

Unveiling the next chapter

Insights into building a sustainable organisation

THE WEST COAST PAPER MILLS LIMITED
ANNUAL REPORT 2008-09



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.

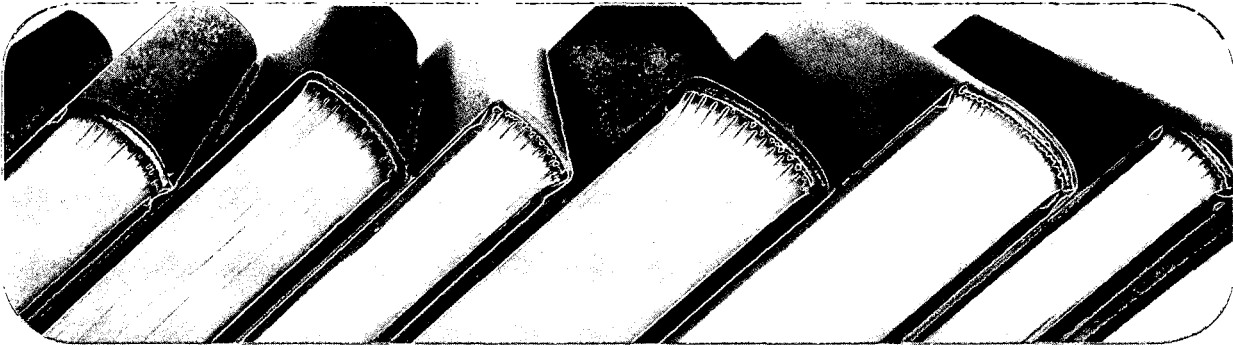
We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying 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.



What's in these pages?

About us	2
Financial performance and trends	4
Chairman's statement	6
The next chapter	8
Executive Director's review	16
Building a sustainable organisation	20
Corporate social responsibility	24
Management's discussion and analysis	26
Directors' report	34
Report on corporate governance	44
Financial section	54
Corporate information	80



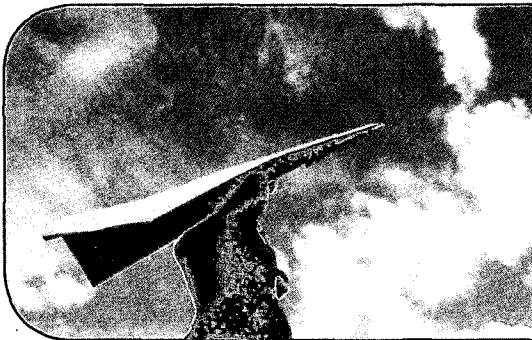
“Change starts when someone sees the next step.”

William Drayton



7

FACTS THAT YOU SHOULD KNOW ABOUT US



Our vision

To excel in serving the growing demands of paper and paper products worldwide and enhance shareholder value with consistent and sustained performance.

Our parentage and history

We, The West Coast Paper Mills are the flagship Company of SK Bangur Group and were established in 1955.



Our presence

Registered office and Paper & paperboard manufacturing unit

Dandeli (Karnataka)

Telecom cable manufacturing unit

Mysore (Karnataka)

Power (windmill)

Tamil Nadu

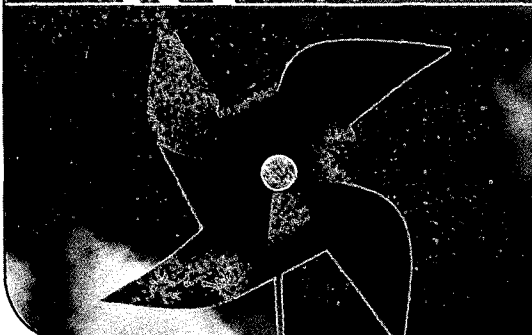
Corporate office

Bangalore (Karnataka)

Zonal offices

Mumbai (Maharashtra), Kolkata (West Bengal),

Chennai (Tamil Nadu), New Delhi (Delhi)



Our products

- Paper and paperboards

Writing & Printing paper

Uncoated paper

- Maplitho paper (commercial printing)
- MG poster paper and board
- Cream wove paper (notebooks)
- Maplitho deluxe (computer stationery)
- MG – Manila/Bristol board
- HL – stiffener cover paper

Surface size paper

- Copier paper
- Surface sized papers with additives

Specialty paper

- MICR Cheque paper
- Parchment paper
- Security paper

Industrial paper

Packaging paper

- Coated Duplex board (multilayer board)

- **Optical fibre cable**

Duct cable

Ariel fig 8 cable

ADSS cable

Armoured cable

CATV cable

Mini cable

- **Power (6 windmills)**

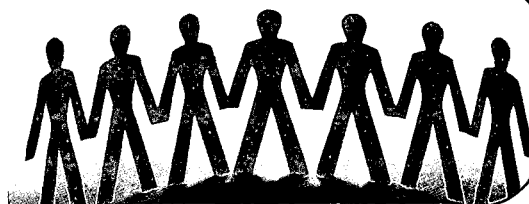
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3

ABOUT US

Our people

2551 employees across India



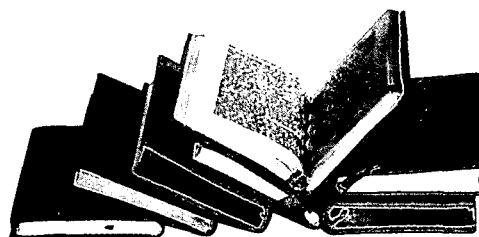
Our dealer network

89 dealers spanning 38 cities in 15 states



Listings

- National Stock Exchange (Scrip code – WSTCSTPAPR)
- Bombay Stock Exchange (scrip code – 500444)



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INANCIAL HIGHLIGHTS

Performance in 2008-09

Total revenues up by

1.41% to Rs. **662.71** crores

EBIDTA increased by

11% to Rs. **125.36** crores

PAT increased by

11% to Rs. **90.54** crores

EBIDTA margin increased by

84 bps to **20.23%**

PAT margin increased by

59 bps to **14.61%**



TEN YEAR HIGHLIGHTS

		2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
PRODUCTION											
PAPER/PAPER BOARD & MULTILAYER BOARD	Tonnes	173,682	169,891	178,871	176,221	173,070	163,714	151,477	120,293	120,210	112,521
OPTICAL FIBRE CABLE	Km	16,787	22,829	7,060	6,303	8,090	6,230	3,889	4,283	629	5,650
JFTC	CKm	-	-	165,407	512,170	275,846	81,971	18,239	356,048	7,087	-
SALES											
PAPER/PAPER BOARD & MULTILAYER BOARD	Tonnes	170,686	170,193	179,915	180,397	168,315	162,642	152,046	124,941	113,864	116,072
OPTICAL FIBRE CABLE	Km	16,762	22,836	7,105	6,593	7,774	6,319	4,236	3,997	648	5,522
JFTC	CKm	-	119	165,288	525,502	264,438	87,542	26,345	347,534	-	-
OPERATING RESULTS											
TURNOVER	Rs./lac	66,271	65,352	61,944	60,684	53,335	49,184	52,236	48,719	39,820	37,062
GROSS PROFIT	Rs./lac	12,036	11,438	9,552	6,922	5,649	6,057	6,224	4,934	4,826	2,853
DEPRECIATION	Rs./lac	1,990	2,043	2,098	3,695	1,893	1,689	1,823	1,209	1,028	973
TAXATION	Rs./lac	1,149	1,095	862	300	295	315	400	295	950	360
DEFERRED TAX	Rs./lac	-157	110	-54	-276	395	1,209	397	244	-	-
NET PROFIT	Rs./lac	9,054	8,190	6,646	3,203	3,066	2,844	3,604	3,186	2,848	1,520
DIVIDEND	Rs./lac	1,258	1,721	1,341	1,341	1,341	894	760	581	447	358
FINANCIAL POSITION											
GROSS BLOCK (Including assets on lease)	Rs./lac	161,798	80,141	48,467	46,514	46,074	44,504	39,336	31,499	18,454	16,337
DEPRECIATION (Including assets on lease)	Rs./lac	29,112	27,022	25,309	22,584	19,863	17,614	15,241	13,204	7,928	6,944
NET BLOCK	Rs./lac	132,686	53,119	23,158	23,930	26,211	26,890	24,095	18,295	10,526	9,393
PAID UP CAPITAL	Rs./lac	7,708	1,425	894	894	894	894	894	894	894	894
RESERVES & SURPLUS	Rs./lac	49,070	38,771	22,324	17,246	15,573	14,036	12,935	10,188	9,716	7,360
NET WORTH	Rs./lac	56,778	40,196	23,218	18,140	16,467	14,930	13,829	11,082	10,610	8,254
BORROWINGS	Rs./lac	117,365	40,616	17,407	16,588	22,922	20,106	17,553	17,842	11,876	8,541
CAPITAL EMPLOYED	Rs./lac	174,143	80,812	40,625	34,728	39,389	35,036	31,382	28,924	22,486	16,795
SOME SELECTED RATIOS											
EARNINGS PER SHARE(Rs.2) (BASIC)		16	17	15	7	7	6	8	7	6	3
BOOK VALUE PER SHARE	Rs.	94	70	52	41	37	33	31	25	24	18
DIVIDEND [EQUITY SHARES]	%	100	150	150	150	150	100	85	65	50	40
DEBT EQUITY RATIO		67:33	50:50	43:57	48:52	58:42	57:43	56:44	62:38	53:47	51:49



S.K. Bangur
Chairman and Managing Director

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HAIRMAN'S STATEMENT

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The art of progress is to preserve order amid change and to preserve change amid order.

— Alfred North Whitehead

When a nation that accounts for roughly 12 per cent of the global population, decides to move fast, it sure creates ripples across the universe. And so it is with India. A country that is gradually, but surely beginning to gain the much needed growth momentum, the strength of which cannot be defeated even by a global recession which has literally floored the mighty west.

Like most industries in India, which have grown on the strength of domestic demand, a policy push to increase consumption couldn't have

come at a better time. Not only did it help these industries survive, it also enabled them to grow, because global supplies in such products, were severely curtailed owing to a liquidity crunch.

Paper, is one such industry.

Led by a demand that has historically trailed the world consumption averages, initiatives by the government to boost primary education, the low rate of internet penetration, and the culture of wanting a 'copy' of every important document has fuelled the growth in demand for paper and paper products, which was maintained at almost ten per cent. This momentum is expected to continue in the years going ahead, and on a higher



“After four years of rigorous hard work, we at West Coast Paper Mills are on the verge of the completion of our most ambitious project”

capacity base (given the ensuing Greenfield commissioning by most major manufacturers), we are looking at the industry literally doubling its turnover through incremental sales.

As a Company that proactively read this trend four years ago, and invested in capacity augmentation, West Coast Paper Mills Limited is poised to extract a 'first-movers advantage' in realizing value from the exciting growth that is envisaged.

We have prepared well – by investing in the best-in-class technology, securing our raw material sources, locking in the capital requirements, and ensuring that we exceed compliances related to the environment, as opposed to just meeting them.

After four years of rigorous hard work, we at West Coast Paper Mills are on the verge of the

completion of our most ambitious project that will not only enable us to offer environment-friendly products but would also put us in the league of premium segment players in the industry.

The future is all set to begin. And I invite you into the new world of West Coast Paper, while we unveil the next chapter.

S.K. Bangur

Chairman and Managing Director

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THE WEST COAST PAPER MILLS LIMITED

UNVEILING THE NEXT CHAPTER

“Doing the best at this moment puts you in the best place for
the next moment”
Oprah Winfrey