

INTERNSHIP AT WEST COAST PAPER MILLS LTD

Submitted by

Sharanabasava

USN: - 4AL21BA069

Submitted to

Visvesvaraya Technological University

In partial fulfilment of the requirements for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION



Under the guidance of

INTERNAL GUIDE

PROF, PRIYA SEQUIERA

HOD

PG Department of

Business Administration AIET Mijar.

EXTERNAL GUIDE

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PG DEPARTMENT OF BUSINESS ADMINISTRATION

ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

SHOBHAVANA CAMPUS, MIJAR, MOODBIDRI.



WEST COAST PAPER MILLS LTD.,

Registered & Works Office : Post Box No. 5, Bangur Nagar, Dandeli-581 325

Dist Uttar Kannada (Karnataka) - India

CORPORATE IDENTITY NO : L02101KA1955PLC001936 website : www.westcoastpaper.com

Ph : (08284) 231391 - 395 (5 lines) Fax : 08284-231225 (Admn. Office) 230443 (Works Office)



ZZP/SPR/02

26.11.2022

CERTIFICATE

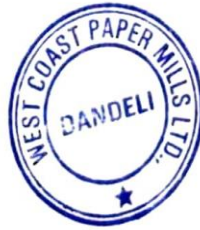
This is to certify that Mr. Sharanabasava (USN:4AL21BA069) M.B.A. First Year student has successfully completed his project work in our Organisation for a period from 27.10.2022 to 26.11.2022, and made a study on "Organization Study".

During the period of his training with us, he took keen interest in learning the job.

We wish him all the success in his future career.

Anagouda S. Patil
26/11/2022

Sr. Manager -H.R & Admn.



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ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY

(A Unit of Alva's Education Foundation @ Moodbidri)

Affiliated to Visvesvaraya Technological University, Belagavi

Approved by AICTE, New Delhi & Recognised by Government of Karnataka

Accredited by NBA (CSE & ECE)

DATE: 30/01/2023

CERTIFICATE

This is to certify that **SHARANABASAVA** bearing USN **4AL21BA069**, is a bonafide student of Master of Business Administration program of the Institute (2021-23) affiliated to Visvesvaraya Technological University, Belagavi.

The Internship report on "**WEST COAST PAPER MILLS LTD., DANDELI**" is prepared by him under the guidance of **Mrs. Priya Sequeira**, HOD, Sr. Assistant Professor, PG Department of Business Administration in partial fulfillment of the requirements for the award of the degree of Master of Business Administration, Visvesvaraya Technological University, Belagavi, Karnataka.

Mrs. Priya Sequeira
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DECLARATION

I SHARANABASAVA hereby declare that the internship and organizational study report entitled "ORGANIZATION STUDY AT WEST COAST PAPER MILLS LTD DANDELI" prepared by me under the guidance of PROF. PRIYA SEQUEIRA, HOD, Sr. Asst. Professor, PG Department of Business Administration, ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY and external assistance by Mr. Nityanand Naik, MR. K. PRABHAKAR.

I also declare that this study is towards the partial fulfillment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University (VTU).

I have undergone an internship and organization study for a period of 4 weeks. I further declare that this report is based on the original study undertaken by me.



Place: Mijar

Signature of the student

ACKNOWLEDGEMENT

It was my privilege to undergo the organizational study at **West Coast Paper Mills Ltd., Dandeli**. There are many people who have helped me to complete this study successfully. It is with gratitude that I acknowledge the help which guided my efforts with success.

It is my foremost duty to express my wholehearted thanks to my guide PROF. PRIYA SEQUEIRA for the valuable guidance, support and motivation during the course of this study. The inspiration provided by my guide at every stage of my work has helped me immensely in the completion of this organization study and the preparation of this report.

My profound thanks to Mr. K. PRABHAKAR who took interest in explaining concepts and imparting necessary inputs pertaining to the organization study, without which it would not have been possible for me to complete this work. I am also very thankful to the other executives and staff of the company for their co-operation.

Place: Dandeli

SHARANABASAVA

Date: 30-1-1-2023

USN:4AL21BA069

EXECUTIVE SUMMERY

This is an attempt to know how the theories can be applied to practical situation. As MBA student of ALVA'S INSTITUTE OF ENGINEERING AND TECHNOLOGY it is a part of study for everyone to undergo internship at some good organization so, this purpose I got the opportunity of internship program in Guru and Company.

This report is divided into six chapters. The first chapter deals with the introduction about the internship, industry profile. The second chapter is about the organization profile,

- Background,
- Nature of business,
- Vision mission, quality policy,
- Workflow model,
- Product/service profile,
- Ownership pattern,
- Achievements/award if any,
- Future growth and prospects,

Third chapter is McKenny's 7S framework and porter's five force model with special reference to organization under study.

The fourth chapter deals with the SWOT analysis. The fifth chapter is analysis of financial statements.

The sixth chapter is my learning experience. It is also of bibliography.

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CHAPTER-1

INTRODUCTION ABOUT ORGANIZATION AND INDUSTRY

Introduction to the industry

Paper being the primary medium of Communication, the global demand for pulp and paper is therefore, growing at 3% per annum. The paper industry accounts for 2.5% of the world's industrial production. It is the highest consumer of forest based cellulose materials. The present status of the industry suggests that Paper Industry is now not only on its self-amateur industry but also constitutes the life blood of many other units, the recovery of the Paper Industry from 1994 onwards was by packaging needs of industry and demand for high grade printing paper i.e., special paper was used for Cheque, Currency, Fax and Copiers.

The Pulp and Paper Mill sector is one of the oldest Industries in India. The economy has already grown to 7.4% in the year ended 31st March 2010 from 6.7% in the previous year. Demand for paper is directly linked to GDP growth and prosperity. The paper industry will also benefit from the growing thrust in education.

Foreign publishers today look at India as an important destination for their printing solutions. The printing industry is expanding at a rate of nearly 15% p.a. The growth of the service sector also fuels demand for paper. Thus, the paper industry is expected to grow at a compounded annual growth rate of over 8% per annum.

There are, at present, about 515 units engaged in the manufacture of paper and paperboards and newsprint in India. The country is almost self-sufficient in the manufacture of most varieties of paper and paperboards. Imports, however, are confined only to certain specialty papers. To meet part of its raw material needs the industry must rely on imported wood pulp and wastepaper.

The first paper mill in India was set up at Srirampur, West Bengal, in the year 1812. India is currently the 15th largest paper producing country. The Indian Paper Industry accounts for more than 2% of the world's production of paper and paperboard. Industry provides employment to more than 0.12 million people directly and 0.34 million people (about half the population of Wyoming) indirectly. The paper industry is categorized into forest-based, agro-based and others (wastepaper secondary fibre, bast fibres and market pulp).

Structure of the Indian industry

In 1951, there were 17 paper mills, and today there are over 600 units engaged in the manufacture of paper and paperboards and newsprint in India. The pulp & paper industries in India have been categorized into large-scale and small-scale. The Indian paper industry comprises of both the organized as well as unorganized units. The large integrated wood-based companies share 32% of the total production capacity levels with the remaining share being equally divided between the medium sized agro based companies and the small unorganized units.

The mills use a variety of raw materials viz. wood, bamboo, recycled fibre, bagasse, wheat straw, rice husk, etc.; approximately 35% are based on chemical pulp, 44% on recycled fibre and 21% on agro-residues. To meet part of its raw material needs the industry must rely on imported wood pulp and wastepaper. Growth of paper industry in India has been constrained due to high cost of production caused by inadequate availability and high cost of raw materials, power cost and concentration of mills in one area.

The role the government is crucial in the Indian paper industry as it plays the role of regulator, supplier (the wood supplying forests are owned by the government) and the buyer (government is the single largest buyer of paper). Due to prevailing depressed international trade, imported material was cheaper as compared to the Indian material and availability was an additional benefit of credit which ran into

months at a significant low rate of interest. Thus, price took a downward trend and inventories started piling up.

Since October 2008, the demand scenario was sluggish in line with the weak economic situation and this scenario persisted till the end of calendar year 2009. The Indian paper mills bore the brunt of dampening demand situation which took a toll of their overall production and realizations. The weak demand also coincided with new upcoming capacity from almost all the major paper mills, which created an oversupply of paper and paper products. Piling up of huge inventories together with new capacities and fear of imports from China and Indonesia kept prices in under pressure. However, since April 2010, the demand cycle reversed primarily driven by strong demand and closure of capacities in the world.

The growth in paper industry has mirrored the growth in GDP and the Indian paper industry has grown on an average 6-7% over the last few years. While the paper market in the developed countries is stagnating, paper consumption in India and China is growing rapidly. India is the fastest growing market for paper globally and it presents an exciting scenario as paper consumption is poised for a big leap forward in sync with the growth drivers.

Introduction about the organization

West Coast Paper Mills Limited (WCPM) is one of the oldest and the largest producers of paper for printing, writing, and packaging in India. Established in 1955, the Mill is located at Dandeli in Uttara Kannada district in Karnataka. The global quality paper produced by the Company serves the needs of innumerable industries in printing, writing, publishing, stationary, notebooks and packaging sectors in India, in the process contributing to the development of the nation.

WCPM believes in constant innovation as the key to keep abreast of the changing requirements of the market in India and abroad. The saga of our growth and achievements resulting in the satisfaction of our clients and investors is a testimony to our zealous commitment to creativity and innovation. The state-of-the-art and

environmentally friendly paper manufacturing technologies that have been adopted by us over the years have ensured sustainable growth of the Company.

WCPM is committed to staying alert and sensitive to the environmental consequences of its endeavors while persisting in efforts to better its profits and business interests. We are an environmentally compliant Company that rigorously follows an Eco-friendly policy that works towards increasing the green cover of our land and maintaining a sustainable environment for the health and well-being of the current and future generations, particularly of those living in the close vicinity of the Mills.

WCPM follows Total Quality Management System (TQMS) to provide the best quality products at optimal price to our customers. The highly coveted awards conferred on us by the reputed agencies, including awards from the National Productivity Council, Government of India, speak for themselves about our constant pursuit of industrial excellence.

The Research and Development wing at the Organization keeps striving tirelessly to bring in innovations in the manufacturing of paper from wood and to improve the production processes. Further, here at WCPM stringent measures are put in place for pollution control and industrial safety, thereby providing a safe working environment for all employees.

CHAPTER-2

ORGANIZATION PROFIL

2.1 Background

The mill is the brainchild of Shri, A.D.Chowdari, when he visited Dandell, he found that Dandeli could host a good paper mill of moderate capacity production. His conceptualization crystallized into the establishment of WEST COAST PAPER MILLS LIMITED. An incorporated company, with its registered office at first in Mumbai and later it was shifted to Dandeli. The location of the factory was opted as the most suitable and advantageous, being situated in the heart of thick forests on the banks of river Kali and the major factors that weighed in its favour were the assurance of the then State Government of Maharashtra for continued supply of forest-based raw materials, availability of water from the perennial Kali River, assured power supply from the State Grid, vicinity of rail and road linkages. The company was promoted by Shri Digvijay Cement Company limited, Gujarat in 1955.

On the manpower part, in addition to West Coast Paper Mills there were also major industries like Ballarpur Industries in the area producing vital chemicals required for paper plant, water treatment chemicals rendering employment potential in this region and establishment of Kaiga Nuclear Plant Project etc., have been additional source of employment. With this background. the Karnataka Power Corporation, project work at Ganesh Gudi, Ambika Nagar, Bommanahalli pickup dam etc. has provided to the progress of this part of north Kanara district

Initially, the plant was designed to manufacture 18,000 TPA of writing, printing and packaging paper, the commercial production of which commenced in May 1959. The Company obtained license from the Government of India in December 1964 for enhancing the production capacity to 45,000 TPA by installing balancing equipment's, which was completed in 1972. Subsequently, the company implemented the Crash programmed in 1974 to further increase the production

capacity to 60,000 TPA against the license issued in July 1972. The licensed capacity was re-endorsed for 69,000 TPA in November 1991 based on actual production. The Paper Industry has been de-licensed from July 1997 onwards.

The production capacity has been increased to 1,19,750 TPA after the successful implementation of the modernization/expansion programmed in 1996-97 – diversifying into a new product – duplex board – apart from the existing varieties of paper and paperboard. This also included rebuilding of Paper Machine No.III [by adding Trinip Press, Dryers and Calendar Stack, Size Press, Color Kitchen and Process Automation], balancing of Pulp Mill, Powerhouse and other sections of the Mills, besides setting up of 75 TPD Duplex Board M/c. (Paper M/c Nov.). After commissioning of 100 TPD duplex board machine (PM IV), coupled with rebuilding of Paper M/c. No. II, the total production capacity has further increased to 1,57,750 TPA in 2001-02 and to 1,63,750 TPA in 2003-04 on rebuilding of PM I and achieving higher production of duplex board on Paper M/c No. IV. The Company has taken up in 2007 a further expansion programme to increase production capacity from 1,80,000 TPA to 3,20,000 TPA which was completed in May 2010 at a cost of Rs.1450 Cr.

To improve the operational and financial performance of the mill, to meet the emerging trends in the market, and further to make the mill more environment friendly, WCPM plans to implement Mill Development Plan (MDP) to increase the capacity of its integrated pulp and paper mill

The mill currently has facilities to produce printing and writing papers and packaging boards with licensed capacity of 320,000 TPA.

The Company has an impressive track record of production and productivity for which various Awards have been conferred on it by the National Productivity Council [Government of India] and other organizations. The Company also has an excellent track record in timely repayment of loans/lease rentals to financial institutions/leasing companies and maintained the same even during recession period to which this industry has been subjected many a time. This has been highly appreciated by the financial institutions and lessors.

The company has been playing a very active role in developing the backward district of Uttara Kannada. Stabilizing fly-ash dumps by biological means, developing better drainage systems, organizing education from primary to graduate, including pulp and paper technology course, facilities for needy children, organizing various social awareness programs etc. are some of the steps it has taken to manifest its commitments to society.

Company profile

Industry

- Pulp & Paper|
- Manufacturing|
- Packaging|
- Printing & Publishing

Founded in

- 1955 (67 yrs. old)

Headquarters

- Kolkata, India

CEO

- **Shri Rajendra Jain**

Founder

- **Shri S.K. Bangur**

Ownership

- Public

Registered Name

- West Coast Paper Mills Limited

Company Email ID

sales.ho@westcoastpaper.com

Website

- westcoastpaper.com

2.2 Nature of the business

The paper/board industry is highly cyclical in nature. The performance of the industry is closely intertwined with global and domestic economic factors, as well as the global and domestic demand-supply situation. It has been the endeavor of WCPM to be in the lead in technology acquisition, technology absorption and adaptation, up-gradation and innovation in technology, nurturing a well-established infrastructure, even while maintaining its focus on being environmentally friendly. Environment management is the “top-of-the-agenda” priority issue, and this focus has been maintained throughout the MDP. The challenge is to achieve more growth with optimum use of raw materials, water, chemicals and energy while delivering better quality finished products. Environmental concerns have, therefore, been mainstreamed in the choice of the process/equipment. In order to cope with the ever-changing industrial scenario, WCPM desires to seize and utilize the available windows of opportunity in the market and remain as one of the leading players in the paper sector, with a sense of purpose and vision for the future.

The significant infusion of state-of-the-art technology that will be brought into operation based on the MDP, besides improving performance and efficiency, will enable WCPM to be more environmental-friendly, while offering the market a range of superior products. There will be a reduction in the cost of production, as well as benefits from economies of scale.

The MDP is a “brown-field” project for enhancing environmental friendliness and operational efficiency, with improved economies of scale. The MDP presents an

analytical and practical framework for using resources, whether internal or external, quite effectively, by making a judicious selection of various process options. The major advantages of implementation of the MDP will be improved environmental-friendliness, reduced emission and discharge, reduction in specific consumption of fresh water, higher generation of steam from biomass (black liquor), overall reduction in energy consumption, improved efficiency of the production operations, and increased production, resulting in more efficient and profitable operations

2.3 Vision Mission and Quality policy

Vision

To excel in serving the demands of paper and paper products worldwide

Mission

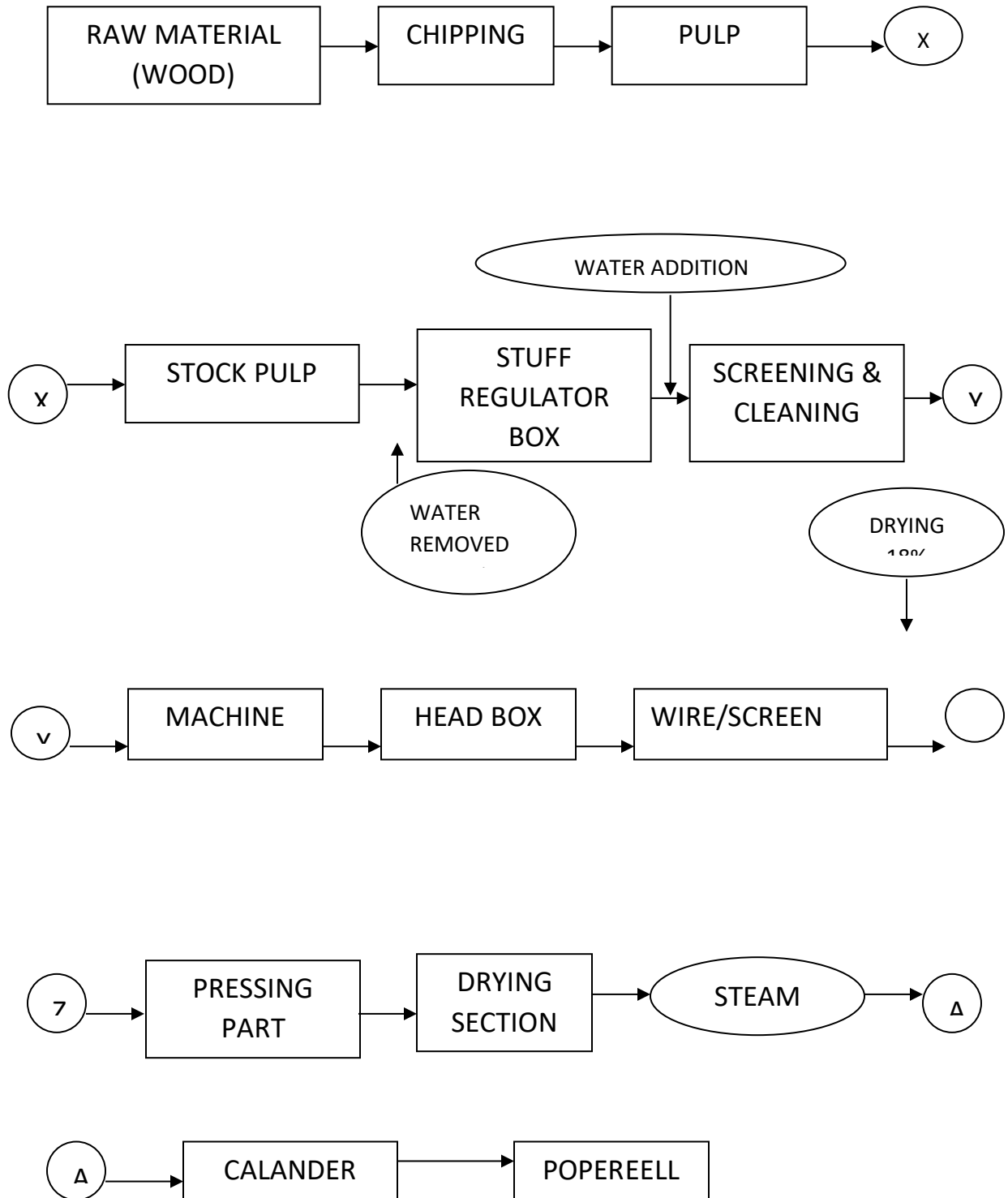
To attain customer loyalty by providing the highest standards of quality products suitable for various business segments and for all age groups across India and the world.

To focus on innovative production processes through constant research and development as well as to use raw materials and technology that is environment friendly and that further caters to the interests of the future generations.

Quality policy

WCPM follows Total Quality Management System (TQMS) in order to provide best quality products at optimal price to our customers. The highly coveted awards conferred on us by the reputed agencies, including awards from the National Productivity Council, Government of India, speak for themselves about our constant pursuit of industrial excellence.

2.4 Workflow model



Chipping:

Bamboo, Eucalyptus & hardwood are used for manufacture of paper pulp. Multi knife chipper's chip bamboo and hardwood. Bamboo & Hardwood chips are then screened & conveyed by Bert conveyer or blown by blowers into chip silos for shortage of different wood pieces.

Pulping:

From chip silo the chip and blown over the digester where they are cooked by sulphate process. The resultant pulp is blown under steam pressure into blow tank, heat from blown off steam is recovered in high efficiency heat exchange. The unbleached pulp free knot is washed over multistage vacuum washing plant. After washing the pulp is screened and cleaned to remove uncooked material, sand and other foreign material. Finally bleached pulp is taken thickened and stored in storage chests or high-density tower for manufacturing bleached variety of paper.

Chemical Recovery:

It is indirectly a profit-making unit. Because it recovers 92% of the chemicals used. Thereby reducing the chemical cost to the least.

The maximum recovery of chemicals and heat in the Sulphate process renders the manufacture of pulp more economical. The spent liquor which consists of non-cellulose material from bamboo and hard wood and the cooking chemicals are collected in sealed tanks, while the pulp is being washed on brown stock vacuum drum washers. The spent liquor usually known as weak black liquor is then evaporated in the multi stage evaporation plant to remove the excess amount of water mixed during the washing of pulp. The thick or concentrated black liquor is burnt just like furnace oil in recovery furnace. Non cellulose substance from

bamboo and hard wood is burnt as fuel in the furnace and produce the required heat of smelting the inorganic chemicals in the thick black liquor.

The steam generated in the recovery boiler is diverted into the steam turbine in powerhouse for generating power as a byproduct and the extracted steam is utilized for process performance. The smelt from the recovery furnace is dissolved into water or weak white liquor solution. The resultant slurry is called as green liquor lime is mixed with green liquor. The resulted slurry is clarified to remove white liquor on over flow. The white liquor i.e., a mixture of caustic soda and sodium sulphide is sent to the digester for cooking of bamboo and hard wood. The under-flow sludge mud from clarifier is washed in multistage mud washers. This sludge combined with sea shell/ limestone is burnt using fuel oil in a rotary lime kiln to produce burnt lime.

Paper-making:

Pulp stock is usually beaten and prepared in stock preparation, section ahead of paper machine. Disc and conical refiners are used for refining of stock for each paper machine. When the pulp is refined/ bleached to a sufficient degree, sizing chemicals such as Rosaline, alum colours, filters and bleaching material such as soapstone powder are added to the pulp. The main function of the filter is to improve the capacity and finish of the paper. The stock thus prepared is taken into the paper machine where the final sheet formation taken place accompanied by a large quantity of water which subsequently has to be removed through the mesh of endless wire by vacuum and then by passing and drying over steam heated drying cylinder. The dry web of the paper is then glazed in cylinder rolls. The resultant paper of required quality is wound as a reel. From these reels, the paper is cut into sheets and packed into the reams.

2.5 Product profile

1. Printing & Writing Paper

WCPM presents a range of quality printing & writing paper from 52 to 140 gsm that suits the entire needs of modern print-houses that demand high quality paper for commercial to premium printing at a reasonable price. High bright, strong, stiff and bulkier paper offers excellent surface, optical and physical properties to suit all kinds of commercial grade printing & writing applications. Good reel condition and uniform profile makes it an ideal choice for the web-based printing.

All the above products can also be made available with FSC® certification in both FSC 100% and FSC mix category.

2. MG Variety

WCPM presents a range of high-quality machine-glazed paper and boards offered in grammage ranging from 80 to 300 Gem, that enjoy a special position in the market. The MG Poster Paper and Boards are designed as per the set industrial norms. The posters and boards made of 100% virgin wood fiber are popular for their quality, durability and reliability and are well received by the customers. Product is offered in four standard colors viz; Yellow, Green, Blue & Pink besides in Buff and Natural Shade. WESCO Natural Greeting Card is popular in the greeting and wedding card segment. Further, the Coating Base paper and the Stiffener paper offered in MG/MF varieties complete the range much to the expectation of the industry & customers. WESCO CB Base is used in the making of paper cup base.

All the above products can also be made available with FSC® certification in both FSC® 100% and FSC® -MIX category.

3. Premium Printing Paper

WCPM offers WESCO brand premium printing paper to suit high-end printing applications. Paper made on new generation Former that features a combination of

Fourdrinier wire section with a Top Former that facilitates uniform basis weight profile and excellent sheet formation with least two-sidedness and MD/CD tensile ratio. Surface sizing is imparted through metered size press to give the paper the 'extra finish' typical of a niche segment product.

The Shoe press and Soft-nip calendaring facilitate achieving high bulk, good dimensional stability with low two-sidedness. The ECF bleached, alkaline sized Paper is made using 100% wood fibre with high grade fillers to ensure excellent optical and surface properties with lasting freshness and with least abrasion factor. The range that comes in 58 to 90 gsm possesses high strength with a uniform profile ensuring excellent reel quality to cope with higher print, meeting the demands of modern print shops.

All the above products can also be made available with FSC® certification in both FSC® 100% and FSC® -MIX category (FSC-C100498).

4. Security & Hi-Value Grade Papers

The Company enjoys the distinction of being a strong player in some of the value added, customized and niche product segments for high-end applications. WESCO Brand MICR Cheque Paper, Bond, Parchment, Azure Laid. Super Shine, duroprint, Alkali-Resistant paper, etc. are very popular and the most sought-after grades in the industry.

- **MICR Cheque Paper: 95 gsm**

Most of the Banks in the country (Private and PSU) are known to be using our customized water-marked security-paper in printing cheque leaves, security bonds etc. Besides, the company exports sizable quantity of security paper to the neighboring countries

- **WESCO Bond: (85 &100Gsm)**

Best suited for Corporate & Business Stationery, Presentations, Manuscript writing, Brochure, Pamphlets, letter heads, Resume, etc.

- **WESCO Parchment Paper: (105-120Gsm)**

Used in high-end applications for making agreements, certificates etc.

- **WESCO Super Shine:(90-140Gsm)**

Best quality paper for high end Commercial Printing, Diaries, Annual Reports, Journals, Architectural Drawing & high end Envelops.

- **WESCO Duraprint: (80-140Gsm)**

Premium grade paper for high end shopping bags, gift bag/envelope, gift wrapping, Wall calendars etc.

- **Azure Laid: (70-110Gsm)**

WCPM Azure laid is one of the most preferred and traditionally used Ledger paper over the years. The unmatched shade is popular in the market for its quality and supply consistency.

- **Cartridge Paper (90-140 gsm)**

Cartridge paper is widely used for making drawing books for children and Chart paper for draft plans etc.

- **Nova Print: (54 to 90 Gsm):**

High bulk paper offered in white and natural shades is well accepted in the book publication segment for the shade, stiffness and print quality.

WCPM paper is the most preferred range of customized specialty paper that enjoys market leadership in the high-value product segments.

All the above products can also be made available with FSC® certification in both FSC® 100% and FSC® -MIX category.

5. Business Stationery

New Product Launched – Wesco Bond

An exclusive range crafted especially for the hi-tech business

WCPM presents the finest Range of premium office paper of international standards, tailor-made to suit all kinds of high-end office printers. The feature-rich branded range comes in a right blend of surface, optical and physical properties to give business document a face lift. Reel-cut and packaged, using state-of-the-art automated precision cut-pack system that ensures dimensional perfection and crisp packing it provides value addition to the customer. WESCO is a one-stop paper house for quality, variety and affordability. The range is made available in A4, A3 and folio size in 65, 70,75,80 & 100 gsm.

6. Cup Stock & Coated Duplex Boards

WCPM presents a wide range of WESCO brand Specialty and value-added products to the packaging industries viz Cup Stock varieties, Folding Box Board & Single and Double Coated Board with Grey Back & Kraft Back.

At WCPM, paper and boards are manufactured using an eco-friendly production process, maintaining the highest level of quality standards.

The featured packed multi-layer board are made of state of art technology using virgin fibre in top layers and recycled fiber in the middle that ensure good bulk, extra strength & stiffness to the board to suit to the needs of packaging industries.

Value Added Products

The Company enjoys the distinction of being a strong player in some of the value added, customized and niche product segments for high-end applications. WESCO Brand MICR Cheque Paper, Bond, Parchment, Azure Laid. Super Shine, Duraprint, Alkali-Resistant paper, etc. are very popular and the most sought-after grades in the industry

2.6 Ownership pattern

- **Paper Division**

Shri. Rajendra Jain, Executive Director & CFO

Shri. P. C. Maloo, Sr. Vice President (Marketing)

Shri. Ashok Kumar Sharma, Sr. Vice President (Finance & Accounts)

Shri Anuj Kumar Tayal, Vice President (Operation) & Technical Head

Shri Ramesh Bijapur, Vice President (IR)

- **Cable Division**

Shri Ashish Goyal, VP (Sales and Marketing)

Certifications

- **ISO 14001 CERTIFICATIONS**

WCPM's high operational standards have been endorsed by the globally renowned certifications from agencies of great repute. The company enjoys the ISO 14001 certification for designing and implementing a comprehensive Environment Management System (EMS) in line with the global standards.

- **WCPM AND FSC® CERTIFICATION**

The Company is certified for FSC® Chain of Custody which indicates that the Company is using wood from responsible forests and well-managed plantations and ensures that only legally harvested wood is used for manufacture of paper/paperboard. The products come from forests that are managed responsibly to address the social, economic and ecological needs of the present and future generations. The Company has already received two certifications in this regard. The Society for Afforestation, Research and Allied (SARA) promoted and supported by WCPM has obtained the certificate for being a 'Well Managed Group Plantation' since 2011. At present, the Company is in a position to manufacture FSC® certified products viz; FSC® -100%, FSC® -MIX in its printing & writing papers and FSC® -Recycled logo on paperboards.

2.7 Achievements and rewards

- First in Asia to install twin-wire Paraformer paper machine.
- First in India to use synthetic wire on paper machine.
- First in India to install Drum Chipper (supplied by Pallmann, Germany), Disk Refiners, Rotary Limekiln to reburn limesludge, 330 TPD Sids Chemical Recovery Boiler and FBC Coal-fired Boiler.
- First in India to establish and use sulphuric acid as a protective agent in conventional bleaching.
- First in India to use 100% hardwood in place of 100% bamboo.
- First to have well equipped Research Centre attached with a paper mill.
- First to have captive plantation.
- First to have chemical Recovery Boiler of 500 Solids per day capacity.
- And the increase in net profit from Rs 31.86 crores in 2001-02 to Rs 36.04 crores and the earnings per share from Rs 35.64 in 2001-02 to Rs 40.31 currently.
- Installation of a 100 TPD Duplex Board Machine and 350 TPD brown stock washing equipment.

2.8 Future growth and prospects

With the focus of the paper industry now shifting towards more eco-friendly products and technology, West Coast Paper Mills finds itself in the right position to take advantage of its upgraded operations and expansion plans that include a shift towards products of the future

West Coast Paper Mills (WCPM) has been enjoying a leading position over the past 61 years as a premium brand in the paper industry. The company is acknowledged both in India as well as abroad. It keeps a constant vision of up-gradation of its processes and technology in order to offer uniform quality of customized products and its focus on achieving mastery over 'wood to paper product research' has

enabled the company to produce a wide portfolio of wood-free papers and boards of the highest quality. The product line of the company includes many well-established brands ranging from 52 to 600 GSM of commercial to premium grades of paper and boards, spread out across six different product segments: writing, printing, business stationery, specialty, industrial and packaging.

The company has six versatile machines with an installed capacity of 3,20,000 Tonnes per annum, the latest addition being the 500 TPD state-of-the-art Voith paper machine, which has boosted the quality of the products to international standards. With the installation of the world's most renowned Bielomatik online cut-pack converting line, the company has witnessed the quality standards of copier papers elevated to global benchmarks. The company has had overwhelming success with its copier grades viz. Documate, B2B, Copy Gold and Copy Plus, which were able to create an upswing in the market for cut-size papers in quite a short period of time.

WCPM is located at Dandeli town in Uttara Kannada District in Karnataka on 240 acres of leasehold land. The mill is connected through a broad-gauge railway line on the Miraj- Bangalore section at Alnavar Junction, with railway lines that run up to the factory. It also owns an additional 80 acres of leased land for projects like railway siding, effluent treatment plant, and so on. The company makes use of 100 per cent of the wood derived from casuarina, eucalyptus, subabul, acacia and others as an ingredient for manufacturing paper. The paper mill consumes about 950,000 MT of raw material per year. Private cultivators in Karnataka, Tamil Nadu, Andhra Pradesh, and Pondicherry are the primary providers of raw material to WCPM. The company ensures strict adherence to environmental norms

CHAPTER-3

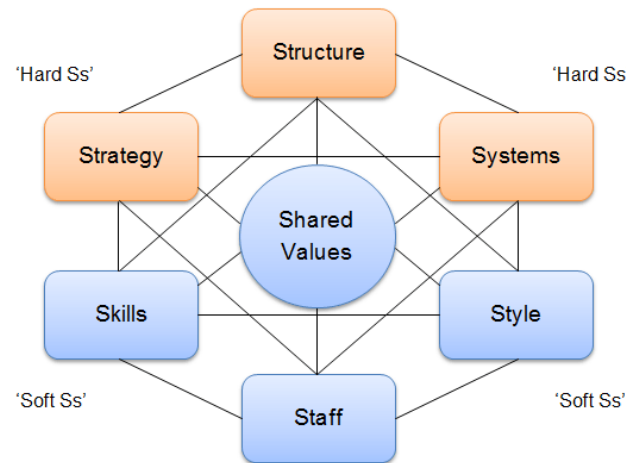
MCKENSY'S 7S FRAMEWORK AND PORTER'S FIVE FORCE MODEL

MCKENSY'S 7S FRAMEWORK

Introduction

The McKinsey 7s model was developed in the 1980s by McKinsey consultants Tom Peters, Robert Waterman and Julien Philips with some help from Richard Pascale and Anthony G. Athos. Since the introduction, the model has been widely used by academics and practitioners and remains one of the most popular strategic planning tools. It sought to present an emphasis on human resources (Soft S), rather than the traditional mass production tangibles of capital, infrastructure and equipment, as a key to higher organizational performance. The goal of the model was to show how 7 elements of the company: Structure, Strategy, Skills, Staff, Style, Systems, and Shared values, can be aligned together to achieve effectiveness in a company. The key point of the model is that all the seven areas are interconnected and a change in one area requires change in the rest of a firm for it to function effectively.

Below you can find the McKinsey model, which represents the connections between seven areas and divides them into 'Soft Ss' and 'Hard Ss'. The shape of the model emphasizes the interconnectedness of the elements.



Hard Elements

1.Strategy:

Some common BUSINESS STRATEGIES in the west coast paper mills

- **Diversification:** This involves expanding into related or unrelated businesses to reduce dependence on a single product or market.
- **Cost Leadership:** This involves reducing costs through economies of scale, operational efficiency, and technological advancements.
- **Product differentiation:** This involves offering a unique product or service to customers that differentiates the company from its competitors.

CORPORATE STRATEGIES in the west coast paper mills

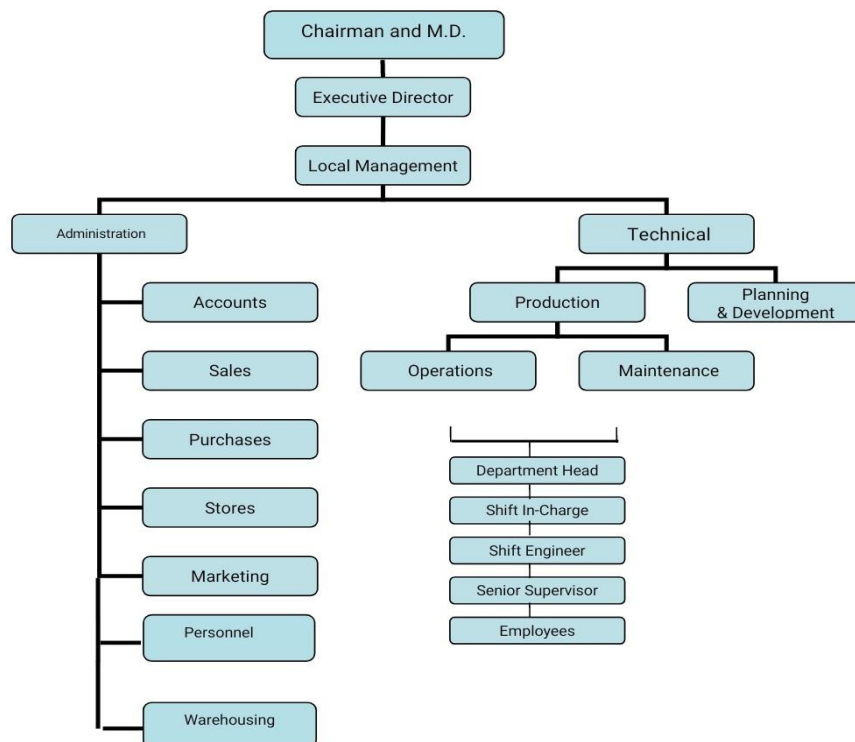
- **Mergers and Acquisitions (M&A):** This involves combining with or acquiring other companies to increase market share, access new markets, or acquire new technologies.
- **Joint Ventures and Strategic Alliances:** This involves partnering with other companies to share risks, access new markets, or share technology.
- **Sustainability:** This involves implementing environmentally friendly practices and developing products that meet growing demand for sustainable and renewable materials.

- **Technological innovation:** This involves investing in research and development to stay ahead of competitors and meet changing customer preferences.

2. Structure

A functional structure is organized by specific business functions, such as production, marketing, research and development, and finance. This structure provides a clear chain of command and allows for specialization and efficiency within each function. The functional structure is well suited to the pulp and paper industry because it allows for a centralized approach to decision making and allows for effective coordination of activities across the value chain. represents the way business divisions and units are organized and includes the information of who is accountable to whom. In other words, the structure is the organizational chart of the firm. It is also one of the most visible and easy to change elements of the framework.

ORGANISATIONAL STRUCTURE



This is the organizational structure of West Coast Paper Mills Ltd where the hierarchy begins with Chairman who is also the Managing Director. Below him is the Executive Director who is in charge of the local management in each branch. The local management is divided into Administration and Technical Administration management is divided into seven departments, namely, Accounts, Sales, Purchases, Stores, Marketing. Personnel and Warehousing. The organizational hierarchy below each department is shown in the later chapter. The Technical management is divided into Production and Planning and Development. The Production function is mainly divided into Operations and Maintenance, both of which have a Departmental Head. The Shift-in-charge comes under the Departmental Head. The Shift Engineer and Senior Supervisor come below the Shift-in-charge chronologically. And the Employees and workers come finally in the whole hierarchy.

3.Systems

Are the processes and procedures of the company, which reveal the business' daily activities and how decisions are made. Systems are the area of the firm that determines how business is done and it should be the main focus for managers during organizational change.

For manufacturing paper, the basic raw material required is wooden timbers. Initially bamboo was used as the basic raw material for paper manufacturing, the reduced availability of bamboo and the government crisp rule has made the industry go for other plants. So, now Eucalyptuses, Eichhornia, timber is used as raw materials along with bamboo. These raw materials are processed from the other states such as Andhra Pradesh, Tamil Nadu, and Kerala etc. The daily consumption of raw materials is 800 Tones/day.

The manufacturing Process of Paper involves mainly 4 steps,

1. Chipping.
2. Pulping.
3. Chemical Recovery.

4. Paper Making.

Soft Elements

4.Skills

Are the abilities that a firm's employees perform very well. They also include capabilities and competences. During organizational change, the question often arises of what skills the company will really need to reinforce its new strategy or new structure

The senior management at WCPM. guides thousands of employees to provide innovative paper solutions to clients all over the world. The board of directors and shareholders have together conferred executive powers on our highly experienced senior management team. The responsibility of managing the day-to-day activities of our company lies on the capable shoulders of these members.

5.Staff

Element is concerned with what type and how many employees an organization will need and how they will be recruited, trained, motivated and rewarded.

We have employed 2,379 individuals as of 31 March 2016.

Employment Procedure

The procedure for the selection of candidates is as follows:

- a. Recruitment
- b. Call letter
- c. Interview
- d. Selection
- e. Offer of Appointment
- f. Training

Methods of Training

The training is conducted usually in the classroom and in addition to it on the job training is a must. From various departments training nominations are received. The training provided by WCPM is

1. On job training- Technical
2. Off job training- Clerical
3. Training

6.Style

Represents the way the company is managed by top-level managers, how they interact, what actions do they take and their symbolic value. In other words, it is the management style of company leaders.

In west coast paper mill, where safety, quality, and productivity are of utmost importance, a participative leadership style is often favoured. This leadership style involves the leader consulting with their team members and involving them in decision-making processes. This way, everyone has a voice and a stake in the company's success.

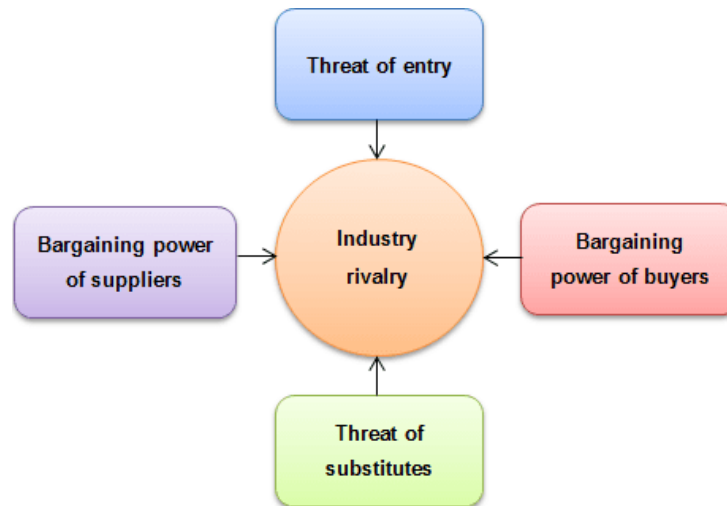
Participative leadership style encourages collaboration and teamwork, which is beneficial in an industry where every team member's contribution is important to the overall success of the company. It also fosters a culture of continuous improvement, as the team is more likely to be invested in finding ways to improve processes and procedures.

7.Shared Values

Shared values are at the core of McKinsey 7s model. They are the norms and standards that guide employee behavior and company actions and thus, are the foundation of every organization.

To achieve customer loyalty by providing the highest standards of quality products suitable for various business segments and all age groups.

PORTER'S FIVE FORCE MODEL OF WCPM LTD



The Five forces model was created by M. Porter in 1979 to understand how five key competitive forces are affecting an industry. The five forces identified are:

These forces determine an industry structure and the level of competition in that industry. The stronger competitive forces in the industry are the less profitable it is. An industry with low barriers to enter, having few buyers and suppliers but many substitute products and competitors, will be seen as very competitive and thus not so attractive due to its low profitability.

Threat of new entrants. The WCPM does not face competition from the existing firms only but also from the new entrants to the industry. Similarly, if the profit margin is high in the industry, then many firms would come and drive down the profit. For a healthy profit margin an entry barrier is essential for sustainability. The economies of scale, working capital requirement, brand identity, access to distribution channels and absolute cost advantage play a crucial role in determining the threat of new entrants and barriers to entry.

- Access to Inputs

- Switching costs

Bargaining power of suppliers. Strong bargaining power allows suppliers to sell higher priced or low-quality raw materials to their buyers. This directly affects the buying firms' profits because it must pay more for materials. Suppliers have strong bargaining power when:

- Access to labor
- Access to capital
- Threat of integration
- Presence of substitute inputs

Bargaining power of buyers

The bargaining power of suppliers and buyers is likely to be moderate, Buyers have the power to demand lower prices or higher product quality from company producers when their bargaining power is strong. Lower price means lower revenues for the producer, while higher quality products usually raise production costs. Both scenarios result in lower profits for producers. Buyers exert strong bargaining power when:

The factors which affect buyer's bargaining power are

- Buyer switching cost
- Buyer information
- Brand identity of the buyer
- Price of total purchase of the buyer

Threat of substitutes

The threat of substitute products is likely to be moderate as there are several alternative products in the market, but the company may have a competitive advantage through its brand recognition and quality. This force is especially threatening when buyers can easily find substitute products with attractive prices or

better quality and when buyers can switch from one product or service to another at little cost. For example, to switch from coffee to tea doesn't cost anything, unlike switching from car to bicycle.

- Switching cost
- Buyer's inclination towards substitutes

Rivalry among existing competitors

The rivalry among existing competitors is likely to be high due to intense competition in the market. The company created position and brand in the market with a quality products and reasonable price. In a competitive industry, firms must compete aggressively for a market share, which results in low profits. Rivalry among competitors is intense when:

The following factors cause the internal rivalry in the industry:

- There are many competitors
- Products are not differentiated and can be easily substituted;
- Type of products
- Low switching cost

CHAPTER-4

SWOT ANALYSIS

Strengths

- The mill has an overall experience of almost 67 years.
- The company maintains a strong dealership network across the country which makes its sales processes much easier.
- There are large tracks of wasteland in India which are proven to be of rich natural resource which the company can exploit.
- There is availability of cheap factors of production for the company i.e., labor, materials etc.
- There has been a change in focus from a forest-based industry to a farm-based industry through technology-led farming initiatives.
- The company has set very strong entry barriers for other companies to enter the paper industry.
- The company has a quick decision-making process which makes the company avail itself of all the potential opportunities that the company comes across.

Weaknesses

- The paper industry is an extremely capital-intensive industry.
- The company has a long gestation or development period which proves that the company takes time for it to implement its expansion programs into action.
- The company employs a water intensive manufacturing process which utilizes the water for the manufacturing process of paper.
- There are high energy costs which impact on the overall cost of production.
- There is an immediate need for empowerment of the employees in the organization.
- The promotion policy is not satisfactory at all as it is given on the basis of seniority and not on performance.

- There is an unwillingness of the staff and workers to change to new practices and they are rigid in nature.
- The company has been facing a rapid labour turnover over the past few years, which the company has not been able to prevent.

Opportunities

- There is a strong economic growth forecasted both in the paper industry as well as the Indian economy.
- There is a thrust on education which would enforce the usage of paper and paper products more extensively.
- There is tremendous growth potential in the copier business segment in the services sector which would again increase the need for paper broadly.
- There can be more emphasis to produce international grade quality by the paper mill to make foreign market demand more realistic.
- The modernization plans and technological upgradation are completed or likely to be completed in the near future by the company.
- The Online ordering process is a great approach to open the way to getting in orders from the clients almost instantaneously.
- There should be a performance-based evaluation, promotion, and increments in the salary of the employees and workers working in the organization.
- There can be a foreign market expansion which provides the company with export opportunities resulting in the shifting of capacities to developing nations.

Threats

- The entry of foreign players into the paper industry is a great danger for the company.

- The expected losses in resources, mainly water and other raw materials, pose an immense risk to industry.
- There is a massive cheap dumping of paper and paper products from China which is ruining the domestic market.
- A slowdown in the economy would have a direct impact on the paper industry for certain.
- The foreign exchange currency fluctuations impact the imported raw material prices adversely
- There are prevailing stringent environmental laws as per CREP guidelines which requires the paper mills in the industry to upgrade their facilities
- The massive threat is caused by the product substitutes existing in the market.

CHAPTER-5

ANALYSIS OF FINANCIAL STATMENTS

BALANCE SHEET OF WEST COAST PAPER MILLS (in Rs. Cr.)	MAR 22	MAR 21	MAR 20	MAR 19	MAR 18
	12 moths	12 moths	12 moths	12 moths	12 moths
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	13.21	13.21	13.21	13.21	13.21
TOTAL SHARE CAPITAL	13.21	13.21	13.21	13.21	13.21
Reserves and Surplus	1,491.55	1,282.46	1,279.55	1,087.53	825.80
TOTAL RESERVES AND SURPLUS	1,491.55	1,282.46	1,279.55	1,087.53	825.80
TOTAL SHAREHOLDERS FUNDS	1,507.53	1,298.44	1,295.53	1,103.52	839.01
NON-CURRENT LIABILITIES					
Long Term Borrowings	225.11	396.40	523.62	150.93	210.29
Deferred Tax Liabilities [Net]	0.00	0.00	0.00	0.00	14.15
Other Long-Term Liabilities	156.86	135.34	134.70	145.43	139.58
Long Term Provisions	6.16	5.35	5.01	3.75	3.71
TOTAL NON-CURRENT LIABILITIES	388.13	537.10	663.33	300.10	367.73
CURRENT LIABILITIES					

Short Term Borrowings	166.46	85.71	88.39	158.68	44.19
Trade Payables	109.23	69.80	78.57	190.43	201.96
Other Current Liabilities	147.57	297.48	261.83	157.17	126.92
Short Term Provisions	13.42	6.05	10.62	5.51	10.42
TOTAL CURRENT LIABILITIES	436.69	459.04	439.40	511.79	383.49
TOTAL CAPITAL AND LIABILITIES	2,332.35	2,294.58	2,398.27	1,915.41	1,590.24
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	746.82	827.20	905.23	984.23	1,032.94
Intangible Assets	0.64	1.01	0.54	0.85	2.09
Capital Work-In-Progress	14.08	24.69	55.32	37.04	3.22
Other Assets	6.74	6.84	7.60	9.97	16.61
FIXED ASSETS	768.28	859.74	968.69	1,032.09	1,054.87
Non-Current Investments	912.32	912.15	912.13	0.77	1.02
Deferred Tax Assets [Net]	84.14	68.41	46.75	13.23	0.00
Long Term Loans and Advances	0.00	0.00	0.00	0.00	1.81
Other Non-Current Assets	12.94	9.83	12.38	25.41	26.79
TOTAL NON-CURRENT ASSETS	1,777.68	1,850.14	1,939.94	1,071.51	1,084.49
CURRENT ASSETS					
Current Investments	88.54	0.00	0.00	221.89	0.00
Inventories	246.29	240.92	324.19	429.02	344.27
Trade Receivables	133.58	125.58	101.41	162.63	118.93
Cash And Cash Equivalents	5.06	8.09	3.94	5.37	9.74
Short Term Loans and Advances	6.03	11.02	2.98	0.00	4.04
Other Current Assets	75.17	58.84	25.80	25.00	28.77

TOTAL CURRENT ASSETS	554.67	444.45	458.32	843.90	505.75
TOTAL ASSETS	2,332.35	2,294.58	2,398.27	1,915.41	1,590.24
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	92.72	44.83	84.18	116.99	287.80
CIF VALUE OF IMPORTS					
Raw Materials	0.00	0.00	0.00	0.00	0.00
Stores, Spares and Loose Tools	0.00	0.00	0.00	0.00	0.00
Trade/Other Goods	0.00	0.00	0.00	0.00	0.00
Capital Goods	0.00	0.00	0.00	0.00	0.00
EXPENDITURE IN FOREIGN EXCHANGE					
Expenditure In Foreign Currency	57.30	48.32	138.36	228.24	394.74
REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS					
Dividend Remittance in Foreign Currency	--	--	--	--	--
EARNINGS IN FOREIGN EXCHANGE					
FOB Value of Goods	31.48	15.79	29.72	20.74	20.14
Other Earnings	--	--	--	--	--
BONUS DETAILS					

Bonus Equity Share Capital	1.50	1.50	1.50	1.50	1.50
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	846.53	629.14	406.74	0.39	0.65
Non-Current Investments Unquoted Book Value	88.92	0.37	0.37	0.37	0.35
CURRENT INVESTMENTS					
Current Investments Quoted Market Value	--	--	--	--	--
Current Investments Unquoted Book Value	--	--	--	221.89	--

Profit and loss accounts

West Coast Paper Mills					
Standalone Profit & Loss account	----- in Rs. Cr. -----				
	MAR 22	MAR 21	MAR 20	MAR 19	MAR 18
	12 moths	12 moths	12 moths	12 moths	12 moths
Income					
Sales Turnover	1,985.20	1,368.40	1,982.45	1,979.51	1,733.92
Excise Duty	0.00	0.00	0.00	0.00	23.72
Net Sales	1,985.20	1,368.40	1,982.45	1,979.51	1,710.20
Other Income	29.96	9.95	47.59	20.25	18.29
Stock Adjustments	-23.90	-31.62	46.56	21.97	-6.51
Total Income	1,991.26	1,346.73	2,076.60	2,021.73	1,721.98

Expenditure					
Raw Materials	1,050.27	738.19	1,106.62	1,067.23	959.72
Power & Fuel Cost	228.71	158.93	175.30	179.84	168.53
Employee Cost	182.44	164.22	160.01	138.30	123.26
Miscellaneous Expenses	94.29	84.34	105.89	106.72	89.33
Total Expenses	1,555.71	1,145.68	1,547.82	1,492.09	1,340.84
	Mar '22	Mar '21	Mar '20	Mar '19	Mar '18
	12 moths	12 moths	12 moths	12 moths	12 moths
Operating Profit	405.59	191.10	481.19	509.39	362.85
PBDIT	435.55	201.05	528.78	529.64	381.14
Interest	52.79	65.18	72.04	28.97	42.37
PBDT	382.76	135.87	456.74	500.67	338.77
Depreciation	138.33	153.49	166.37	175.26	116.22
Profit Before Tax	244.43	-17.62	290.37	325.41	222.55
PBT (Post Extra-ord Items)	244.43	-17.62	290.37	325.41	222.55
Tax	26.35	-19.67	13.98	29.36	-0.67
Reported Net Profit	218.09	2.05	276.40	296.06	223.23
Total Value Addition	505.44	407.49	441.19	424.85	381.12
Equity Dividend	6.60	0.00	79.68	31.80	19.87
Per share data (annualized)					
Shares in issue (lakhs)	660.49	660.49	660.49	660.49	660.49
Earnings Per Share (Rs)	33.02	0.31	41.85	44.82	33.80
Equity Dividend (%)	300.00	50.00	250.00	250.00	200.00
Book Value (Rs)	227.82	196.17	195.73	166.66	127.03

Ratios

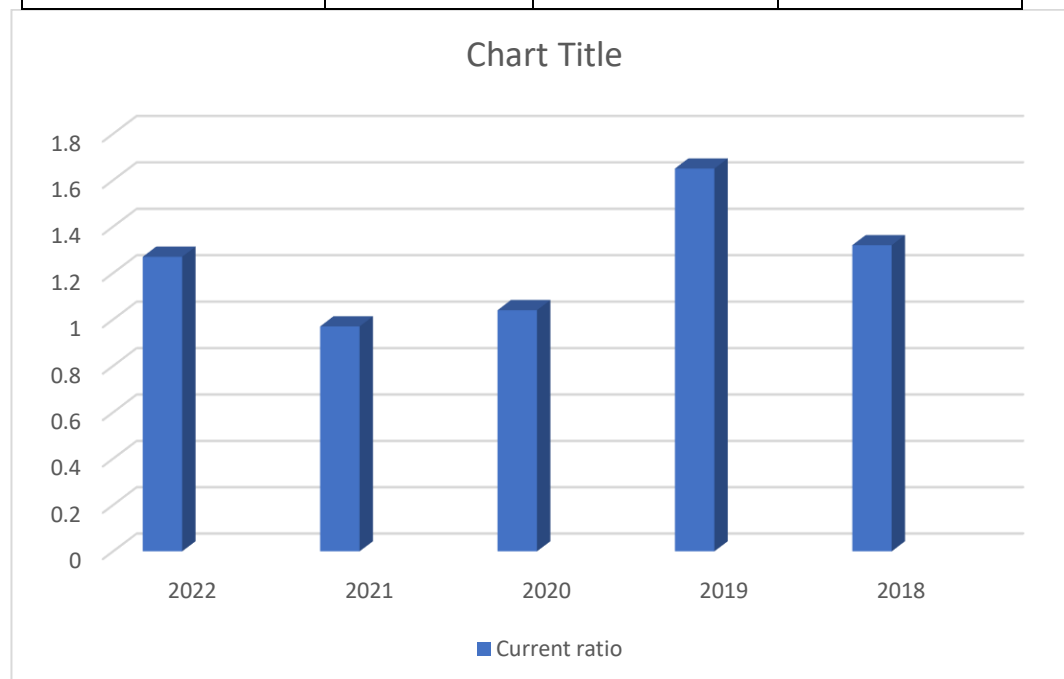
KEY FINANCIAL RATIOS OF WEST COAST PAPER MILLS (in Rs. Cr.)	MAR 22	MAR 21	MAR 20	MAR 19	MAR 18
PER SHARE RATIOS					
Basic EPS (Rs.)	33.02	0.31	41.85	44.82	33.80
Diluted EPS (Rs.)	33.02	0.31	41.85	44.82	33.80
Cash EPS (Rs.)	53.96	23.55	67.04	71.36	51.39
Book Value [ExclRevalReserve]/Share (Rs.)	228.24	196.59	196.15	167.08	127.03
Book Value [InclRevalReserve]/Share (Rs.)	228.24	196.59	196.15	167.08	127.03
Dividend / Share (Rs.)	6.00	1.00	5.00	5.00	4.00
Revenue from Operations/Share (Rs.)	300.57	207.18	300.15	299.70	258.93
PBDIT/Share (Rs.)	65.94	30.44	80.06	80.19	57.71
PBIT/Share (Rs.)	45.00	7.20	54.87	53.66	40.11
PBT/Share (Rs.)	37.01	-2.67	43.96	49.27	33.70
Net Profit/Share (Rs.)	33.02	0.31	41.85	44.82	33.80
PROFITABILITY RATIOS					
PBDIT Margin (%)	21.94	14.69	26.67	26.75	22.28
PBIT Margin (%)	14.97	3.47	18.28	17.90	15.49
PBT Margin (%)	12.31	-1.28	14.64	16.43	13.01
Net Profit Margin (%)	10.98	0.14	13.94	14.95	13.05
Return on Net worth / Equity (%)	14.46	0.15	21.33	26.82	26.60

Return on Capital Employed (%)	15.67	2.59	18.50	25.24	18.49
Return on Assets (%)	9.35	0.08	11.52	15.45	14.03
Total Debt/Equity (X)	0.26	0.37	0.47	0.28	0.30
Asset Turnover Ratio (%)	0.86	59.63	82.66	103.34	107.54
LIQUIDITY RATIOS					
Current Ratio (X)	1.27	0.97	1.04	1.65	1.32
Quick Ratio (X)	0.71	0.44	0.31	0.81	0.42
Inventory Turnover Ratio (X)	4.06	5.68	6.12	4.61	4.97
Dividend Payout Ratio (NP) (%)	3.02	0.00	28.82	10.74	8.90
Dividend Payout Ratio (CP) (%)	1.85	0.00	17.99	6.74	5.85
Earnings Retention Ratio (%)	96.98	0.00	71.18	89.26	91.10
Cash Earnings Retention Ratio (%)	98.15	0.00	82.01	93.26	94.15
VALUATION RATIOS					
Enterprise Value (Cr.)	2,593.53	2,060.19	1,459.77	2,078.65	1,825.95
EV/Net Operating Revenue (X)	1.31	1.51	0.74	1.05	1.07
EV/EBITDA (X)	5.95	10.25	2.76	3.92	4.79
Market Cap/Net Operating Revenue (X)	1.11	1.16	0.43	0.90	0.92
Retention Ratios (%)	96.97	0.00	71.17	89.25	91.09
Price/BV (X)	1.46	1.22	0.66	1.61	1.88
Price/Net Operating Revenue	1.11	1.16	0.43	0.90	0.92
Earnings Yield	0.10	0.00	0.32	0.17	0.14

1.current ratio = current assets / current liabilities

(In Rs. Cr.)

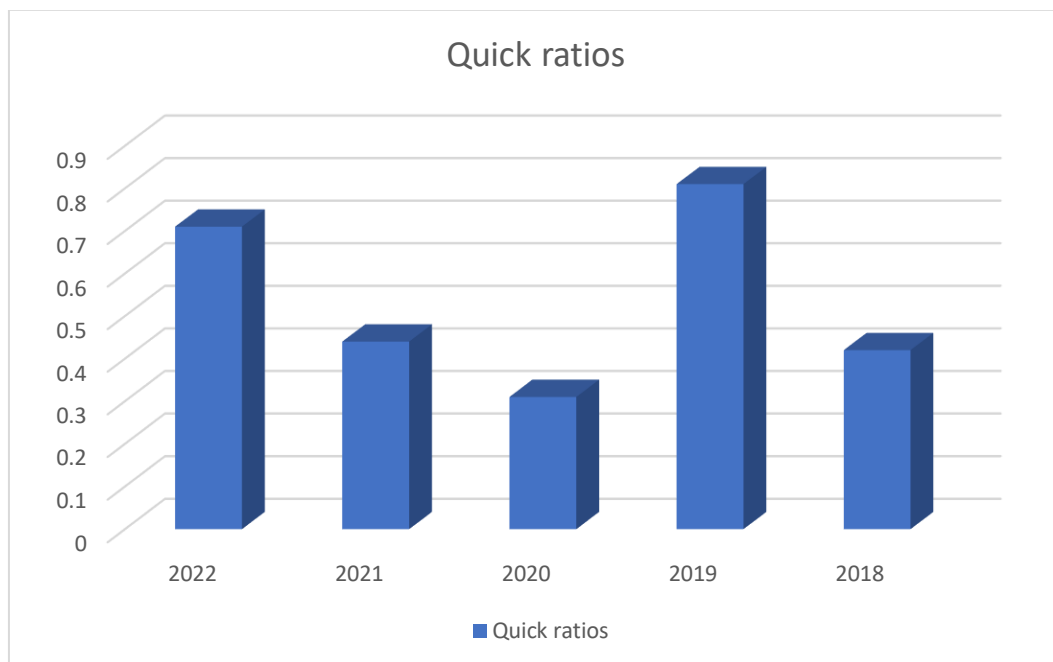
year	Current assets	Current Liabilities	Current ratio
2022	554.67	436.69	1.27
2021	444.45	459.04	0.97
2020	458.32	439.40	1.04
2019	843.90	511.79	1.65
2018	505.75	383.49	1.32



The current ratio measures a company's ability to pay its short-term liabilities using its current assets. In 2022, the company had a current ratio of 1.27, meaning it had 1.27 in current assets for every 1 in current liabilities. In 2021, the ratio was 0.97, indicating a lower ability to cover short-term liabilities with current assets. The highest ratio was recorded in 2019 at 1.65, showing strong liquidity. On average, the company had a current ratio of 1.24 from 2018 to 2022, indicating adequate short-term solvency.

$$2. \text{ Quick ratio} = \frac{\text{Quick assets}}{\text{Quick liabilities}}$$

year	Quick assets	Quick liabilities	Quick ratios
2022	308.38	436.69	0.71
2021	203.53	459.04	0.44
2020	134.13	439.40	0.31
2019	414.88	511.79	0.81
2018	161.48	383.49	0.42

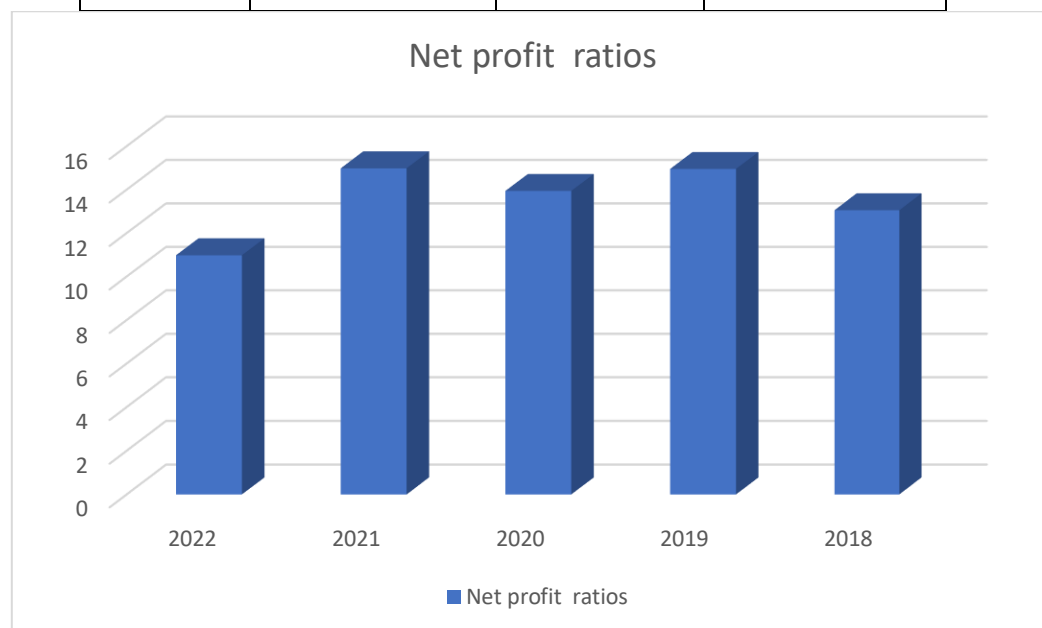


Based on the data, it seems that the company's quick ratio has fluctuated over the past five years. The highest quick ratio was in 2019 at 0.81, which indicates that the company had a good ability to cover its short-term liabilities with its quick

assets. The lowest quick ratio was in 2020 at 0.31, indicating a weak ability to cover short-term obligations. In 2022, the quick ratio was 0.71, which is below 1 but closer to a healthy level.

$$3. \text{Net profit ratio} = \frac{\text{net profit}}{\text{sales}} * 100$$

year	Net profit	sales	Net profit ratios
2022	218.09	1985.20	10.98
2021	205	1368.40	14.98
2020	276.40	1982.45	13.94
2019	296.06	1979.51	14.95
2018	223.23	1733.92	13.05



The net profit ratio shows the percentage of each sales dollar that is retained as net profit. The net profit ratios in 2022, 2021, 2020, 2019 and 2018 are 10.98%, 14.98%, 13.94%, 14.95% and 13.05% respectively. The highest net profit ratio was in 2019 with 14.95%, while the lowest was in 2022 with 10.98%. Despite a decrease in the net profit ratio in 2022, the net profit has increased compared to previous years, reaching 218.09 million in 2022.

4. Asset turnover ratio = $\frac{\text{net sales}}{\text{total assets}}$

year	Net sales	Total assets	Asset turnover ratio
2022	1985.20	2332.35	0.85
2021	1368.40	2294.58	0.60
2020	1982.45	2398.27	0.83
2019	1979.51	1915.41	1.03
2018	1710.20	1590.20	1.07



The asset turnover ratio measures how efficiently a company is using its assets to generate sales. The asset turnover ratios in 2022, 2021, 2020, 2019 and 2018 are 0.85, 0.60, 0.83, 1.03 and 1.07 respectively. The highest asset turnover ratio was in 2019 with 1.03, indicating that the company was using its assets most efficiently to generate sales. The lowest asset turnover ratio was in 2021 with 0.60, which

indicates that the company was using its assets less efficiently in comparison to other years. Despite the lower efficiency in 2021, the company's total assets have increased, reaching 2294.58 million.

$$5. \text{inventory turnover} = \frac{\text{COGS}}{\text{Average value of inventory}}$$

year	Inventory turnover ratio
2022	4.06
2021	5.67
2020	6.12
2019	4.61
2018	4.97

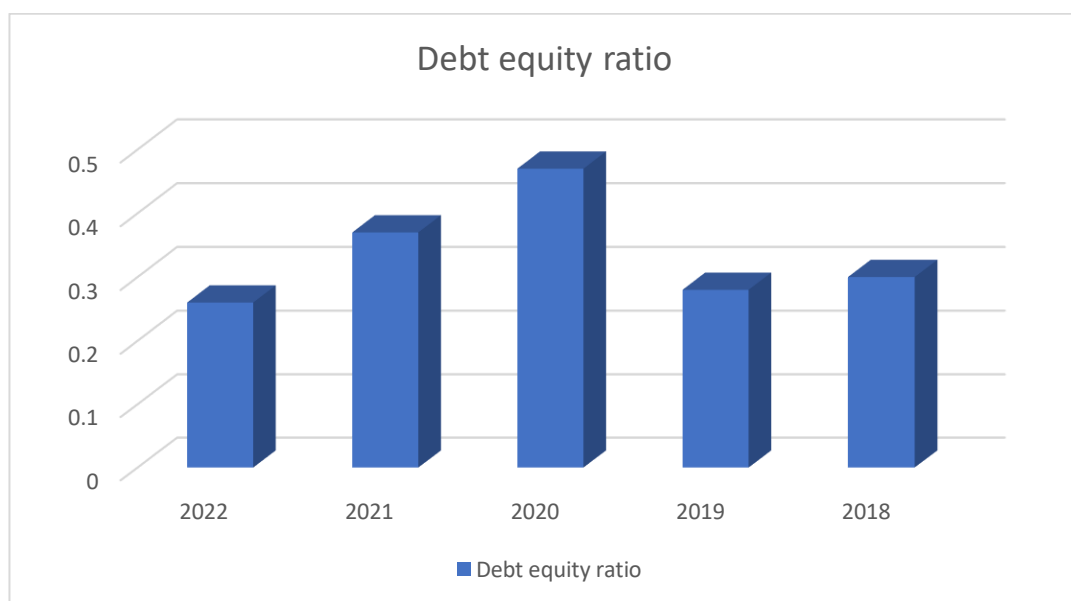


The inventory turnover ratio measures how many times a company sells and replaces its inventory during a given period. The inventory turnover ratios in 2022,

2021, 2020, 2019, and 2018 are 4.06, 5.67, 6.12, 4.61, and 4.97 respectively. A higher inventory turnover ratio means that the company is selling its inventory more frequently and efficiently. The highest inventory turnover ratio was in 2020 with 6.12, indicating that the company was selling and replacing its inventory more frequently. The lowest inventory turnover ratio was in 2022 with 4.06, which indicates that the company was selling its inventory less frequently compared to other years.

6. Debt/equity = Total debt/ total shareholder's equity

year	Debt equity ratio
2022	0.26
2021	0.37
2020	0.47
2019	0.28
2018	0.30



The debt-to-equity ratio is a measure of a company's financial leverage, calculated as total debt divided by total equity. The debt-to-equity ratios in 2022, 2021, 2020, 2019, and 2018 are 0.26, 0.37, 0.47, 0.28, and 0.30 respectively. A lower debt-to-equity ratio indicates that a company has a lower proportion of debt relative to equity and is considered financially healthier. In 2022, the debt-to-equity ratio was 0.26, the lowest among all the years, indicating that the company had a lower proportion of debt relative to equity compared to other years. In 2020, the debt-to-equity ratio was 0.47, the highest among all the years, indicating that the company had a higher proportion of debt relative to equity.

7. $ROA = \frac{\text{Net Income}}{\text{Total Assets}}$

year	Return on asset ratio
2022	9.35
2021	8.12
2020	11.52
2019	15.45
2018	14.03



The return on assets (ROA) ratio measures the profitability of a company by calculating the net income as a percentage of total assets. The ROA ratios in 2022, 2021, 2020, 2019, and 2018 are 9.35%, 8.12%, 11.52%, 15.45% and 14.03% respectively. A higher ROA ratio indicates that a company is more profitable, as it is generating more income from its assets. In 2019, the ROA ratio was 15.45%, the highest among all the years, indicating that the company was highly profitable and generating a high return from its assets. In 2021, the ROA ratio was 8.12%, the lowest among all the years, indicating that the company was less profitable compared to other years.

CHAPTER-6

LEARNING EXPERIENCE

Internships are rapidly becoming crucial for any job and can give a lot of experience to learners hoping to move forward. WEST COAST PAPER MILLS LTD.'s organizational study gave me the chance to study distinct departments and their functions.

- It gave me the chance to experience the organization's implementation of policies
- Manufacturing Practices and how the manufacturing actually works has been studied.
- I understood what an organization structure is and who has an authority relationship.
- Understood how to communicate with the top-level managers in the company.
- To get knowledge about the different departments in the organization.
- To understand what Key Performance Indicators and Key Result Areas are.
- The learning experience gained by me during internship was very much practical oriented. I could see the concepts and theories which I studied in the class, are applicable practically during internship like organization structure, discipline system.

I had a great time watching the company's operations as it provided me with insights into an organization's working environment. The training exposed me to many of an organization's facts, i.e., WEST COAST PAPER MILLS LTD, as well as helping me acquire practical understanding that will assist me in my career.

CONCLUSION:

The forthcoming years will be crucial. The Company is confident about posting robust performance. So, whether it is capacity, technology, additional raw material supply, water, power, storage, dealership network, overall efficiency with environmental focus – the Company has infused strengths in each and every area of business. The Company has an excellent product range and the best quality to offer the customers. By virtue of the Company's diverse product range, it services institutional and retail segments.

The Company has shown excellent financial acumen by raising long-term debt at low rates. The entire expansion has been carried out at the existing location ensuring zero additional land cost. The modern technology across each and every process will provide the Company significant margin improvement.

Assuming the economic conditions remain favorable, the Company and its team have a strong outlook to the future and further success of West Coast Paper Mills Ltd.

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