

NO LIMITS

THE WEST COAST PAPER MILLS LIMITED

Annual Report 2002-3



FORWARD-LOOKING STATEMENT

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking

statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



CONTENTS

West Coast paper at a glance **12** What we achieved in 2002-3 **12** Milestones **13** Chairman's interview **14**
 Business segment review **16** Management's discussion and analysis **30** West Coast's shares and shareholders **42**
 West Coast paper and value **45** West Coast paper and competitiveness **46** Risk management **48** Environment
 management **55** 10 year highlights **58** Directors' report **60** Annexure to the Directors' report **67** Corporate
 governance **70** Auditors' certificate **78** Secretarial compliance certificate **79** Auditors' report **80** Annexure to
 the auditors' report **81** Balance sheet **84** Profit and loss account **85** Schedules **86** Balance sheet abstract **101**
 Cash flow statement **102** Section 212 **103** Subsidiary accounts **104** Consolidated accounts **121** Directors'
 profile **134** Corporate information **136**

THERE ARE REALLY

**NO
LIMITS**

TO WHAT
YOU CAN DO WITH

PAPER

**AT WEST COAST PAPER, THE TERM 'NO
LIMITS' APPLIES TO THE INTANGIBLES THAT
DRIVE OUR PERFORMANCE.**

TO OUR COMMITMENT AND ENTHUSIASM.

**REFLECTED IN A RECORD PRODUCTION. RECORD
TURNOVER. RECORD PROFIT. AND A RECORD
DIVIDEND IN 2002-3.**

NO LIMITS PIONEERING



Most companies make products that consumers want today.

At West Coast, we create products that consumers will still want tomorrow.

Over the years, this commitment to stay ahead of the times has been reflected in a strong record of pioneering products and initiatives:

First to use 100 per cent hardwood in place of 100 per cent bamboo as raw material.

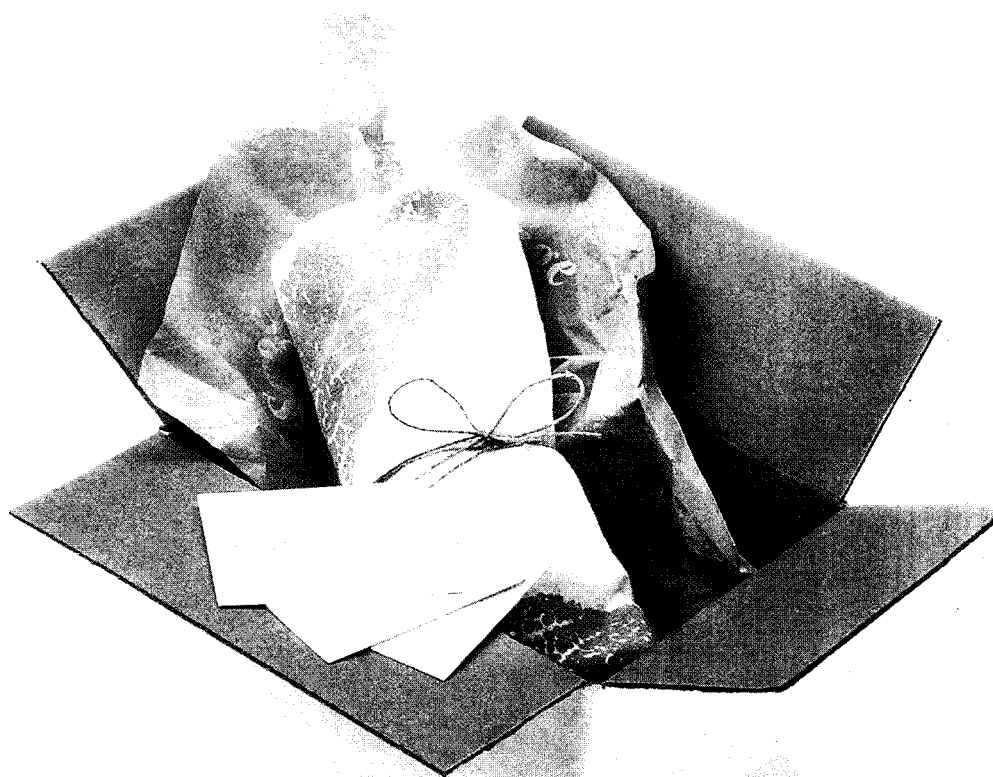
- First to establish a well equipped Research Centre attached to a paper mill.**
- First to commission a large-scale, captive plantation of wood.**
- First to install drum chipper disk refiners and a rotary lime kiln to re-burn lime sludge.**
- First to install a FBC coal-fired boiler in the paper industry.**
- First to install a 500 TPD chemical recovery boiler, the largest of its kind in India.**

Thanks to these forward-looking investments, West Coast Paper reported an EBITDA margin of 17.47 per cent in its paper division, one of the highest in its industry within India in 2002-3.

NO LIMITS

REPORT JUNCTION.COM

CAPACITY



In a capital-intensive industry most companies use the surplus of the good years to invest in their capacities.

At West Coast, we have demonstrated a discipline to enhance our capacities in good years and bad.

Between 1996-7 and 2001-2, one of the most difficult periods in the history of the business in India, the company invested substantially in production assets. When the market for paper rebounded, West Coast was in the right place at the right time with the right quantities of the right varieties to serve a growing population.

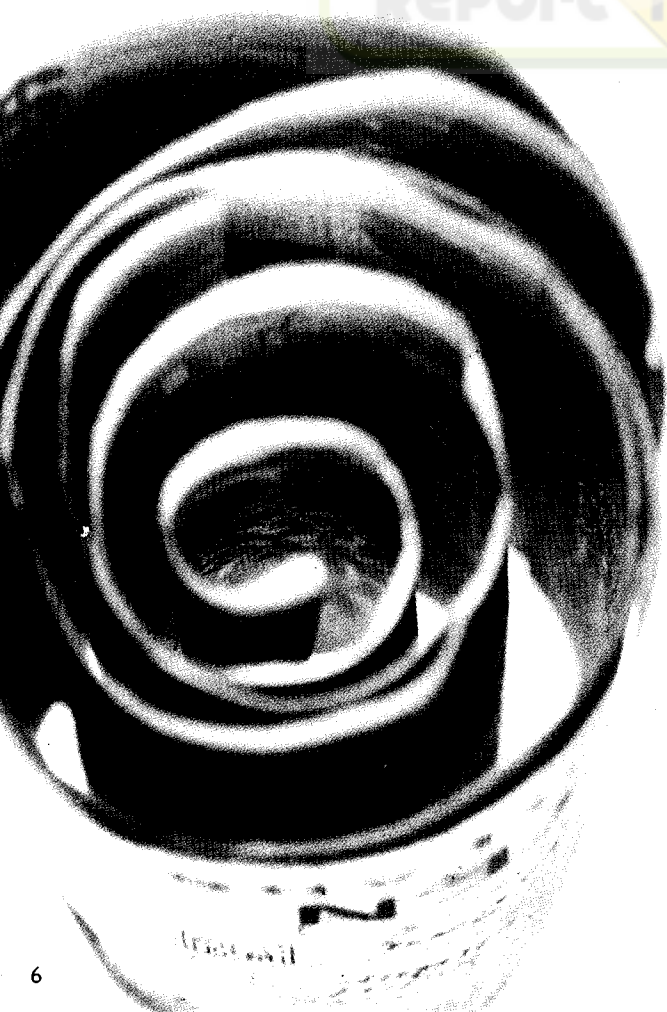
The result: West Coast Paper reported a 8.73 per cent topline CAGR and a 36.18 per cent bottomline growth in the five years leading to 2002-3.

Enhancing value surely and sustainably for its stakeholders.

NO LIMITS

C O S T S

Report  Junction.com



Most companies seek to recover their costs from the marketplace.

At West Coast, we reduce our costs through an ongoing focus within.

Over the years, the company has rationalised its costs as a result of an ongoing asset investment at a cost lower than the prevailing greenfield benchmark through a number of initiatives: the timely replacement of expensive borrowings with accruals. The issue of low cost commercial paper. Maximising cheap fund availability through short-term FCNR-B loans. Efficient coal consumption. The use of modernised paper machines and increased captive steam generation from its recovery boiler.

As a result, interest outflow declined from Rs 14.08 cr in 2001-2 to Rs 7.73 cr in 2002-3. This transpired even as the company continued to implement a Rs 300 cr expansion with a prudent debt-equity ratio.

Creating a low cost foundation for profitable growth across the long-term.

Report

NON LIMITS

Report  junction.com G L O B A L

