwhite multipurpose paper - providing the discerning consumer an international quality product at a most competitive price. The launch of 'JK Cote' - world class Coated Papers has further enhanced the Company's product offering to its customers. Surely, a step that takes JK Paper even closer to the customer's heart.

It's always a blank paper that fuels the writer's imagination

Research & Development is at the core of JK Paper's business processes. To fulfil the Company's drive for innovation and continuous development the Pulp & Paper Research Institute (PAPRI) was set up way back in 1971.

At JK Paper, R & D is not confined to mere process and product improvement but extends to the core issues like development of new raw material sources. Working closely with local farmers the Company has successfully engineered superclones of Eucalyptus, which not only gives 2-3 times higher yield to farmers but also creates superior and consistent pulp quality to produce international quality paper. Today, more than 70% of the raw material requirements for its mills comes from man-made plantations.

These efforts have resulted in greater raw material availability and helped contain costs.

Responding to the ever challenging market needs arising out of technological advancements, the Marketing Team at JK Paper is working closely with the Technology Group in the Mills to continuously create value-added products and premium brands to maintain its edge over competition. Thus, the value chain starting right from the raw material stage gets successively enhanced in the Manufacturing and Marketing processes. What brand leaders thrive on!

