

ANNUAL REPORT 2003 - 2004

Driven by Quality...



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JK PAPER LTD.

V I S I O N



A clear vision always shows you where you are going.

And with a strong value system it makes the journey worthwhile.

Hari Shankar Singhania
Chairman



It is our inspiring vision – TO BE A DYNAMIC BENCHMARK

IN THE INDIAN PAPER INDUSTRY that sets us apart from

the rest. But living this vision is not just about hard work.

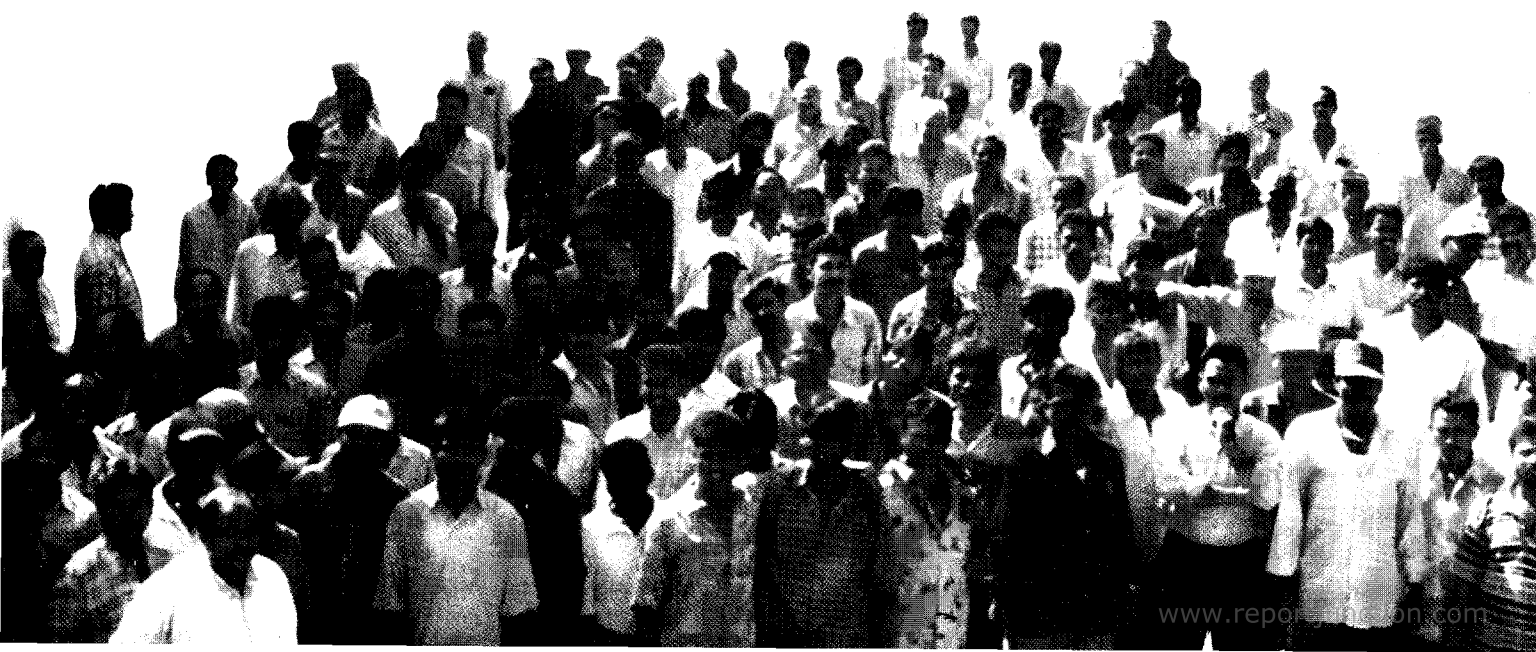
It is about the commitment and conviction of our people

and their passion for quality in everything they do.

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Harsh Pati Singhania

Managing Director



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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

Jitender Balakrishnan

P.K. Kaul

S.K. Pathak

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)

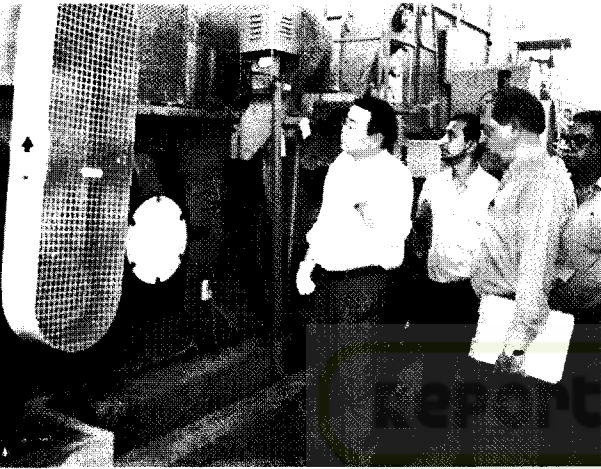
Auditors

Lodha & Co.
Chartered Accountants
New Delhi
S. S. Kothari Mehta & Co.
Chartered Accountants
New Delhi

Company Secretary

S. C. Gupta

"Quality is not a process, but a state of mind."



We have always believed that when you want to create world-class quality benchmarks it has to emerge from a value system that is driven by Quality.

This quality culture at JK Paper continues to drive every individual, from the highest levels of Management, to the hands-on employee on the shopfloor who act as CUSTODIANS OF QUALITY. Empowered to ensure that there is no compromise on quality at any level.

It is this unique mindset that has earned us the distinction of being a quality leader with all products sold being only of prime quality.



"When Quality is an obsession, you are never satisfied!"

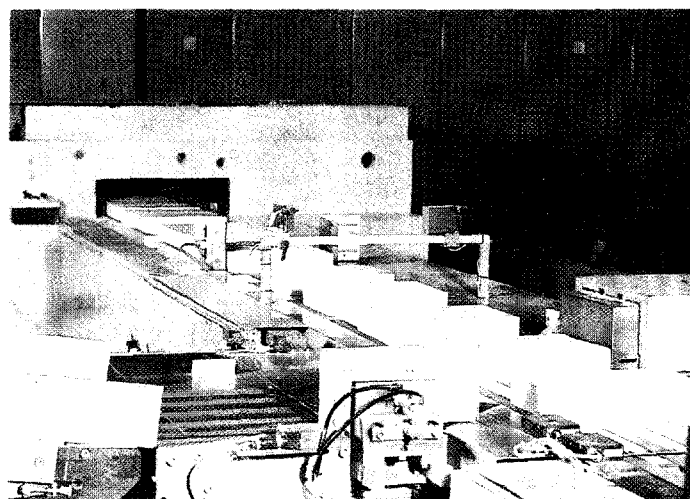
It is the zest for continuously re-defining quality benchmarks that has been driving the organization right from its inception in proactively meeting the challenges of changing requirements of our customers. This spirit of leading from the front is amply reflected in the series of path breaking product development initiatives at JK Paper, over the last four decades.

At a time when the rest of the industry was content in producing ordinary grades like creamwove paper, introduction of the surface-sized Maplitho paper by the Company re-defined the output quality benchmarks in Litho Printing Process. With the development of cut-size photocopying paper, JK Paper once again led the industry in creating products to meet the needs of the changing photocopying technology.



This quality movement got further strengthened with the installation of an automatic state-of-the-art A4 Cutting and Packing line, that enabled JK Paper create world-class brands like JK Copier.

But the boldest initiative that fuelled this quality movement was the decision to put up a world-class Pulp Mill at an investment of over Rs.200 crores at a time when the industry was reeling under the impact of a downturn.



While many thought it was way too ambitious, we knew we were gearing up to participate in the office automation and printing technology revolution in India.

This major investment enabled the Company upgrade all its products to international levels of quality. Which led to the building of JK Paper's winning brands like JK Mapilitho-SHB, JK Copier and JK Excel Bond among several others.

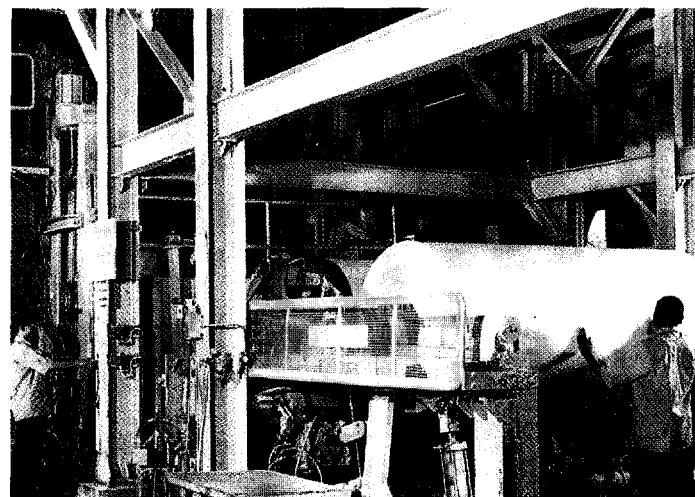
"We are what we repeatedly do. Excellence, then, is not an act, but a habit."

At JK Paper, we have always believed that our people are our biggest organizational asset in creating a culture of excellence. It is this belief that provides the organization the strength to take on global competition.

Today, these world-class people practices have galvanized TPM, better known as Total Productive Maintenance into a Truly People's Movement at JK Paper.

A practice that is best exemplified by JK Paper's much acclaimed 'Quality Circle' practice that started way back in the 80s and actually paved way for the successful implementation of TPM. Today, JKPM Orissa alone has over 66 such Quality Circles that comprise all sections of employees, ensuring active involvement in decision making and implementation at all levels. At JK Paper, one can see in practice, people at grass-root level passionately involved in bringing up new ideas of improvement.

But like any other movement, the real momentum was fuelled by the Senior Management, who actually got down to the shopfloor to lead by example. So whether it was about cleaning and maintaining the machines and equipment, or helping workmen identify and plug daily problems on the shopfloor, the leaders demonstrated and practised what they were preaching. Three years of relentless pursuit has started to show results. Last year a phenomenal cost saving of over Rs.13 crores in mill losses was made possible at the JKPM plant in Orissa. Surely, this TPM movement which has spread to the CPM Plant also, has not only helped further the cause of quality commitment, but also brought about a total transparency, spirit of sharing and caring, and willingness to continuously improve and take on new challenges.





"It's always that EXTRA, which separates the ordinary from the EXTRA-ORDINARY."

With leadership comes responsibility. At JK Paper, creating world-class quality standards has been a way of life.

Normally, world-class paper would require world-class fibrous raw material – a resource, scarce in India. However, despite this handicap, JK Paper has succeeded in producing international quality products. This has been made possible by the Company's intensive investments in plantation and pulping technology.

Our technology based Plantations and Cloning Research Programme over the years has covered more than 35,000 hectares with superior quality plants. This has contributed significantly towards creating a strong base for high quality raw material. Further, the investment in state-of-the-art pulping technology enabled the company to successfully substitute the use of expensive imported long fibre pulp with its own pulp, to produce a range of value added products.

Building on this capability, JK Paper will soon be offering its high value coated papers and boards from its international quality coating plant. This will enable the Company to cater to the changing customer needs from uncoated to coated papers.



"After all, there's no short-cut to Quality."

At JK Paper we have always listened to our customers with an open mind. This has enabled us to remain constantly ahead. Our Quality Culture places the customer at the very core of our business. Establishing international quality benchmarks and developing products to meet the unique needs of different customers has been the essence of our marketing and product development initiatives. This in turn led us to develop and enlarge our product portfolio across all quality and price points.

In the Printing & Writing segment, our journey which began with '**JK SS Maplitho**' to address specific customer needs of quality, moved on to '**JK SS Maplitho SHB**' in the High Bright category and thereafter to '**JK Evervite**' for top-end customers.

Over the years, this journey has witnessed several milestones including the progressive shift from commodity to branded papers. The Company continuously developed new products to satisfy the emerging consumer needs. This led to the creation of winning brands like '**JK Copier**' for the contemporary copier machines, '**JK Easy Copier**' in the economy range and '**JK Copier Plus**', a multi-purpose paper for the top end, reflecting the Company's diversity of product portfolio and dominant leadership in the Branded Paper Segment.

In the Branded water-marked segment, the customer encouragement and loyalty for '**JK Bond**', led to the development of premium products like '**JK Excel Bond**', available in international consumer friendly packs. Recently, the launch of '**JK Savannah**', an exclusive grade of office stationery paper reinforces the Company's commitment to create dynamic benchmarks.

In all its product segments, the Company has led the way through undisputed Quality leadership. No wonder, JK Paper is constantly setting new quality benchmarks in the industry.

