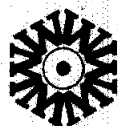




46th ANNUAL REPORT 2000-2001



THE WEST COAST PAPER MILLS LTD.



New 500 TPD high-efficiency Recovery Boiler commissioned



Erection work in progress for the new
100 TPD HWC/LWC Duplex Board Machine



the west coast paper mills limited

DIRECTORS

Shri S. K. Bangur, *Chairman*
Shri V. N. Somani
Shri P. N. Kapadia
Lt. Gen. (Retd.) K. S. Brar
Shri Madan Mohan Mohanka
Shri R. N. Mody
Smt. Shashi Devi Bangur
Shri Bodhishwar Rai
Shri S. Venkatraman
Shri K. L. Chandak, *Executive Director*

REGISTERED OFFICE

Bangur Nagar, Dandeli - 581 325
Uttara Kannada Dist.
(Karnataka)

CORPORATE OFFICE

Chandra Kiran
10-A, Kasturba Road
Bangalore - 560 001

BANKERS

Central Bank of India
Oriental Bank of Commerce
State Bank of Mysore
Syndicate Bank

AUDITORS

Batliboi & Purohit
Chartered Accountants

COST AUDITOR

Shri S. Sankaranarayanan
Cost Accountant

LEGAL ADVISORS

Kanga & Co.



the west coast paper mills limited

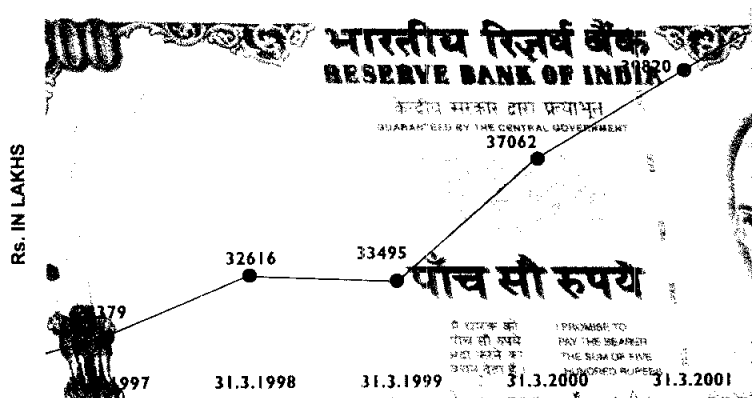
TEN YEAR HIGHLIGHTS

| | | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 | 1993 | 1992 |
|-----------------------------|-----------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|
| PRODUCTION | | | | | | | | | | | |
| Paper / Paper Board | Tonnes | 99153 | 91001 | 92425 | 92889 | 91715 | 88255 | 82309 | 70966 | 67197 | 67784 |
| Duplex Board | Tonnes | 21057 | 21520 | 24219 | 18486 | 2932 | | | | | |
| Optical Fibre Cable | Ckm | 629 | 5650 | 2388 | 1385 | 408 | | | | | |
| J. F.T.C. | Ckm | 7087 | | | | | | | | | |
| Power Generation | Lakh kwh | 869.89 | 888.64 | 745.82 | 508.80 | 281.94 | 0.64 | | | | |
| SALES | | | | | | | | | | | |
| Paper / Paper Board | Tonnes | 94264 | 93270 | 91733 | 91711 | 89471 | 86087 | 85994 | 68725 | 68839 | 65624 |
| Duplex Board | Tonnes | 19600 | 22802 | 23032 | 19159 | 1199 | | | | | |
| Optical Fibre Cable | Ckm | 648 | 5522 | 2321 | 1437 | 308 | | | | | |
| J. F.T.C. | Ckm | - | | | | | | | | | |
| Power Generation | Lakh kwh | 853.46 | 875.06 | 736.87 | 505.62 | 280.23 | 0.64 | | | | |
| OPERATING RESULTS | | | | | | | | | | | |
| Turnover | Rs./Lakhs | 39820 | 37062 | 33495 | 32616 | 28379 | 26435 | 20718 | 14883 | 14071 | 13036 |
| Gross Profit | Rs./Lakhs | 4826 | 2853 | 2240 | 1645 | 1807 | 3466 | 923 | 452 | 435 | 429 |
| Depreciation | Rs./Lakhs | 1028 | 973 | 1012 | 906 | 793 | 287 | 31 | 178 | 141 | 135 |
| Taxation | Rs./Lakhs | 950 | 360 | 180 | 120 | 135 | 185 | 330 | 22 | - | 152 |
| Net Profit | Rs./Lakhs | 2848 | 1520 | 1048 | 619 | 879 | 2994 | 565 | 253 | 294 | 142 |
| Interim Dividend | Rs./Lakhs | | 224 | | | | | | | | |
| Final Dividend | Rs./Lakhs | 447 | 134 | 250 | 179 | 286 | 286 | 224 | 134 | 89 | 74 |
| FINANCIAL POSITION | | | | | | | | | | | |
| Gross Block | Rs./Lakhs | 18454 | 16337 | 14977 | 14607 | 13439 | 11941 | 5314 | 4915 | 4623 | 4131 |
| Depreciation | Rs./Lakhs | 7928 | 6944 | 6056 | 5060 | 4190 | 3547 | 3320 | 3296 | 3170 | 3097 |
| Net Block | Rs./Lakhs | 10526 | 9393 | 8921 | 9547 | 9249 | 8394 | 1994 | 1619 | 1453 | 1034 |
| Paid Up Capital | Rs./Lakhs | 894 | 894 | 894 | 894 | 894 | 894 | 894 | 894 | 894 | 890 |
| Reserves & Surplus | Rs./Lakhs | 9716 | 7360 | 6252 | 5481 | 5059 | 4495 | 1787 | 1449 | 1330 | 1125 |
| Net Worth | Rs./Lakhs | 10610 | 8254 | 7146 | 6375 | 5953 | 5389 | 2681 | 2343 | 2224 | 2015 |
| Borrowings | Rs./Lakhs | 11876 | 8541 | 7282 | 7317 | 5336 | 4755 | 1126 | 1103 | 1204 | 1247 |
| Capital Employed | Rs./Lakhs | 22486 | 16795 | 14428 | 13692 | 11289 | 10144 | 3807 | 3446 | 3428 | 3262 |
| SOME SELECTED RATIOS | | | | | | | | | | | |
| Earning per Share | | | | | | | | | | | |
| (Rs.10) | Rs. | 32 | 17 | 12 | 7 | 10 | 33 | 6 | 3 | 3 | 2 |
| Book Value Per Share | Rs. | 119 | 92 | 80 | 71 | 67 | 60 | 30 | 26 | 25 | 22 |
| Dividend (Equity Shares)% | | 50 | 40 | 28 | 20 | 32 | 32 | 25 | 15 | 10 | 15 |
| Debt Equity Ratio | | 53:47 | 51:49 | 51:49 | 53:47 | 47:53 | 47:53 | 30:70 | 32:68 | 35:65 | 38:62 |

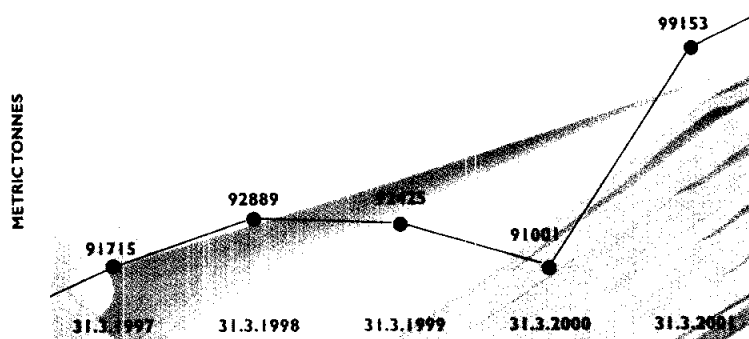


the west coast paper mills limited

TURNOVER



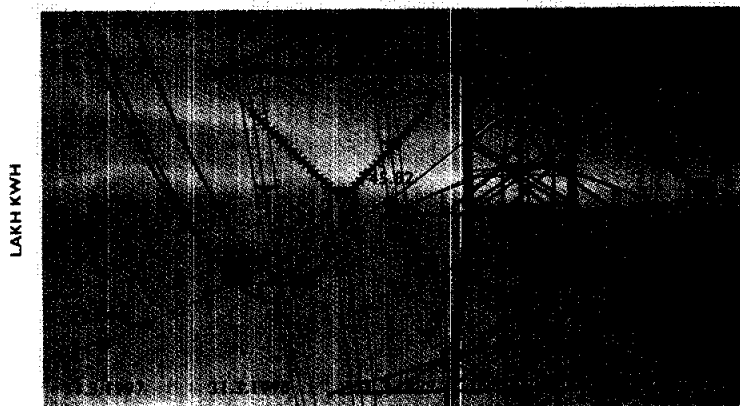
PAPER & PAPER BOARD PRODUCTION

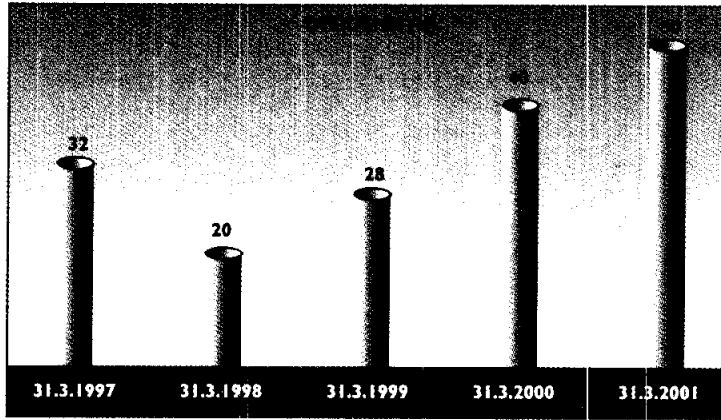
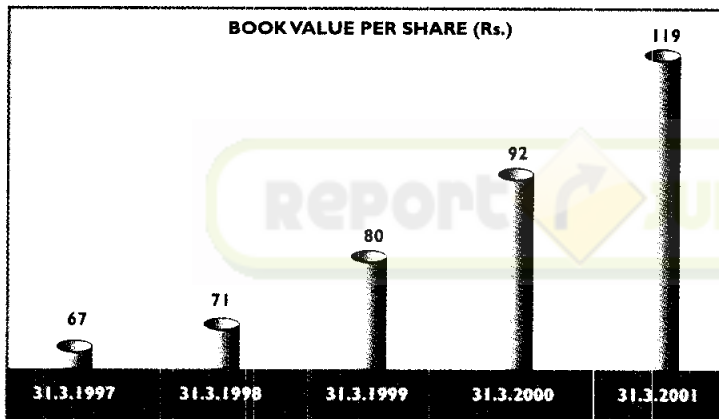
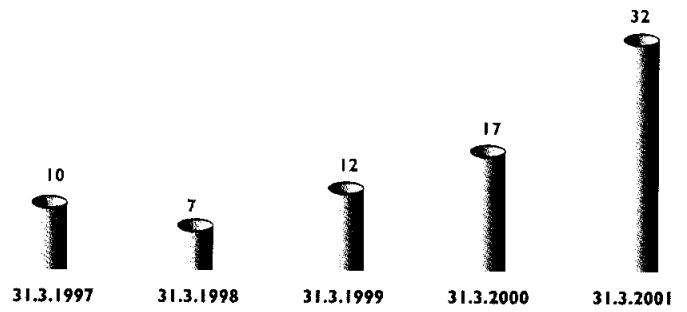
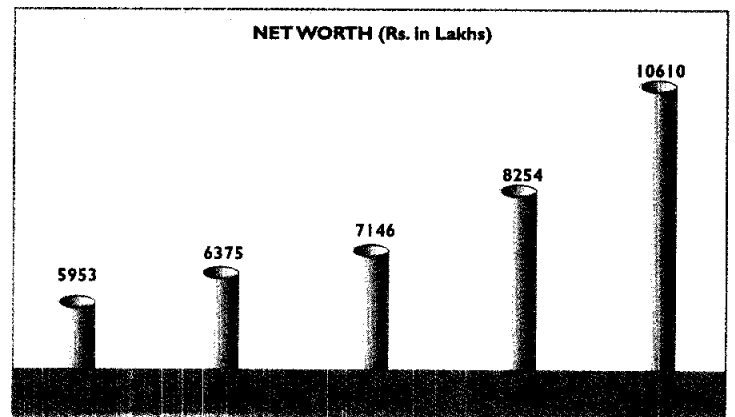


DUPLEX BOARD PRODUCTION



POWER GENERATION



**the west coast paper mills limited****EARNING PER SHARE (Rs.)****BOOK VALUE PER SHARE (Rs.)****NET WORTH (Rs. in Lakhs)**



the west coast paper mills limited

NOTICE TO THE MEMBERS

NOTICE is hereby given that the 46th Annual General Meeting of the members of THE WEST COAST PAPER MILLS LIMITED will be held at the Registered Office of the Company at BANGUR NAGAR, DANDELI - 581 325, UTTARA KANNADA DISTRICT, KARNATAKA, on Tuesday, September 25th, 2001, at 4.00 P.M. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report, the audited Balance Sheet as at March 31, 2001 and the Profit and Loss Account for the year ended on that date.
2. To declare dividend on Equity Shares for the year ended 31st March, 2001.
3. To appoint a Director in place of Shri P. N. Kapadia, who retires by rotation under Article 143 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Madan Mohan Mohanka, who retires by rotation under Article 143 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Lt. Gen. (Retd.) K. S. Brar, who retires by rotation under Article 143 of the Articles of Association of the Company and being eligible, offers himself for re-appointment.
6. To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS :

7. To appoint a Director in place of Shri. S. Venkatraman who was appointed as an Additional Director by the

Board on 31st October, 2000 and who hold office under Article 129 of the Articles of Association of the Company and Section 260 of the Companies Act, 1956 upto the date of this Annual General Meeting, but being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice in writing as required under Section 257 of the Companies Act, 1956 from a member signifying his intention to propose Shri. S. Venkatraman as a candidate for the office of Director and in that connection to pass the following resolution as an Ordinary Resolution :

"RESOLVED THAT Shri. S. Venkatraman be and is hereby appointed as a Director of the Company, liable to retire by rotation."

8. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded to the Board of Directors of the Company in terms of Section 293 (1) (a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging of the equipments purchased out of the term loans in addition to equipments purchased out of the term loans of Rs. 1.64 crores (Rupees One Crore Sixty Four Lakhs Only) under ECS loan and Rs. 40.00 crores (Rupees Forty Crores Only) under EFS loan from IFCI Ltd., and all immovable properties of the Company, both present and future, situated at the



the west coast paper mills limited

Company's Cable Unit at Mysore, in addition to the existing mortgages, and/or conferring power to enter upon and take possession of the said assets of the Company in certain events, to or in favour of IFCI Ltd., for Term Loan of Rs. 43 crores (Rupees Forty Three Crores only), together with ICICI Ltd., for term loan of Rs. 55 crores (Rupees Fifty Five Crores Only) and Industrial Investment Bank of India Ltd., (IIBI) for Term Loan of Rs. 10 Crores (Rupees Ten Crores Only) lent and advanced/agreed to be lent and advanced by the said financial institutions to the Company;

FURTHER RESOLVED THAT the mortgage/charge created/to be created and/or all agreements/documents executed/to be executed and all acts done in terms of the above resolution by and with the authority of the Board of Directors are hereby confirmed and ratified."

9. To consider and, if thought fit, to pass, with or without modifications, the following as a Special Resolution:

"RESOLVED THAT the Company hereby accords its consent and approval under Section 314(1)(b) and other applicable provisions, if any, of the Companies Act, 1956, to Shri Virendra Bangur, a relative of Shri S K Bangur, Chairman and Smt. Shashi Devi Bangur, a Director of the Company, for holding and continuing to hold an office or place of profit as "Chief Executive Officer" of Sudarshan Telecom - a Cable Division of the Company w.e.f. November 01, 2000, on a monthly remuneration of Rs. 16,000/-."

10. To consider and, if thought fit, to pass, with or without modifications, the following as a Special Resolution:

"RESOLVED THAT the Articles of Association of the Company be and are hereby amended, pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, in the manner set out below:

- i. In existing Article 3, the definition of "The Secretary" be substituted with the following.

"The Secretary" means, a Company Secretary within the meaning of Clause(C) of Sub-Section(1) of Section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualification and appointed to perform the duties which may be performed by a Secretary under this Act and any other ministerial or administrative duties."

- ii. The existing Articles 8 & 9 be deleted and substituted with the following as new Articles 8 and 9:-

"8. The register of Members, the index of Members, the Register and index of Debenture holders and copies of all annual Returns prepared under Sections 159 & 160 together with the copies of certificates and documents required to be annexed thereto under Section 160 and 161, shall, except when the register of members or debenture holders is closed under the provisions of this Act, be open during business hours(subject to such reasonable restrictions, as the company may impose, so that not less than two hours in each day are allowed for inspection) to the inspection; by any member or debenture holder, without fee; and by



any other person, on payment of such sum as may be prescribed under the Act, for each inspection.

9. At the time of inspection, any member, debenture holder or any other person may make extracts from any register, index, or copy referred to in Article 8 without fee or additional fee, as the case may be, or may require a copy of any such register, index, or copy or of any part thereof, on payment of such sum as may be prescribed under the Act for every hundred words or fractional part thereof, required to be copied, then the Company shall cause any copy required, as above, to be sent within a period of ten days, exclusive of non-working days, commencing on the day next after the day on which the requirement is received by the Company."

iii. In existing Article 49, the words "or in the following form" be deleted and the specimen form of transfer stated therein also be deleted.

iv. At the end of existing Article 51, the following proviso be inserted.
"Provided however that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever."

v. The following proviso be inserted in existing Article 72 after the words 'accordingly'.
"Provided however that option or right to call of shares shall not be given to

any person except with the sanction of the Company in General Meetings."

vi. In existing Article 103, in place of the words 'has been paid which is not less than one tenth of the total sum', the following shall be substituted :

"as may be prescribed by the Act, has been"

vii. In existing Article 108, in place of '37np', the following shall be substituted :

"such sum as may be prescribed under the Act from time to time"

viii. In existing Article 123, in place of '42 days' '60 days' shall be substituted.

ix. Existing Articles 130, 131 and 134 be deleted.

x. Clause(b) of existing Article 179 shall be deleted and Article 179(a) be renumbered as Article 179.

xi. In existing Article 212 the words 'the Secretaries and Treasurers' be deleted.

11. To consider and, if thought fit, to pass with or without modifications, the following resolution as a Special Resolution :

RESOLVED THAT in supercession of the Special Resolution passed at the Annual General Meeting of the Company held on September 29th 2000 and in accordance with the provisions of the Articles of Association of the Company read with Section 81 and all other applicable provisions, if any, of the Companies Act, 1956 ("the Act") and also the requirements of the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to applicable and necessary approvals,



the west coast paper mills limited

permissions, sanctions and/or guidelines prescribed by the Government of India, Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI), Financial Institutions (FIs) and/or other appropriate authorities as may be necessary and subject also to such terms, conditions and modifications as may be prescribed by any authorities in granting of such approval and accepted by the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any committee which the Board may have constituted or hereafter constitute to exercise its powers, including the powers conferred by this resolution), the consent of the Company be and is hereby accorded to the Board to offer, issue and allot by way of rights through a Letter of Offer to the members of the Company for cash further.

- (i) 11% Optionally Fully Convertible Debentures (OFCDs) of face value Rs. 50 each aggregating in value not exceeding Rs. 17.90 crores (depending upon the fractional entitlements provided hereinafter) with an option to the OFCD holders to convert the OFCDs in equity shares of the Company at such premium upto Rs. 40 Per Equity Share, as the Board may deem fit and proper and at such time as the Board may decide between 18 to 36 months from the date of allotment of OFCDs at the option of the OFCD holders, otherwise redeemable in three installments at the end of 5th, 6th and 7th years from the date of allotment of OFCDs and

- (ii) Equity Shares of face value Rs. 10 each, aggregating in value not exceeding Rs. 3.60 crores (depending upon the fractional entitlements provided hereinafter) at such premium upto Rs. 30 Per Equity Share, as the Board may deem fit and proper, in such manner as the Board may deem fit depending upon the terms, conditions and modifications, if any, whether or not prescribed under the aforementioned consents / approvals / permissions / sanctions :

The OFCDs and Equity Shares will be offered for subscription to the shareholders of the Company whose names appear on the Register of Members or as beneficial owners in the records of the depositories as at the end of Business hours on such date as may hereafter be fixed for this purpose by the Board (hereinafter referred to as 'Record Date') in the proportion of two OFCDs for every five existing equity shares held and one rights equity share for every ten existing equity shares held by them, on the Record Date (rounding off fractions, if any, to one whole rights equity share or OFCD) and on such further terms and conditions as are prescribed in clauses (b) and (c) of sub-section (1) of Section 81 of the Act and on such other terms and conditions as the Board in its absolute discretion deem fit with power to the Board to make such modifications in the proposed amount of premium, ratio of entitlement and the rate of interest on OFCDs, as the Board may, in its absolute discretion, deem fit. The Board shall dispose in its sole discretion, as it may think most beneficial for the company, any securities offered as rights not taken up by any of the members as aforesaid or their renounees in accordance with the provisions of