

P R E F A C E

Paper has been recognised as the touchstone of economic growth in developing countries like India. The demand for paper has increased manifold in the country during the last four years because of the spread of education, growth in other special activities and development of industrial complexes. The paper industry covering pulp, paper and paperboard, as well as news print, is considered one of the basic industries for raising the standard of living of the people. The planning process in paper industry began in 1951 with 17 paper mills having a capacity of 1,37,000 tonnes. By the end of 1989-90 there were 305 mills with a actual capacity of 30,80,000 tpa. One special feature of the paper industry in India is that a large quantity of paper is manufactured in small paper mills having capacity upto 10,000 tonnes a day. The mushroom growth of small size paper companies has been due to the government's policy of favouring locational decentralisation to create balanced regional development of the country. However, they have lower capacity utilisation. This tendency affected the overall capacity utilisation of the paper industry as a whole. Further, most of the additional capacity which was established in the last few years has not been able to achieve the optimal level of performance. Some of the small and medium units experienced a shortage of power and coal. One reason is that these mills do not possess their own captive power generation units while the large mills have some arrangements of

their own to generate power in case of emergency. The expansion of production of paper in the country has comparatively slowed down because of the reasons like shortage of essential raw materials, shortage of inputs such as power and coal, and escalating prices of paper and paper board. These also dampened the market demand and thus adversely affected production.

Besides the problems of raw materials, the Indian paper industry is being confronted with sickness, low capacity utilisation, technological obsolescence and infrastructural constraints. The demand for both cultural paper and industrial paper is likely to increase by 2000 A.D. The important factors that have an impact on this likely increase are population growth, increase in literacy, an improvement in the industrial production, etc.

The present piece of research is concerned with an examination of the history and development of the paper industry, human resource management, the problem of marketing paper and paper boards, management and control of inventory, the capital structure, profitability and the various problems being faced by the industry. The study is contained in nine chapters.

In total, 14 paper units were taken as sample for an indepth study, of which 6 were large, 4 medium and 4 small paper units. Data were drawn both from primary as well as secondary sources.

It is hoped, the findings of the study, the observations and recommendations made by the researcher will be of immense help to the policy-makers at the Government level as well as the management of the paper manufacturing units.

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