PREFACE

Paper occupies an important place in the modern life. It is the means of communication and of dissemination of information and knowledge. It has got important industrial uses, particularly in packaging and wrapping of industrial goods. This study of the paper industry has been undertaken keeping in view the importance of the industry.

The study covers the development of the paper industry, trends and projection of demand and supply, capital structure and financial analysis, cost structure and cost behaviours, pricing and distribution and profitability and taxation productivity in the industry and its contribution to the economy has also been covered by this study.

Classified information and statistics regarding paper industry have been published by The Indian Pulp Paper Technical Association, Saharanpur (U.P.); and Indian Paper Maker's Association, Calcutta and Paper Traders Association. The Annual Survey of Industries, compiled by Central Statistical Organization, Calcutta also provides useful information regarding the industry. Besides these out of 162 paper mills 31 paper mills were selected for detailed and critical study on the basis of their published annual financial statements. The selection was made on the basis of stratified sampling.
so that the mills of all sizes are covered in the study. The Paper Mills Companies selected had different accounting years. In the interest of uniformity accounting periods ending on or before 30th June were included in the preceding years and those ending after this date were treated as ending on the 31st of December next. The financial statements were subjected to the techniques of financial and cost analysis. The inferences arrived at were suitably compared with the conclusions reached by studies made by other agencies. The intensive study covers period of sixteen years from 1967 to 1982.

Paper is a capital intensive industry and therefore, in respect of certain aspects like, return on capital employed, profit margins etc., comparison with the situation in other capital intensive industries like Cement, Chemicals, and Iron and Steel have been found to be useful.

Besides the specialised publications referred to above, books on industrial development and finance and techniques of financial analysis have also been helpful in this study. Statistical publications of the Government, Reserve Bank of India, Industrial Credit Investment Corporation of India, and other public and private agencies and the articles published in various journals have been useful in providing a lot of information and an insight into different aspects of the paper industry.
In this study efforts have been made to bring out clearly the financial cost and other developments in the industry. Wherever the developments have been found to be unfavourable for its growth, causes for the same have been analysed and suitable suggestions for remedial measures have been included.

The structural, financial and administrative shortcomings of the paper industry exposed by this study would, it is hoped, receive the attention of all concerned. The efforts of the author would be amply rewarded if his suggestions are found to be useful in providing a sound base for the rapid development of the paper mill industry in India.