

Sirpur Paper Mills to be up & running by early '19: Singhania

JK Paper Set To Invest ₹400 cr In 2 Yrs

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Hyderabad: The defunct, Nizamian-era Sirpur Paper Mills, which was acquired by JK Paper Ltd earlier this month, will get back to churning out paper by early 2019 and will require an infusion of Rs 350 to 400 crore over another two years or so to transform into a modern plant, JK Paper Ltd vice-chairman and managing director Harsh Pati Singhania told TOI.

JK Paper will be manufacturing writing and printing paper as well as some specialty products like ledger paper, colour paper, parchment paper, craft paper at Sirpur Mills, which the mill used to make earlier.

Pointing out that the mill was closed for the past four years, Singhania said it would take at least another four to six



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— Harsh Pati Singhania |
JK PAPER LTD VICE-CHAIRMAN AND
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months to get the unit, which has a nameplate capacity of around 1.38 lakh tonnes per annum, up and running and another couple of years to modernise and debottleneck it. He indicated that post modernisation the capacity of the mill, which was set up in 1938, would go up by about 10-15%.

“We will initially carry out the basic repair and maintenance to get it rolling over the next six months and then take up debottlenecking and modernisation to improve efficiencies. While the pulp mill is not very old, there are parts of the plant we believe are unbalanced, like the boiler and turbine that we will be spending on to bring down costs and extract more capacity from the

existing equipment.” Singhania said over the telephone from New Delhi.

Elaborating on the Sirpur Mills revival plan, Singhania said the acquisition will not only mean the revival of the mill but also Kaghaznagar, Adilabad district, where it is located as JK Paper plans to gradually absorb the 1200-odd people that were employed earlier apart from creating many more indirect jobs.

“The mill will not only provide employment to those who were employed there earlier but also create many more indirect jobs. For instance it will require trucks for transporting raw material and finished goods. We will also be taking up a lot of plantation work

within a 150-200 km radius of the mill for which we will engage with farmers. We will give them saplings and buy back wood for the mill,” he explained.

On the reasons for JK Paper lapping up the mill, he said not only was the acquisition attractively priced at Rs 371 crore, it would also help ramp up the company's capacities to over 6 lakh tpa within a short span of time. “It gives us more capacity and growth opportunity as well as a good product mix of writing and printing paper and specialty products. It also gives us another location and we derive synergies in terms of logistics and scale....we already have two mills — one in Odisha and another in Gujarat — and this one falls somewhere in between. Sirpur Mills is also better from the raw material point of view as well as coal availability. A supportive Telangana government extending certain incentives like concessional availability of raw material, coal and power apart from other incentives. All of this made it an attractive deal.”