

Emami Paper to exit newsprint biz; will invest ₹650 crore on expansion

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Emami Paper Mills Ltd plans to exit the less profitable newsprint business and expand capacity of packaging board and writing and printing manufacturing.

According to PS Patwari, Executive Director and CEO, the company will invest ₹650 crore to double the production of its multi-layer coated board plant in Odisha to 3 lakh tonnes in the next two years.

"We have received the board's approval to invest ₹650 crore on the expansion project. This should be complete in two to three years," Patwari told *BusinessLine* after the company's annual general meeting here on Monday.

The company is also looking for avenues for inorganic growth of its packaging business.

The demand for high grade paperboard, which finds its

usage in pharmaceutical, healthcare, food and cosmetics, has been growing at 12 per cent per annum, he said.

"We are looking for acquisitions to further scale up our packaging board capacity. We are looking to invest ₹500-700 crore for scaling up our capacity through inorganic route," he said.

Keeping in tune with the decline of print media, demand for newsprint has been muted.

Cheaper imports have further added to the woes of the domestic newsprint makers.

"We are planning to reduce our newsprint production and convert the existing paper machine towards more demand and profit-driven writing and printing paper," he said.

The company expects its revenues to grow to ₹2,500 crore from ₹1,100 crore in the next three years.