



The Hindu Business Line

Sirpur Mills to help JK Paper add 1.4 lakh-tonne capacity by FY19

Dec 4, 2018 | Delhi | Pg No.: 3 | Bottom Left | Garima Singh | Sq Cm: 150 | AVE: 55436 | PR Value: 277180

Pg. No.: 1 of 1

Sirpur Mills to help JK Paper add 1.4 lakh-tonne capacity by FY19

GARIMA SINGH

New Delhi, December 3

Paper manufacturer JK Paper Ltd plans to increase its capacity from 4.55 lakh tonnes to around 6 lakh tonnes by next financial year.

"The additional capacity of 1.38 lakh tonnes will come from our plant in Sirpur (Telangana), where we aim to start production by April 2019," said V Kumaraswamy, Chief Financial Officer, JK Paper. The plant will also help the company venture into the colour paper segment for the first time, he added.

The company currently manufactures three types of paper — coated, uncoated and packaging board.

The uncoated segment generates the highest revenue.

"Apart from capacity expansion in Sirpur Paper Mills, the company will further in-

crease its capacity by adding 1.5 lakh tonnes in the next two years. This expansion will focus on the packaging board vertical," said Kumaraswamy.

The company registered a net profit of ₹109.57 crore for the quarter ended September 30, 2018, compared with ₹56.63 crore in the previous year period.

"One of the major reasons for this could be reduced expenditure on transport. For the past few years, the company has been growing raw materials in areas closer to its mills. So, earlier, if the raw materials were available at a distance of 800 km, they can now be obtained within 250 km," said Kumaraswamy.

Also, he added, there has been market growth of 3-4 per cent on a yearly basis but no capacity expansion in the past five years, due to which there

is no excess supply in the market.

Diversified portfolio

The company is plans to diversify its portfolio.

"As the market is gradually moving towards lower weight papers, the company is planning to explore opportunities there. The market is getting quality conscious and diversified so the company is also trying to tap that," he added.