THE GLOBAL MAGAZINE FOR PULP, PAPER & PACKAGING INDUSTRY

September-October 2026
Volume 10 | Issue 5
Ghaziabad | Page 88+6
PRGI No.:UPENG/2016/68596

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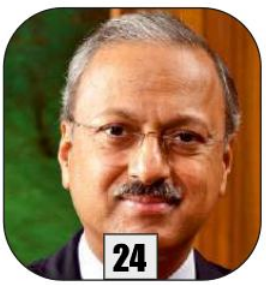
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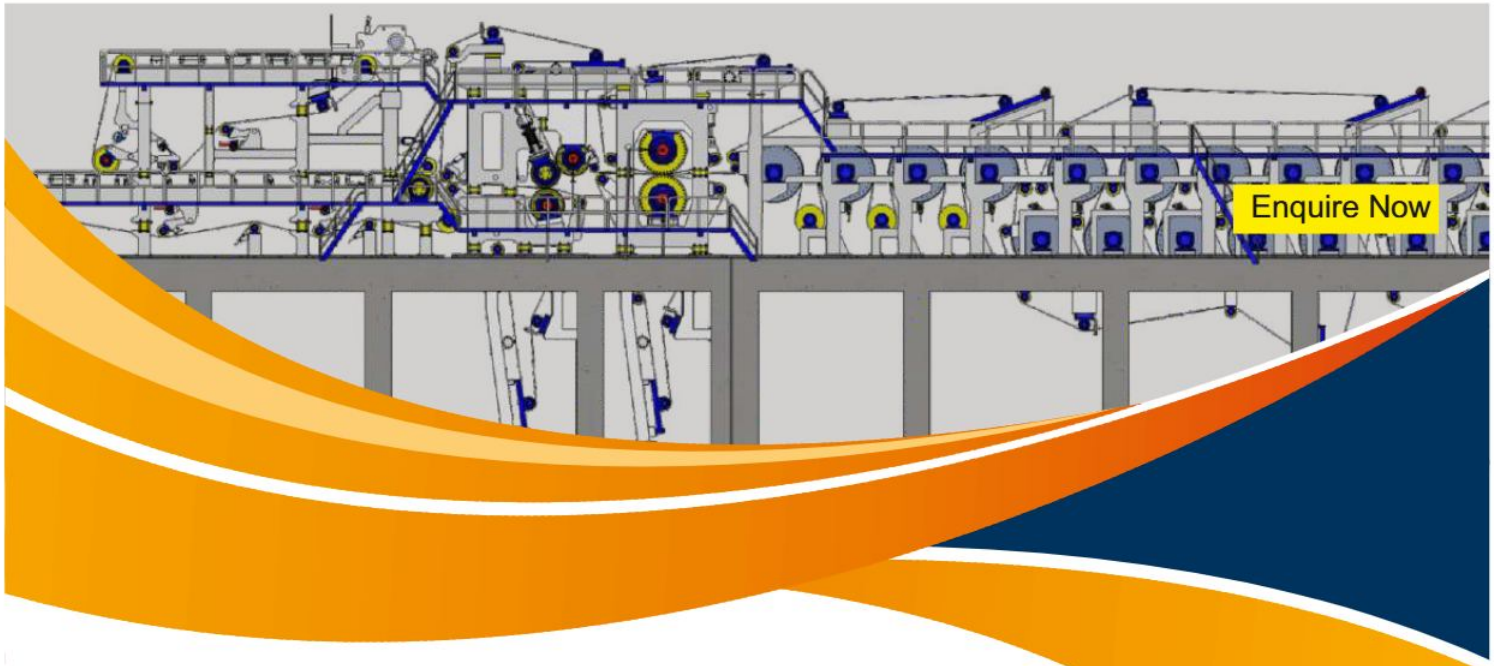


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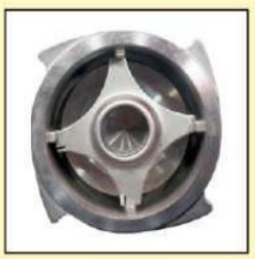












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Paper and Packaging Board Market May Face Cost Pressures Through March 2027; FPTA Advises Traders

T. Kishan Singh, President of the Federation of Paper Traders Associations (FPTA), has urged paper traders to plan inventories prudently, reconfirm prices and material availability with mills, and exercise caution while accepting long-term orders amid rising costs and market uncertainties.

The Pulp and Paper Times

The paper and packaging board industry is facing considerable challenges due to geopolitical tensions, coal availability constraints, rising energy costs and sharply increased international freight charges, according to T. Kishan Singh, President of the Federation of Paper Traders Associations (FPTA).

In his message to the paper trading fraternity dated October 17, 2026, Singh highlighted the growing cost pressures affecting the industry, noting that rising Brent crude prices are further increasing transportation and production costs. Recent mill price revision announcements reflect these mounting pressures, while inventory levels at several mills appear to be declining, making advance planning increasingly important for traders.



Looking ahead, Singh indicated that the paper and packaging board market could continue to experience cost pressures in the coming months, potentially extending through March 2027. However, future price movements will depend on developments in raw material availability, energy costs, international freight, geopolitical conditions, and the prevailing demand-supply balance.

Against this backdrop, Singh advised traders to remain vigilant and review market developments regularly before committing to purchases or sales. He emphasised the importance of planning inventory requirements well in advance and reconfirming prices, material availability and delivery schedules with the concerned mills before making commitments to customers.

He also urged traders to exercise caution while quoting prices and accepting long-term orders, particularly amid continued uncertainty over costs and supplies. Maintaining close communication with mills and fellow traders, he said, would help the trading community stay informed about changing market conditions and make better business decisions.

With notebook manufacturers and other seasonal units beginning preparations for the upcoming season, Singh called on traders to plan carefully, communicate responsibly and work collectively to ensure a smooth business cycle.

Concluding his message on the occasion of Dussehra and Vijayadashami, Singh encouraged the paper trading fraternity to carry forward the festive spirit and positive outlook into the 2027 business season, expressing hope for a prosperous and successful period for the industry.

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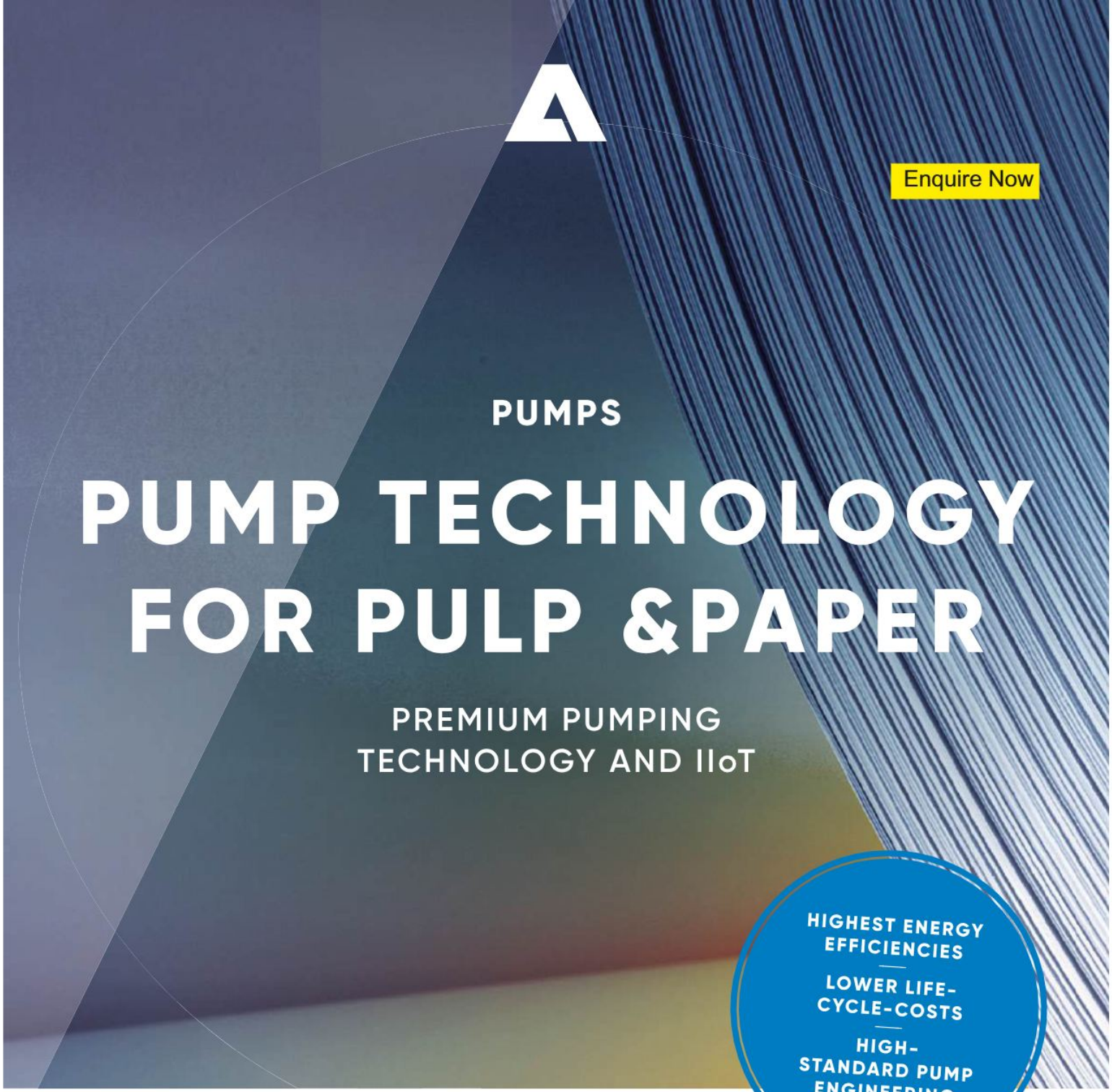
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Pan Masala Packaging: Main opportunity and growth will be in lightweight and high strength paper, the market could develop into a sizeable specialty-paper segment

FSSAI's move to restrict plastic packaging for Pan Masala and Gutkha could open a new avenue for India's paper industry. As packaging manufacturers and FMCG companies explore paper-based alternatives, the key question is whether Indian paper mills are ready to meet this potential surge in demand.

In this exclusive interaction with Shrey Verma, Director, Aadharshree Paper Mills, we seek the perspective of a paper mill owner on the emerging opportunity, the potential market size, required paper grades and barrier properties, capacity readiness, technology requirements, and the challenges involved in shifting from plastic to paper-based packaging. The discussion will also explore whether this regulatory change could trigger fresh investments and capacity expansion in India's paper and specialty paper segment.



Shrey Verma

Q FSSAI has introduced regulations restricting plastic packaging for Pan Masala and Gutkha. What kind of opportunity does this create for Indian paper mills and paper-based packaging manufacturers?

We need lightweight and strong paper which will subsequently require a coating or combination of coatings like primer and barrier with sealing capable characteristics.

Main opportunity and growth will be in lightweight and high strength paper segment.

Q With the shift away from plastic packaging, how much additional demand for paper and paperboard could emerge from the Pan Masala and Gutkha segment? Can you estimate the potential annual paper requirement in tonnes?

There is currently no reliable publicly available figure that directly converts the Indian pan masala market into tonnes of packaging material, so I would be cautious about giving false predictions.

The Indian pan masala market was estimated at approximately INR 48,456 crore in 2025, according to IMARC. Pouch packaging accounted for about 72.4% of the market.

It should still be an increase of 50,000 To 1,00,000 Tonnes per annum though actual figure will come out depending on final packaging designs adopted by Gutka manufacturers.

Q Do you expect existing paper mills to allocate additional capacity for Pan Masala and Gutkha packaging, or will the opportunity primarily be captured by specialised paper and packaging converters?

I expect both.

Existing paper mills can supply the base paper, but the critical value addition will happen through specialty coating, functional treatment, printing and converting.

Initially, I expect packaging converters and specialty-paper producers to move faster because they are closer to the customer's final packaging requirements

Q What is the current market size of paper-based packaging for Pan Masala and Gutkha in India, and how do you see this market evolving over the next three to five years?

Exact quantity is not precisely available and there are many grades that are currently being used including C1S, LWC, MG Poster etc and many of which are being imported as well.

I see the next three to five years as a transition period.

The first phase will involve product development and trials. The second will involve commercial adoption by organised brands. If the new structures demonstrate acceptable shelf life, machine performance and cost competitiveness, the market could develop into a sizeable specialty-paper segment.

Q What percentage of Pan Masala and Gutkha manufacturers currently use paper-based packaging in the organised and unorganised sectors? How significant is the scope for conversion from plastic to paper?

I would not put a precise percentage on the organised versus unorganised market without audited industry data.

What is clear is that flexible plastic-based pouches have historically been a dominant format. Current market research also identifies pouch packaging as the dominant pan masala packaging format.

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Three M Paper Boards continued to focus on improving its product mix, including higher grammage and value-added grades; recorded 11.92 percent increase in revenue for FY 25-26

The Pulp and Paper Times

Three M Paper Boards Limited was incorporated in 1989 and has established itself as a manufacturer of recycled paper-based Duplex Boards catering primarily to the packaging industry. The Company's products are used across a wide range of end-user industries, including food and beverages, pharmaceuticals, FMCG, cosmetics, consumer products and other packaging applications.

The Company's manufacturing facility is located at Chiplun, District Ratnagiri, Maharashtra, and is equipped with modern manufacturing infrastructure. The Company had an installed production capacity of 1,08,000 MT per annum as at the close of FY 2025–26.

Three M manufactures Duplex Boards using 100% recycled waste paper, thereby contributing to resource conservation and the circular economy. With growing awareness among consumers, brand owners and regulators regarding sustainable packaging and reduction of plastic usage, the Company's recycled paperboard portfolio provides a platform to participate in the evolving demand for environmentally responsible packaging solutions.

The Company serves both domestic and export markets and continues to focus on product quality, customer service, product development, operational efficiency and optimisation of its product mix. The management remains focused on strengthening the Company's competitive position through prudent capacity utilisation, efficient procurement, cost management and expansion of its customer base.

During FY 2025–26, Three M Paper continued to focus on strengthening its presence in both domestic and export markets. Domestic sales constituted approximately 80% of the Company's sales, supported by demand from packaging, FMCG and other consumer-oriented industries. Export sales accounted for approximately 20% of sales, providing the Company with geographical diversification and access to selected international markets.

During FY 25-26, the Company continued to focus on improving its product mix, including higher grammage and value-added grades, wherever commercially viable, with a view to improving realisations and strengthening customer relationships.

The Company's product portfolio includes various grades of Duplex Boards, including Royal Grey Back, Prima Grey Back and Royal White Back, enabling it to cater to diverse customer requirements.

During FY 2025–26, The Paper Mill recorded revenue of INR 29,718.61 lakhs, as compared with INR 26,553.41 lakhs in FY 2024–25, representing an increase of approximately 11.92%. The improvement in revenue was supported by higher business volumes and continued demand from the Company's domestic and export markets.

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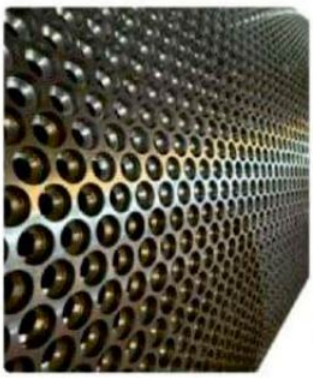


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From an R&D Chemist in a Paper Mill to a Leading Paper Chemicals Manufacturer: The Journey of Mr. Arvind Sharma

Paper Industry Is an Essential and Environmentally Friendly Industry; Biodegradable Food-Grade Paper Offers Significant Growth Opportunities: Arvind Kumar Sharma

The Pulp and Paper Times

With nearly five decades of experience in the pulp and paper industry, Mr. Arvind Kumar Sharma, a first-generation entrepreneur and one of India's leading paper chemical manufacturers, believes the paper industry remains one of the most essential and environmentally friendly industries, with sustainability and biodegradable paper products creating significant opportunities for future growth.

Speaking during an interaction on Paper Trail Talks – The IPPTA Podcast, Mr. Sharma, Managing Director, Anmol Polymers, reflected on his nearly five-decade journey in the pulp and paper industry, the evolution of India's paper chemicals sector and the future opportunities emerging from sustainability-driven market trends.





Sharing his professional journey, Mr. Sharma said he started his association with the pulp and paper industry in October 1976 and is set to complete 50 years in the industry in the coming months.

"I come from a very simple family, and my father was a teacher. I started my career with the paper industry at Star Paper Mills, Saharanpur, as a research and development chemist," he said.

After working in a paper mill, he joined a chemicals manufacturing company producing guar gum powder, a natural polymer used by industries such as paper, textiles, explosives and food. Following three years in manufacturing, he moved into a marketing assignment with a Mumbai-based company, where he marketed chemicals for textiles, adhesives and industrial applications.

After serving other companies for 11 years, Mr. Sharma decided to establish his own business despite having no financial background.

"We started with a very moderate beginning by trading chemicals, especially guar gum powder. Gradually, we expanded our portfolio by adding more products," he said.

Initially, the company had no major infrastructure, research and development facilities or quality control laboratory. It began by supplying chemicals to small industries while maintaining a clear focus on developing tailor-made products for the Indian paper industry.

Recognising that Indian paper mills use different raw materials, including agricultural residues, waste paper recycling and wood pulp, the company concentrated on identifying industry challenges and developing customised solutions.

"We tried to identify the actual problems faced by the paper industry and concentrated on developing solutions. Fortunately, we introduced several novel solutions, and today, after this long journey, we are among the largest paper chemical manufacturers in India," Mr. Sharma stated.

Speaking about the environmental credentials of the paper industry, Mr. Sharma said there are several misconceptions regarding paper manufacturing.

"My view is completely different from those who believe paper is harmful to the environment. In my opinion, paper is one of the most essential industries," he said.

He explained that the paper industry is highly organised, particularly in developed countries, where more than 70% of paper is collected and recycled repeatedly. He further noted that paper mills also ensure sustainable raw material availability through plantation programmes.

"If mills harvest around 100 hectares, they generally replant around 200 hectares to ensure a sustainable supply of raw materials. The Government of India is also promoting plantation activities, and today there are different varieties of wood that grow very fast. Therefore, paper is an environmentally friendly industry and is steadily moving towards sustainability," he added.

..P16

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P12.. However, the operating environment during the year remained challenging due to fluctuations in raw-material prices, energy and logistics costs and competitive pressures in the paperboard market. Consequently, the improvement in revenue did not translate proportionately into operating margins.

The Company continued to focus on improving its product mix, manufacturing efficiency, capacity utilisation and cost management to partially mitigate these pressures. Management remains focused on improving operational efficiencies and strengthening margins through better procurement, productivity improvement, product mix optimisation and disciplined cost management.

The Company's financial performance should therefore be viewed in the context of the cyclical and cost-sensitive nature of the paperboard industry, where changes in raw-material and energy prices can have a significant impact on profitability even when sales volumes remain healthy.

The management remains cautiously optimistic about the long-term prospects of the Company and the recycled paperboard industry. While the near-term business environment may continue to be influenced by raw-material and energy-price volatility, import competition, global economic conditions and geopolitical developments, the structural growth drivers for sustainable packaging remain intact.

The Company's strategy will therefore remain focused on sustainable growth rather than volume alone, with emphasis on product quality, customer relationships, capacity utilisation, cost efficiency, working-capital discipline, product diversification and prudent financial management.

Kraft paper prices have increased by 25% and above over the past few months, while mill alerts indicate that the overall increase could reach 35% in the coming months.

Anmol Polymer...

P14.. Explaining the company's expansion strategy, Mr. Sharma said the decision to establish multiple manufacturing facilities was driven by logistics and customer service.

Initially, all products were supplied from the company's Himachal factory, resulting in significant logistical challenges. Since the products were not very expensive, transportation costs accounted for nearly 8–10% of the product cost in some cases while also increasing delivery time.

"We decided to establish manufacturing plants at different geographical locations to serve customers in a more efficient and beneficial manner," he said.

Mr. Sharma attributed the successful management of multiple manufacturing facilities to a strong technical and management team and a family-oriented work culture.

"Many experienced employees were transferred to the new plants, while our company culture has always been like a family business. Several team members have been associated with us for 20 to 30 years. This strong sense of belonging has made execution smooth and helped us manage multiple operations successfully," he noted.

Sharing his message for young entrepreneurs and professionals entering the paper industry, Mr. Sharma emphasised the importance of sincerity, dedication and continuous learning.

"My experience has taught me that one must work sincerely, with dedication, open eyes and an open mind. One should continuously look for new opportunities and new options," he said.

Highlighting future market opportunities, he observed that consumers worldwide are becoming increasingly conscious about environmental protection, while plastics are becoming more hazardous and difficult to decompose.

"Paper, therefore, has become a very good alternative. We have also seen a significant change in consumer behaviour over the past few years. Earlier, food items such as samosas were commonly packed in old newspapers. Today, the younger generation does not want to take that risk. They are looking for better alternatives to plastics, especially biodegradable food-grade paper. We are actively working in this segment, and I believe it offers very good opportunities for both our company and the paper industry as a whole," Mr. Sharma concluded.



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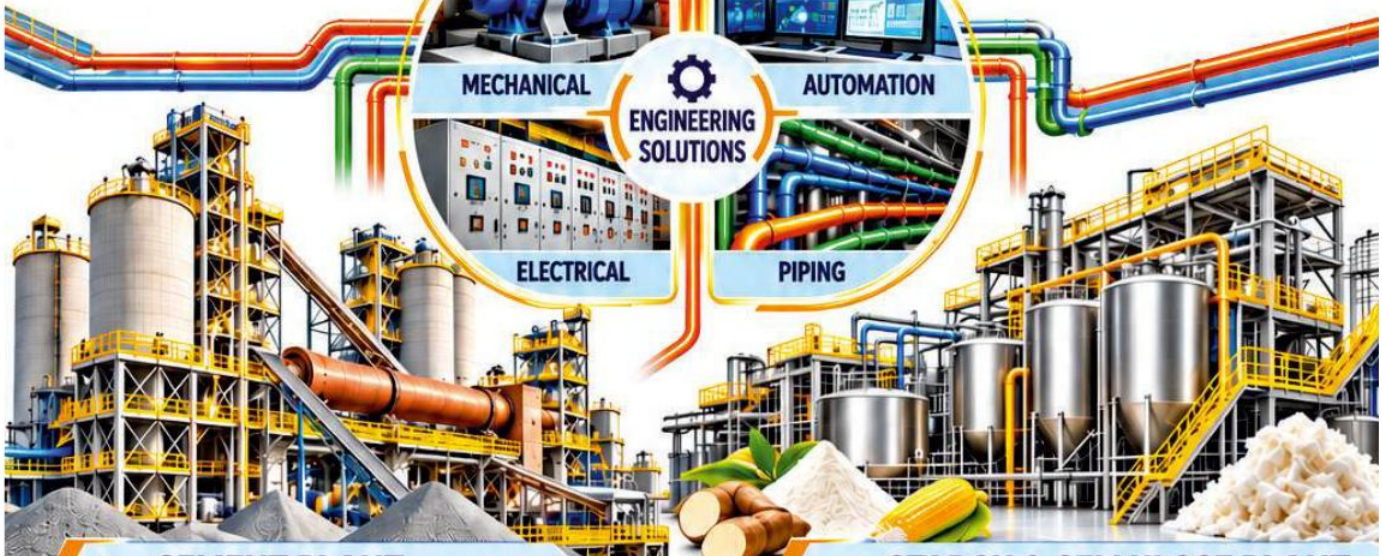
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India: Overall paper demand to grow at a healthy two-year CAGR (FY25-FY27) of 4-6% to ~25-27 million tonnes by fiscal 2027 Market Outlook for the Indian and Global Pulp and Paper Industry

The Pulp and Paper Times

Paper & Pulp-global Performance

The global pulp and paper industry entered a phase of measured recovery in CY25, marked by shifting demand patterns and gradual stabilisation across key markets. The market size is estimated at USD 350-360 billion, reflecting moderate expansion led by packaging, paperboard, tissue, hygiene and specialty products. Global paper demand is estimated to have recorded moderate growth of approximately 1-3% during CY25 despite a challenging macroeconomic environment and is expected to remain resilient in CY26, with growth projected at 1-2%.

While digitalisation continues to exert structural pressure on traditional segments such as writing & printing paper and newsprint, the global paper industry is expected to maintain a steady growth trajectory, registering a CAGR of approximately 1-3% during CY23-CY26. The long-term outlook remains positive, supported by expanding end-use sectors such as FMCG, pharmaceuticals, healthcare, food service and e-commerce.

Global demand for writing and printing (W&P) paper remained broadly stable during CY25. However, long-term growth prospects continue to be constrained by increasing digital adoption, higher penetration of smartphones, growing use of digital learning platforms, lower corporate spending on office stationery and rising popularity of e-books, particularly in developed markets. Nevertheless, demand from developing economies, supported by educational requirements and relatively lower digital penetration, is expected to provide some stability to the segment.

Paperboard continues to be the principal growth driver for the global paper industry, with demand estimated to have increased by 2-4% CAGR during CY25, supported by sustained growth in e-commerce, FMCG, pharmaceuticals and consumer goods sectors. Global paperboard demand is expected to continue its growth momentum in CY26, with increasing preference for sustainable packaging solutions and regulatory restrictions on single-use plastics supporting long-term demand growth.

Specialty paper also continues to emerge as a key growth segment, driven by rising demand from packaging, hygiene, healthcare, food service and industrial applications. In contrast, the newsprint segment continues to face structural decline owing to increasing digital media consumption and growing e-readership.

Global Demand Environment

The global demand environment remained subdued during CY25 owing to weak economic conditions and traderelated uncertainties. Demand in China weakened during the first half of CY25 following tariff announcements by the United States. Given China's significant role in global paper and pulp trade, lower demand from China and other Southeast Asian economies adversely impacted global market sentiment.

Additionally, demand in the United States and Europe,



which together account for a substantial share of global paper consumption, remained soft amid subdued economic activity. Consequently, global demand growth remained moderate despite healthy consumption trends in packaging-related segments.

Global pulp prices declined during CY25 owing to weak global demand, elevated inventory levels, additional downstream capacity and softer demand from China and Southeast Asia. Prices of softwood and hardwood pulp declined by approximately 8% and 17%, respectively, to around USD 720 per tonne and USD 600 per tonne.

However, supply-side disruptions, maintenance shutdowns and lower inventory levels have resulted in tightening pulp availability at the beginning of CY26, leading to firming prices. Similarly, wastepaper prices,

which declined by approximately 12% during CY25 to around USD 210 per tonne, are expected to remain elevated in CY26 due to raw material scarcity, lower collection rates, higher energy costs and improving packaging demand.

Consequently, fibre security, raw material sourcing efficiency and cost optimisation will remain key determinants of competitiveness across the global paper industry.

Outlook of CY26 & Beyond

The outlook for CY26 and beyond points to steady, structurally driven growth. Packaging grades are expected to remain the primary growth engine, supported by global trade flows, deeper e-commerce penetration and the shift towards recyclable and biodegradable materials. Separately, the global pulp and paper market is estimated to expand at a 3-4% CAGR over the medium term, surpassing USD 400 billion by the end of the decade.

Paper & Pulp – India's Performance

India's paper and paperboard industry continued to demonstrate resilience during FY25, with overall demand increasing by approximately 4% year-on-year to 24.1 million tonnes. Growth was driven primarily by robust demand from paperboard, packaging and specialty paper segments, supported by expansion in FMCG, pharmaceuticals, e-commerce and quick-commerce sectors.

Paperboard remained the largest segment, accounting for approximately 64% of total demand, followed by writing & printing paper at 24%, specialty paper at 7% and newsprint at 5%. CRISIL Intelligence expects domestic paper demand to grow at a healthy CAGR of 4-6% during FY25-FY27, reaching approximately 25-27 million tonnes by FY27, driven largely by sustained growth in paperboard and specialty paper segments supported by rising domestic consumption, policy support, organised manufacturing capacity and increasing substitution of imports in select grades.

Paperboard and packaging remained the largest contributor to industry growth, accounting for nearly 64% of industry turnover in FY25 and growing at 9% year-onyear, with a 5–7% CAGR projected through FY25-27 as per CRISIL Research. Demand was supported by shifts in consumer behaviour, digital commerce, organised retail, FMCG activity and the increasing preference for paperbased alternatives. Capacity additions by large integrated players and improving utilisation also strengthened the competitive positioning of organised manufacturers.

The domestic paper industry witnessed significant margin pressure during FY25 owing to elevated wood prices and increased imports, particularly from ASEAN countries. Wood prices increased by approximately 20-25% during the year due to supply constraints and strong demand from other wood-based industries. Simultaneously, increased imports created oversupply conditions in the domestic market, resulting in a decline of 10-12% in domestic writing and printing paper prices. Intense competition from lower-priced imports constrained the ability of domestic manufacturers to fully pass on higher input costs, leading to compression in industry margins. Although wood prices have stabilised and margins are expected to improve gradually, import competition is likely to remain a key monitorable for the industry.

On the supply side, the cost environment remained mixed. Wood pulp, waste paper and chemical prices showed some stabilisation compared with earlier volatility. However, energy and logistics costs continued to weigh on margins, particularly for smaller and mid-sized mills. These conditions sharpened the industry's focus on operational efficiency, backward integration, cost optimisation and product-mix discipline.

For integrated paper manufacturers, farm forestry remains an important link to raw materials. Improved rural cash flows and farmer participation in pulpwood cultivation can support the availability of key species such as eucalyptus, casuarina and subabul, which are critical to the domestic paper industry's fibre supply chain.

Key Demand Drivers

Several structural factors continue to support long-term growth of the Indian paper industry. India's per capita paper consumption remains significantly below the global average at approximately 14-16 kg compared with the global average of around 57 kg, indicating substantial headroom for future growth.

The writing and printing segment is expected to grow at a moderate CAGR of 2-3% through FY27, supported by increasing enrolment in educational institutions, implementation of the National Education Policy, higher government expenditure on education and rising demand for textbooks in regional languages. Industry estimates indicate that nearly 30-40% of incremental demand in recent years has been driven by NEP-related initiatives.

Paperboard is expected to remain the fastest-growing major segment, supported by robust demand from FMCG, pharmaceuticals, organised retail, consumer durables, e-commerce and quick-commerce sectors. Consumer packaging grades, which account for nearly 40-50% of industry volumes, are expected to register strong growth over the medium term. Specialty paper demand is expected to grow at a robust CAGR of 10-11%..P40

Paper Mills and Dealers Must Work Together to Create New Demand, Say Industry Leaders at FPTA's 65th AGM

The Pulp and Paper Times | Hyderabad, Oct 2026:

The Three-day FPTA 65th Annual General Meeting & Conference 2026; hosted by The Federation of Paper Traders' Association (FPTA), the apex national body representing paper traders; in collaboration with the Telangana Paper Merchants' Association (TPMA), was inaugurated by H.E. Sri Shiv Pratap Shukla, Hon'ble Governor of Telangana; at the Novotel HICC, Madhapur.

More than 1,000 paper traders from across India are attending the Conference, being held from October 3rd to 5th, 2026. The prestigious event returns to Hyderabad after 19 years and has added significance for the city as Sri T. Kishan Singh, Managing Director, Tirumala Balaji Paper Pvt. Ltd., Hyderabad, is set to take over as Nominee President of FPTA.

H.E. Sri Shiv Pratap Shukla, Hon'ble Governor of Telangana; addressing the gathering said, The paper industry does not deplete natural forests, as raw timber is ethically sourced from fast-growing agroforestry crops like poplar, cultivated specifically by farmers for quick harvest cycles. Popular slogans like "Save Paper, Save Trees" misinform the public; therefore, industry leadership must actively educate society that paper production supports rural farming economies rather than destroying natural forest habitats. While broadcast and digital channels produce fleeting news that is quickly forgotten or recycled, physical newsprint remains the trusted, authentic medium for daily reflection, focused reading, and public dialogue. Although digitization may lead to a "less paper" world, a completely "paperless" society is impossible because history, culture, official governance, and formal representations will always be anchored on physical paper. To address tax discrepancies, such as an 18% GST on paper alongside 0% on notebooks, the industry must pursue constructive representation over hostile agitation. As a ₹1-lakh-crore tax-paying sector, trade bodies should present clear, structured memorandums to state representatives, the Finance Minister, and the GST Council to achieve tax equity across states through persistent, strategic engagement. Beyond commercial interests, public campaigns should advocate for responsible usage, teaching younger generations to respect and preserve paper rather than waste it. Paper remains the fundamental driver of literacy, publishing, and cultural continuity, guiding learners from childhood slates to complex educational and intellectual pursuits. Ultimately, paper safeguards India's rich intellectual tradition, carrying forward a legacy of global knowledge leadership that traces back to ancient learning centers like Taxila and Nalanda. As India advances toward becoming a developed nation and global leader by 2047, the paper industry serves as an essential engine for commerce, education, and national pride.

Sri Sushil Kumar Khetan, CEO & Whole Time Director, Emami Paper Mills Ltd.; said, The Indian paper industry has a promising future, with rising consumption and significant headroom in per-capita usage. Paper remains essential across education, publishing, printing, pharmaceuticals and packaging. The dealer and distributor is not merely a link between mills and customers but the eyes and ears of the industry, with a growing role as a market developer. Packaging, particularly for FMCG, food, pharmaceuticals, retail and e-commerce, will be a major growth engine, while specialty and value-added papers offer further opportunities. Customers increasingly demand quality, consistency and service, not merely competitive pricing. The industry must embrace sustainability, recycling, automation, digitalisation, AI and process innovation to become globally competitive. Mills and dealers need to move from transactional relationships to strategic partnerships, jointly understanding customer needs and creating new demand. The future lies not merely in selling more paper, but in creating more reasons for India to use paper, while building an innovative, sustainable and globally competitive industry.



Sri A.S. Mehta, President & Director, Jk Paper Ltd.;

said, the paper ecosystem is around four "minars", like the minars in Charminar: manufacturing, distribution, selling, and customers. While geopolitical volatility and raw material constraints cause prolonged market impacts, the core lesson is building self-reliance, Atmanirbhar. To stay competitive, paper distribution and sales must evolve alongside manufacturing by adopting digital tools, AI, and deep customer insights. Additionally, the industry must prioritize sustainability through raw material security and resource-efficient technology. Despite global uncertainties, India's rising income levels present massive long-term market potential for paper and packaging applications. Rather than dwelling on negative headlines, paper trade stakeholders must rethink traditional models and discover "another way" of selling to create and realize sustainable value across the entire ecosystem.

Chief Guest Sri Rajesh Ponnuru, CEO, ITC-PSPD; The Indian paper industry is a vital pillar of national progress and employment, supported by over 5 lakh farmers, 600 mills, 6,000 traders, and 1 lakh printers. Reimagining its raw material model, the sector is deeply inclusive and sustainable sourcing 75% of fiber from recycled materials, 8% from agro-residues, and 20% from tree-based farming, while matching top global resource-efficiency standards. Paper traders play a crucial role in managing complex supply chains, supporting MSMEs, and facilitating the shift from single-use plastics to eco-friendly packaging. However, to maintain global competitiveness and safeguard domestic investments, structural challenges must be addressed. Key among these is rectifying the inverted duty structure under GST and implementing protective trade measures against unfair foreign competition. As India progresses economically, sustained growth relies on nurturing this farmer-partner model through continuous innovation, trade policy alignment, and collaborative industry leadership.

Sri Abhishek Vijaywargiya, President, Telangana Paper Merchants' Association, said, When historians write the story of civilisation, they speak of great nations, leaders and inventions. Yet, behind them all was paper, the medium that preserved ideas, recorded discoveries and carried knowledge across generations. Before a scientist made a breakthrough, a doctor earned a degree, an entrepreneur built an enterprise or a leader governed a nation, each first learned from a book and recorded thoughts on paper. A notebook may cost only a few rupees, but the future written in it is priceless. We are not merely trading a product; we are moving knowledge, opportunity and aspiration. In the age of AI and digital transformation, the future is not paper versus digital, it is paper and digital together. Growth and sustainability must move hand in hand.

Sri T. Kishan Singh, President Nominee, FPTA, said, paper traders serve as the vital link between paper mills and consumers, supplying publishers, notebook manufacturers, printers, converters and several other industries. Paper is not just another commodity; it is part of our lives, our economy and nation-building. Our message is simple, Support paper, Use paper, Love paper. He urged the Government to recognise the sector's needs, particularly the shortage of suitable warehouse space. Finding affordable locations to store paper and efficiently supply it to industries is a major challenge, including in Hyderabad.

India is the world's third-largest paper-producing country, with annual production capacity of around 25 million tonnes, growing at approximately 5.8–6% annually. The paper and paperboard trade volume is estimated at 23.84 million tonnes, while the paper and related-products trading sector has an indicative turnover of around ₹50,000 crore, growing by about 7–10% annually. The combined Andhra Pradesh and Telangana market is estimated at around ₹3,600 crore, including approximately ₹1,650 crore in Telangana and ₹1,000 crore in Hyderabad.

The industry sees considerable scope to increase consumption through education, publishing, printing, packaging, e-commerce, pharmaceuticals, FMCG and manufacturing, besides promoting sustainable paper-based alternatives to single-use plastics.

Chief Guest Sri Rajesh Ponnuru, CEO, ITC Ltd. (PSPD); Guests of Honour Sri Pawan Agarwal, President, IPMA & CMD, Naini Papers Ltd.; Sri A.S. Mehta, President & Director, JK Paper Ltd.; and Sri Sushil Kumar Khetan, CEO & Whole Time Director, Emami Paper Mills Ltd., graced the occasion. The meeting was presided over by Sri Rajesh Jain, President, FPTA and joined by Sri T. Kishan Singh, President Nominee, FPTA; Sri Abhishek Vijaywargiya, President, TPMA; Sri Prasad RG, Chairman, Reception Committee, FPTA 65th AGM; and Sri Ashish Jain Bhansali, Hon. Secretary, TPMA.



Hyderabad-Based Paper Mill Commissions New High-Tear-Factor Kraft Paper Machine (PM-2), Targets Odour-Free Paper Production

- The product mix will cover 60 GSM to 120 GSM, with a strength range of 18 BF to 35 BF, catering to the requirements of corrugated packaging, wrapping paper and other allied applications

The Pulp and Paper Times

Commissioning and Product Focus

M/s Om Sree Papertek (P) Ltd. has commissioned PM-2 with a specific focus on manufacturing smell free lighter GSM kraft paper. The new paper machine is designed to cater to the growing demand from the paper bag industry as well as the requirement for high-strength fluting media for corrugated boxes and wrapping paper. The Capacity of PM-2 is 6000 tons per month.

The product mix will cover 60 GSM to 120 GSM, with a strength range of 18 BF to 35 BF, catering to the requirements of corrugated packaging, wrapping paper and other allied applications. The machine has been specifically selected and configured to produce high-tear-factor kraft paper, making it particularly suitable for the rapidly growing paper bag market. The focus is to make the paper smell free to ensure the product acceptability in the market.

Technology and Machine Configuration

PM-2 is a combination of Chinese and European technology and equipment. The machine is equipped with a CD-controlled headbox from the reputed MCN, ensuring better profile control and consistency across the paper web.

The high-speed paper machine is of Chinese manufacture and is complemented by a high-speed rewinder and a steam condensate system. The combination of these technologies has been selected to achieve efficient production, improved paper quality and consistency across the targeted product range.

The ETP is a mix of Indian procurement and Chinese's engineering suitable for making the paper smell free using the anaerobic digestion technology.

Growth Potential – Paper Bag Market

With the increasing emphasis on reducing single-use plastics, the shift towards paper bags and other paper-based alternatives is expected to gain significant momentum. The demand for paper bags and allied sustainable packaging products continues to grow, and we believe this segment has the potential to develop into a sizable and sustainable market.

PM-2 is strategically positioned to capitalize on this opportunity by producing high-strength, lightweight smell free kraft paper specifically suited for paper bags and other applications where strength-to-weight ratio is critical.

Current Kraft Paper Market Scenario

The current kraft paper market scenario remains challenging and volatile, particularly due to the sharp increase in long-fibre prices. The situation has been further impacted by the ongoing turmoil in the Middle East and its effect on global supply chains. The demand in their local market also continues to be strong.



We have witnessed an escalation of approximately US$50 per tonne in long-fibre prices originating from the US and around US$35 per tonne from the UK. Demand remains relatively firm, with fibre costs continuing to move upwards. As a result, kraft paper prices have increased by approximately Rs. 4–5 per kg across various regions.

At the same time, the cost of allied inputs such as chemicals, dyes and starch has collectively increased by approximately 15–25%, adding further pressure to manufacturing costs.

With the festival season approaching and demand expected to remain firm, we do not foresee any significant cooling-off in kraft paper prices in the near term.



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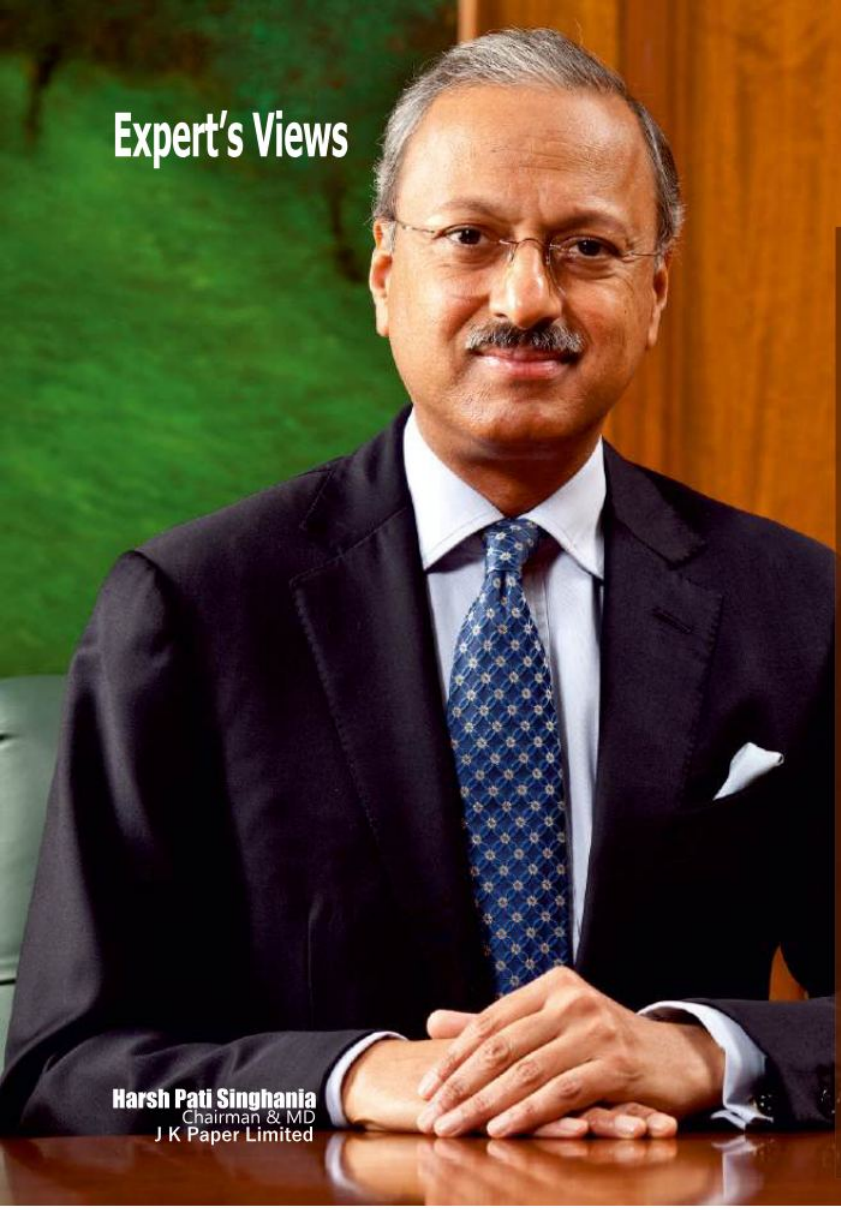
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Expert's Views



Harsh Pati Singhania
Chairman & MD
J K Paper Limited

Our case is underrepresented, and we are responsible for that under representation. If we believe we are an integral part of the circular economy, then we have to talk about it, demonstrate it

-Spearheading Sustainable Packaging: How the Indian Paper Industry is Driving Innovation, Circularity, and Eco-Friendly Alternatives

In his opening remarks on National Paper Day, Mr. Harsh Pati Singhania, Chairman & Managing Director of JK Paper Ltd., emphasized the pivotal role of the Indian paper industry in driving sustainability, rural employment, and a circular economy. He highlighted that while fiber-based, recyclable packaging offers a crucial eco-friendly alternative to single-use plastics, the industry must innovate to ensure these solutions meet customer performance standards at competitive prices. Calling on paper manufacturers, dealers, and distributors to act as active brand ambassadors, Mr. Singhania urged the sector to proactively shape public perception, overcome misrepresentations, and demonstrate paper's lasting contribution to a greener, more sustainable future. Here is his full speech

Ladies and gentlemen... First of all, good afternoon. Happy Paper Day. This is why we are gathered here. It is a privilege to be here today and speak, ladies and gentlemen, on a subject that is not only central to the future of the industry, but is also critical to the future of our planet: Sustainability and circularity in the Indian paper industry. That is the topic of today.

As leaders of one of India's most important green industries, all of us have an opportunity and a responsibility, both, to demonstrate how economic growth and environmental stewardship can go hand in hand. Paper, as Pawan ji has already mentioned, is amongst the most environmentally sustainable products that we use in our lives every day.

It is biodegradable, recyclable 6, 7, 8, 9 times, and is produced from renewable sources. Unlike many other alternative materials that can persist in the environment for not only years, but frankly, for centuries, paper naturally decomposes within weeks, leaving behind no harmful residue. Globally, paper is recognized as a cornerstone of the circular economy."

The very nature of our industry is rooted in circularity. From responsible sourcing of raw material and efficient manufacturing processes to extensive recycling and reuse, paper exemplifies how resources can remain in productive use as long as it is possible. The Indian paper industry, of which all of you are participants, has made remarkable progress in the last few decades.

Whether it is building a robust and renewable raw material base, developing eco-friendly alternatives to single-use plastics, or adopting cleaner and more efficient manufacturing technologies, our industry has continuously evolved and strengthened its sustainability credentials. Today, ladies and gentlemen, nearly 74% of paper produced in India comes from recovered paper and recycled fiber.

This means that paper by consumers is collected, recycled, and transformed into new paper products, making paper one of the most recycled materials in the world. The remaining production is largely based on virgin fiber. Primarily, as you already heard, sourced from trees grown by farmers through agroforestry. Ours in India is a fairly unique model. These trees are cultivated much like any agricultural crop, harvested responsibly, and supplied to paper mills.

In addition, several mills utilize agricultural residues such as wheat straw and bagasse, materials that might otherwise be burnt in fields and contribute to air pollution. Of course, there is a—there are alternative uses of this, but paper has been a major use. But more importantly, India's paper industry is wood positive. For every tree harvested, more trees are planted.

Through sustained agroforestry initiatives, the industry has helped in bringing more than 12 lakh hectares of predominantly marginalized land under green cover. This has contributed significantly to carbon sequestration, based on the statistics that you just mentioned, enhanced farmers' incomes, generated rural employment, and strengthened environmental sustainability. Indian paper mills have steadily improved their environmental performance through investments in energy efficiency, green energy, advanced technologies, and continuous process innovation.

Our industry's objective has been clear: produce more while using fewer resources. Specific water consumption, energy consumption, and overall material use have been reduced consistently through adoption of cleaner technologies, environment-friendly bleaching processes, advanced wastewater treatment systems, and highly efficient boiler operations.

A particularly noteworthy achievement is the use of renewable biomass-based energy. Today, integrated pulp and paper mills generate more than 40% of their power requirements from biomass generated from the pulping process. Indeed, in some mills, this figure is even much higher. This significantly reduces dependence on fossil fuels and lowers carbon emissions. The progress in reduction of water conservation has also been remarkable.

Not very long ago, producing paper required a lot of water, as was mentioned already, up to 200 cubic meters of water. Today, integrated mills have reduced that figure to less than 50, and in many cases, it is as low as 25. Advanced systems and processes have helped reduce emissions and effluent load significantly. Many mills are also embracing Industry 4.0 and using artificial intelligence-based process optimization, demonstrating that sustainability and technological advancement can move together.

I'd like to point out on this particular issue, we can use a lot of technology, and I'm talking about IT technology, I'm not talking about process technology alone, which can make us efficient both in the manufacturing operation, but also along with that, in our entire eco-ecosystem, in our distribution, in reaching our customers, in being able to service our customers and meet their needs much more efficiently. So, we should, whether it is a distributor, whether it is a producer, whether it is any part of our chain, we should utilize technology because today, a lot more is possible.

Ladies and gentlemen, two major environmental challenges confronting the world today are single-use plastic waste and the growing burden of electronic waste. You already saw on the film that ran some time back, we all, whenever we travel, we see plastic waste and other materials, other garbage thrown everywhere, spoiling not only the ecology, the beauty, but unfortunately, we see situations of animals having to feed on them. These are terrible things. Paper, on the other hand, provides an effective and practical alternative in many applications because, as I said, it is renewable, compostable, biodegradable.

In numerous packaging applications, paper remains the most viable and environmentally responsible substitute for single-use plastics. The packaging segment is witnessing strong growth driven by demand for FMCG products, pharmaceuticals, textiles, organized retail, and the rapidly evolving e-commerce sector. Today, corrugated boxes, paper bags, folding cartons, and other paper-based packaging solutions are increasingly replacing other alternative materials across retail outlets and online delivery networks.

We also contribute to addressing e-waste challenges through recyclable packaging and documentation solutions that support more sustainable product life cycles.

This challenge, while all this is true, the challenge to my mind, ladies and gentlemen, is if we have to use fiber-based packaging for more and more applications, how do we make it fit for purpose? That means it must deliver on the performance that alternative raw materials deliver, that the customer wants, and at the same time, it must be

available at a competitive price.

And that is where the innovation in the industry, from producers of craft and board to people coming up with solutions—whether it is your boxes, whether it's corrugated, mono-cartons—this ecosystem has to be plugged in for it to become a really successful solution to substitute a whole lot of other materials. So that is an area where I think we need to work on much more, at least from the Indian paper industry.

I want you to think about something important: Responsible use of paper supports environmental sustainability.

When consumers choose paper-based products, they support an idea and an industry that is deeply connected with India's farming community, generates employment in rural areas, promotes tree plantations, and contributes meaningfully to the national objective of increasing green cover.

At the same time, paper continues to play a vital role in education—as our students sitting there would know—literacy, communication, and in economic development.

While sustainability and circularity define our operating—our operational agenda, the topic for today, we must also focus on how we break the misconceptions about the paper industry. Our dealers, distributors, and employees—all of you sitting here—are our strongest ambassadors. Every day, they engage with customers, suppliers, consumers, and communities. They have a unique opportunity to share the real story of our industry.

By equipping them with accurate information, celebrating our achievements, and building greater awareness of our contributions to renewable resources, the recyclability, livelihoods, and the circular economy, we can reshape public perception and strengthen trust in our sector.

An informed dealer network and a motivated workforce can become powerful advocates for the sustainability story of paper amongst customers, policymakers, and society at large.

So ladies and gentlemen, the Indian paper industry is not merely manufacturing a product. It is creating a symbol of sustainability and responsible consumption. By choosing paper, we all choose a greener future. It is a choice, and I'd like to emphasize that: We make choices, consumers make choices.

And by using paper or fiber-based products, we are choosing a greener future, we are choosing a cleaner environment, and we choose a more circular economy.

So let's together continue building an industry that contributes not only to India's economic progress, but also to its environmental aspirations.

It is my firm belief, ladies and gentlemen, and something that both the speakers before me mentioned, that our case is underrepresented, and we are responsible for that underrepresentation. If we believe we are a circular part—an integral part of the circular economy, then we have to talk about it, demonstrate it, and show that we can provide choices to consumers—to solutions to consumers which will be useful.

We have to be the advocates. Nobody else—the policy framework will not do it alone. You need policy frameworks, but we need much greater understanding among people.

I would bet that a lot of people sitting in this side of the audience—we are from the industry, we believe—but I would bet if we ask that whole row, the one of students, to ask what is their concern about the environment, their voice comes out much stronger than ours. But they need to understand, they need to see the kind of videos that you've shown in terms of trees, in terms of how farmers are doing the circularity.

And from our side, we need to provide solutions which are cost-effective, which are—which deliver the performance that we need, as I mentioned. Then we will succeed.

I think globally, if we go beyond the Indian paper industry, globally there is growing awareness about circularity, about sustainability, not only driven by regulation—that is one important part—but people are aware. We are seeing when we travel, we are seeing in airlines, on trains, in different places, foodstuff coming in recyclable packages.

You are ordering at home—look at the—the kind of—kind of, you know, things we order on—on Zomato and a whole lot of things. Everything is coming to our home, and slowly we are seeing the movement away from plastic and other containers into more fiber-based containers.

So it is really up to us to find solutions, and it is up to us to talk about what we can deliver to the world and leave it as a better place for our next generation.

Pawan Ji, in closing, I want to say that you said a lot of things about me. I would humbly say a lot of that is exaggerated because a lot of that which the paper industry achieves is due to all the people sitting in this hall. We are all partners, and let us be partners in this progress. You enable the industry to function every day for everybody in their lives, so you are the people who are responsible for this achievement, not any individual. Thank you very much, ladies and gentlemen, for your time.

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Paper Converting Unit Takes Step Towards Backward Integration; Starts 100 TPD Writing & Printing Paper Mill

The Pulp and Paper Times

U.S. Nagar, Uttarakhand: Heart Touch Paper Mills has commenced operations at its newly established paper manufacturing unit in U.S. Nagar, Uttarakhand, with an initial production capacity of 100 TPD. Speaking about the new project, Mr. Ashok Sharma, Director, Heart Touch Paper Mills, said the mill has started production with a focus on recycled writing and printing paper, primarily catering to the notebook and copybook segments. Paper mill is situated at Vill. Haldua Shahu, Shivrajpur Patti, Jaspur.

The new project represents a significant step towards backward integration for Mr. Sharma's existing converting business, Krishna Paper Udyog, which has been engaged in paper converting for around 15–17 years. According to Mr. Kumar, approximately 40–50% of the new mill's production will be consumed in-house by Krishna Paper Udyog, while the remaining production will be supplied to the open market.

100 TPD Recycled Writing & Printing Paper Plant

The newly commissioned mill has an initial capacity of 100 tonnes per day and is currently producing recycled writing and printing paper. Mr. Sharma said the mill is initially focusing on C-grade paper with brightness levels in the range of approximately 75–85 brightness.

The paper is primarily intended for applications such as notebooks, copybooks and other writing-related products. The current GSM range is approximately 50 GSM and above, extending up to 80–85 GSM.

While copier paper is not currently part of the production portfolio, the company is considering entering the copier paper segment in the future. Mr. Kumar indicated that the immediate focus will remain on the writing and printing paper segment.

₹80 Crore Investment; Additional Rs. 15 Crore Proposed

The company has invested approximately Rs. 80 crore in the new project so far, with an additional investment proposal of around Rs. 15 crore planned as part of the ongoing development programme.

The mill has also been equipped with its own utility infrastructure, including an RDF-based boiler and turbine, as part of the project.

The paper machine for the new unit was sourced from Hardayal Engineering. The boiler was supplied by Gramp Environmental, while automation and electrical systems have been sourced from New Standard Electricals, along with equipment and systems procured from suppliers in Ghaziabad and Kashipur.

Mr. Sharma described the project as largely based on indigenous Indian machinery and technology, with the main paper machine also being supplied domestically.

Capacity Expansion to 150 TPD Planned Within Six Months

Heart Touch Paper Mills is already looking at increasing the capacity of the new plant from 100 TPD to around 150 TPD.



Mr. Sharma said the company expects to achieve the expansion in approximately six months, rather than immediately moving towards a 200 TPD capacity. The planned increase will be achieved through modifications to the existing machine, including the installation of a Tri-Nip arrangement, which is expected to help increase machine speed and production capacity.

The company therefore intends to scale up production without establishing an entirely new paper machine at this stage.

40–50% Production to be Consumed In-House

One of the key strategic advantages of the new mill is its integration with Mr. Sharma's existing converting business, Krishna Paper Udyog.

The converting unit has been operating for approximately 15–17 years and already has three Linomatic machines. The company has traditionally purchased writing and printing paper from established paper manufacturers and converted it into finished products.

Mr. Kumar said that companies such as Ruchira Papers, Bindal Papers, Katyayani Papers and Fibre have previously supplied paper to his converting operations.

With the commissioning of Heart Touch Paper Mills, the company expects approximately 40–50% of its paper production to be consumed internally by Krishna Paper Udyog.

"This is essentially a backward integration initiative," Mr. Kumar explained, adding that the company will continue to purchase paper from outside suppliers wherever required, while a significant portion of its own requirement will now be met through captive production.

The remaining 50–60% of production will be sold in the open market.

Existing Converting Business Provides Captive Consumption Base

Krishna Paper Udyog already has an established presence in the paper converting business, producing notebooks, copybooks and other products.

According to Mr. Kumar, the company has been working in the white-paper converting segment for many years. The existing converting operations provide Heart Touch Paper Mills with a ready captive market for a substantial portion of its production.

This integration is expected to provide greater control over paper sourcing and supply while reducing dependence on external paper mills for a significant portion of the company's requirements.

Market Extends Beyond Uttarakhand

Although the new mill is located in Kashipur, the company does not intend to restrict sales to the Uttarakhand market.

Mr. Sharma said the local market alone is not large enough to absorb the plant's production. The company therefore plans to market its paper across several major consuming regions, including Delhi, Uttar Pradesh, Madhya Pradesh and Kolkata, along with other markets across India.

The company also has an established customer base through its existing paper trading and converting activities, which is expected to support the marketing of the new mill's production.

Quality Improvement Planned Gradually

At present, the quality and brightness of the paper are positioned around the existing production range, with brightness of up to approximately 85. Mr. Kumar said the company plans to gradually improve the quality of its products.

He referred to products available in the market from manufacturers producing writing and printing grades with brightness levels of around 85 and indicated that Heart Touch Paper Mills will progressively work towards improving its own product quality.

The company's immediate priority, however, is to stabilise production and serve the notebook and copybook segment before expanding into additional grades.

Writing & Printing Paper Market Remains Stable

Discussing current market conditions, Mr. Kumar said the writing and printing paper market remains broadly stable, although the industry is experiencing a seasonal slowdown of around one to one-and-a-half months.

According to him, this softer period is a regular feature of the paper industry and has been observed for many years, particularly during the rainy season. He expects market activity to improve as the publishing cycle picks up.

Mr. Kumar noted that the publishing season generally gains momentum around November, when demand from the publishing and related segments begins to return.

He also said the recent change in GST on notebooks has not created any significant difficulty for his business. Since Krishna Paper Udyog already operates a converting business and Heart Touch Paper Mills now provides captive paper production, the company expects limited impact from such market changes.

New Greenfield Project, Not Revival of an Old Mill

Mr. Shamra clarified that Heart Touch Paper Mills is a completely new greenfield project, rather than the revival or acquisition of an existing closed paper mill.

The company purchased land for the project and established the manufacturing facility from the ground up. The commissioning of the 100 TPD unit marks the beginning of its paper manufacturing operations, with further capacity enhancement and development planned in the coming months.

Focus on Integration and Future Growth

The commissioning of Heart Touch Paper Mills marks a strategic shift for Mr. Ashok Kumar's business from being primarily dependent on external paper suppliers to having its own manufacturing base.

With an existing converting operation under Krishna Paper Udyog, the new mill provides a natural captive-consumption model, with around half of the production

..P71

Anna Altner
Founder- **Yangi**

The Interview - Yangi



Yangi's cellera® dry-forming technology is transforming rigid fiber packaging with faster production, lower energy consumption, and efficient material utilization

Yangi's cellera® dry-forming technology is transforming rigid fiber packaging with faster production, lower energy consumption, and efficient material utilization. In an exclusive interview with The Pulp and Paper Times, founder of Yangi, discusses the technology's potential to accelerate the shift from fossil-based plastics to renewable fiber-based packaging.

She shares insights into pulp demand, cost competitiveness, industrial scalability, and emerging opportunities in india's packaging market.

Anna Altner emphasizes that the future of sustainable packaging depends on solutions that are scalable, commercially viable, and designed for a circular economy.



Anna Altner
Founder- **Yangi**

"True change happens when fiber quality, forming technology, barrier strategy, and end-of-life design are developed together, not in isolation"

Q Yangi's dry forming technology is gaining attention as a sustainable alternative to conventional wet-moulded fiber packaging. How does Yangi Cellera differentiate itself in terms of efficiency, energy consumption, and product quality?

The differentiation can be understood on two levels: compared to traditional wet moulding, and compared to Other emerging dry forming technologies

First, compared to conventional wet moulding.

Traditional moulded fiber packaging is produced using a slurry process where large volumes of water are mixed with pulp to form the product. This water must then be removed again through pressing and extensive drying, which makes the process energy- intensive and limits production speed.

Cellera® is based on fiber which eliminates the water-handing stage. Fibers are processed and formed without the slurry step, meaning there is no need for energy-intensive water removal. This significantly reduces process energy and simplifies the production flow. It also enables much faster cycle times — typically around 4—5 seconds per part, compared to 20 seconds or more in traditional wet moulding processes. The result is higher throughput, lower energy demand, and a more efficient production system.

Second, compared to other dry forming technologies. What differentiates Yangi is the way the fiber structure itself is engineered before forming.

Cellera® uses a dual drum air-laid formation system, combined with our proprietary FiberIQ™ technology. This system allows us to control how fibers are distributed, layered, and transferred into the forming tool.

Instead of creating a uniform fiber web, FiberIQ™ allows targeted fiber placement and more even density in the final product. Fibers can be positioned where structural strength is required while reducing material where it is not needed. This improves mechanical performance while enabling material optimization and weight reduction.

Because the fiber architecture is created before forming, the process also supports high dimensional precision and consistent *Jality, which is essential for rigid packaging applications.

In simple terms, Cellera® is not just a new material approach. It is a new production system engineered specifically for efficient manufacturing of rigid, three-dimensional fiber packaging at industrial scale.

Q What types of fiber raw materials can Yangi Cellera efficiently process, and how flexible is the system in handling recycled fiber or alternative agro-based fibers?

Our platform is designed primarily for cellulose pulp on reels, which allows us to achieve high efficiency and process accuracy.



Different fiber types can be processed, but the material recipes and process settings need to be adjusted depending on the fiber and the functional requirements of the product. This is part of Yangi's expertise, built through more than ten years of research and development.

In terms of product flexibility, the system is designed for short times and relatively low tooling investment. That means one machine can pro-



Anna Altner
Founder- **Yangi**

duce different formats and designs — though not simultaneously. At the same time, it is also capable of running very high volumes, so converters can dedicate a line to one product or use it for several products within their portfolio

Q With increasing focus on carbon footprint reduction, how does Yangi's technology contribute toward decarbonization goals for packaging producers?

There are three key drivers. First, minimal added process water, which significantly reduces energy compared to traditional wet forming.

Second, efficient material use. Because we control fiber architecture, we can optimize weight and minimize waste.

Third, replacing fossil-based rigid plastics with renewable paper fiber, when designed correctly, can significantly lower the overall environmental footprint. Fiber is a renewable resource, and paper is also one of the few packaging materials with a well-established and efficient recycling infrastructure globally. This means that fiber packaging can fit into existing circular systems while reducing dependence on fossil materials. Of course, carbon outcomes depend on electricity mix and local infrastructure. But structurally, dry forming removes some of the most energy-intensive steps in conventional fiber production.

> "Historically, molded fiber sometimes struggled with speed and cost at scale. Dry forming addresses that. In fast-growing markets like India, where manufacturing capacity is expanding rapidly, the opportunity is significant"

Q How do you see dry formed fiber packaging supporting global regulatory shifts away from single-use plastics?

Globally, regulations are pushing for less fossil-based packaging and better recyclability.

Dry formed fiber provides a rigid, high-quality alternative for several plastic formats, especially trays and lids.

But the key isn't just switching materials. It's switching to something that can scale industrially and remain commercially viable. That's where dry forming becomes highly relevant.

Q Dry Forming technology requires Pulp (Soft and Hardwood), Do you think that mergers and acquisitions in the global pulp production already impacting paper prices, Import of paper to developing countries is increasing, In that scenario wood/cellulose fiber packaging product would impact paper prices indirectly if penetrated in future.

Pulp is already used across a wide range of industries, including packaging, printing and graphic papers, and tissue. Some of these segments are declining while others are growing which means the overall demand for pulp is constantly shifting.

From a global perspective, there is still significant production capacity, and within the total packaging market there is room for further growth in fiber-based solutions.

An important aspect going forward is how fiber resources are prioritized, where virgin fibers are needed for performance, and where recycled fiber streams can be used instead.

Pulp prices also fluctuate over time. They are influenced not only by demand, but also by broader market dynamics such as energy costs, currency movements, logistics, and inventory levels. So, the relationship between fiber packaging growth and pulp pricing is not a simple one-to-one effect.

Q In 2023, wood prices already surged by 30%, how would you justify the price dynamics of paper pulp packaging in comparison to other Argo waste or plastic packaging (using Virgin layer in direct contact to food)?

For packaging producers, raw material prices are of course important, but they are only one part of the overall cost structure.

In the long term, forecasts indicate that increases in wood-based raw materials are expected to remain lower than those for fossil-based materials.

At the same time, regulatory requirements are pushing for higher levels of recycled content in packaging. This is already affecting plastics, where recycled materials can in many cases be more expensive than virgin raw materials.

When evaluating packaging economics, it is important to look at the broader market dynamics and regulatory developments, not only the price of the raw material itself.

Q Cup stock paper is emerging rapidly in India and other countries. Can Yangi's technology replace cup stock paper by making tea/water cups directly from pulp using dry forming technology? Is that possible?

Not at this stage. Dry forming is not yet suited for producing very deep geometries such as traditional drinking cups. In addition, the current production processes for paper cups are already highly efficient, so replacing them is not necessarily where the biggest opportunity lies.

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Anna Altner
Founder- **Yangi**

Q what are the key challenges manufacturers face when transitioning from plastic or wet moulded fiber packaging to dry formed fiber packaging?

One key challenge is design. You cannot simply copy a plastic package in terms of shape or geometry when moving to fiber.

Another important aspect is functionality. Expecting fiber packaging to deliver the same barrier performance as plastic is often unrealistic. Instead, it is important to evaluate where fiber is the right solution and where plastic may still be necessary. Today, plastic is used in many applications where the performance is actually overengineered for the product.

Transitioning therefore requires system thinking and close collaboration across the value chain, with full acceptance that fiber packaging follows different design and performance principles than plastics.

Q India is witnessing rapid growth in sustainable packaging and agro molded fiber solutions. How do you view India as a potential market for Yangi's technology?

We have not yet focused specifically on India, but we are very interested in learning more about the market.

There is clearly significant development potential as the demand for sustainable packaging continues to grow globally. For us, entering new markets is always about understanding the local ecosystem and building partnerships with industrial players who want to scale production. India is an interesting market in that context.

Q Cost competitiveness is a crucial factor for Indian manufacturers. How does Yangi ensure commercial viability and ROI for customers in emerging markets like India?

ROI depends on stable, high-volume production, and reliable industrial processes. At Yangi, we bring more than a decade of experience in dry forming, covering machine technology, material recipes, tooling, and industrial ramp-up. This expertise helps reduce risk when scaling new production.

Another important factor is that our process requires very little water, which can be a significant advantage in regions where water is scarce or costly.

Combined with high output and automated production, this supports strong unit economics and a predictable return on investment.

Q Are you exploring partnerships with pulp and paper mills, packaging converters, or brand owners in India or Asia for technology deployment?

We have not yet actively explored India or Asia, mainly because we are currently seeing strong interest and opportunities in other markets.

However, we are always open to partnerships and collaborations as we continue to expand internationally.

Q What technological advancements or product developments can the industry expect from Yangi in the coming years?

Going forward, we will focus on expanding our portfolio into new product segments and use cases. This includes applications requiring higher barrier functionality as well as more advanced product designs.

As these applications evolve, the Cellera platform will be adapted where necessary to support new performance requirements and packaging formats.

Q Looking ahead, how do you see dry forming shaping the future of fiber-based packaging globally and particularly in fast-growing markets like India?

Dry forming helps close the gap between sustainability ambition and industrial reality. Historically, molded fiber sometimes struggled with speed and cost at scale. Dry forming addresses that. In fast-growing markets like India, where manufacturing capacity is expanding rapidly, the opportunity is significant.

Q The demand for sustainable packaging is growing rapidly across FMCG, electronics, and food service industries. Which sectors are showing the strongest adoption of dry forming fiber packaging?

Today we see the strongest demand from food-related applications, where volumes are high and there is significant potential to transition to new packaging systems at scale.

At the same time, we are also seeing meaningful activities and discussions emerging in other industries as companies explore fiber-based alternatives.

Q Any message you want to convey to Indian paper mill owners, converters, and the packaging community?

We need to think in systems, not just materials. True change happens when fiber quality, forming technology, barrier strategy, and end-of-life design are developed together, not in isolation. Sustainability on its own is not enough; it must be industrial, scalable, and commercially viable to create real impact. India has the talent, the manufacturing strength, and the momentum to lead the next generation of fiber packaging.



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The investments undertaken over the past four years have fundamentally strengthened Andhra Paper's competitive position, and the company has invested INR 915 crore to modernise and optimise its manufacturing facilities

For over six decades, Andhra Paper Limited has been enabling education, communication, and enterprise through quality paper solutions. With a strong foundation in manufacturing excellence, sustainability and innovation, the Company continues to deliver reliable products that support evolving consumer and industrial needs.

The Pulp and Paper Times

For over six decades, Andhra Paper Limited has been enabling education, communication, and enterprise through quality paper solutions. With a strong foundation in manufacturing excellence, sustainability and innovation, the Company continues to deliver reliable products that support evolving consumer and industrial needs.

The long-term competitiveness of every manufacturing enterprise depends on continuously renewing its core manufacturing capabilities. Guided by this principle, Andhra Paper has undertaken one of the most significant modernisation programmes in its recent history.

Over the past four years, Andhra Paper has invested approximately INR 915 Crores to modernise and optimise its manufacturing facilities across both operating units, strengthening operational reliability, resource efficiency, fibre security, cost competitiveness and product capabilities.

These investments were undertaken during one of the most challenging periods for the paper industry characterised by elevated fibre costs, pricing pressures, increasing imports and changing customer expectations. Rather than postponing investment until market conditions improved, your Board chose to invest through the cycle, recognising that enduring competitive advantage is created by building capability ahead of demand.

FY26 marked the transition from investment to execution. During the year, Andhra Paper recorded its highest-ever production of 2,59,266 MT and sales of 2,60,438 MT. Revenue from operations increased by over 10% to INR 1,701 Crores, while the fourth quarter delivered the highest quarterly revenue in the Company's history. These achievements demonstrate the operational benefits beginning to emerge from our multi-year investment programme despite continued industry-wide pricing and fibre cost pressures.

"The Indian paper industry continues to evolve towards packaging, speciality and hygiene grades, supported by rising consumption, e-commerce, urbanisation and increasing preference for sustainable paper-based alternatives. Although digitalisation continues to influence traditional writing and printing segments globally, India's favourable demographics, improving literacy and low per-capita paper consumption continue to provide attractive longterm growth opportunities," Mr. Shree Kumar Bangur, Chairman & Non-Executive Director of Andhra Paper Limited stated in the annual report for FY 25-26.

Investments at Rajahmundry have enhanced pulp mill reliability, productivity and energy efficiency, while upgrades at Kadiam have strengthened recycled fibre utilisation, raw material flexibility and cost competitiveness. Together with continued expansion of value- added and speciality grades, these initiatives have created a more agile, efficient and resilient operating platform capable of responding to changing customer requirements and market conditions.

Mr. Bangur further stated that, Our entry into the tissue and hygiene segment represents an important strategic milestone. Rising hygiene awareness, urbanisation, organised retail, hospitality and healthcare continue to support strong long-term demand, while India's low per-capita tissue consumption presents a compelling growth opportunity. The upcoming tissue facility at Rajahmundry will diversify our product portfolio, reduce dependence on traditional paper grades and strengthen our presence in one of the industry's fastest-growing segments.

Sustainability: The Strategy Behind the Standard

Sustainability has long been embedded in Andhra Paper's business model. Our farm forestry programme remains central to our fibre security strategy while creating meaningful socio-economic benefits for rural communities.

- Spanning over 9,574 hectares and engaging approximately 5,000 farming families, the programme generates more than 47.87 Lakhs person-days of rural employment and stands as our most critical raw material security initiative.
- In CY26, we have set a firm target to expand plantation coverage to 12,000 hectares, further strengthening our

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Mill Development, Capital Expenditure and Strategic Modernisation

During FY 2025-26, your Company substantially completed its flagship mill modernisation programme undertaken across the Rajahmundry and Kadiyam manufacturing units with the objective of enhancing operational reliability, productivity, sustainability and long-term competitiveness.

Plant upgrades and de-bottlenecking totalling INR 520 Crores were completed in between 2022 and 2026. RJ-3 Machine upgrade INR 178 Crores is in progress with target completion of March 2027. Tissue Paper project INR 270 Crores awaiting approval from State Pollution Control Board for commencement. In addition, Company invested INR 150 Crores in core manufacturing and process equipment across its pulp, paper and finishing operations, chemical recovery systems and INR 67 Crores in electrical and process control systems, warehousing & logistics infrastructure, utilities, buildings, environmental systems, IT and safety systems.

Looking Forward

With the investment cycle substantially complete, our strategic priorities are now centred on maximising returns from the capabilities we have created. Our priorities for the coming years remain clear:

• Improving asset utilisation and operational efficiency across both manufacturing units.

• Expanding our presence in higher-value product segments where sustainable growth will be increasingly concentrated.

• Strengthening customer relationships and deepening our market position in key segments.

• Maintaining operational discipline and cost competitiveness in an increasingly dynamic market environment.

• Continuing to invest in innovation, sustainability, and responsible growth, which we believe are integral to creating enduring value for all stakeholders.

"We believe the investments undertaken over the past four years have fundamentally strengthened Andhra Paper's competitive position. While industry cycles will continue, we are entering the next phase with a stronger manufacturing base, greater operating flexibility, enhanced fibre security and a broader product portfolio. Our focus is now firmly on translating these capabilities into sustained growth, improved profitability and superior shareholder returns". Mr. Bangur said.

P19... through FY27, driven by increasing demand for tissue, cup stock, thermal and other value-added grades. Rising hygiene awareness, urbanisation, healthcare expansion and growth in organised retail are expected to provide sustained longterm growth opportunities.

Outlook for FY26 & Beyond

Crisil Intelligence expects the overall paper demand to grow at a healthy two-year CAGR (FY25-FY27) of 4-6% to ~25-27 million tonnes by fiscal 2027 driven largely by paperboard and specialty paper demand. The newsprint segment continues to witness slow demand due to decline in English news paper circulation on account of shift towards digitised versions of newspapers with proliferation of digitisation and smartphones.

Demand from FMCG, pharmaceuticals, food processing, organised retail and e-commerce is expected to support continued growth in paperboard and packaging solutions. At the same time, increasing regulatory and consumer focus on reducing plastic usage is likely to accelerate the adoption of recyclable and paper-based alternatives.

However, the sector will continue to face structural challenges. Raw material availability, particularly wood fibre and waste paper, remains a key constraint, creating exposure to price volatility and imports in certain segments. Energy costs, environmental compliance requirements and industry fragmentation may also continue to influence margins and competitiveness.

The outlook for FY27 and beyond remains positive, with structurally driven growth expected to continue, supported by domestic demand expansion, low per capita consumption, sustainability-led substitution and rising consumption from end-user sectors. As per The Pulp and Paper Times, the Indian paper market is currently valued at approximately USD 4.7 billion, and is projected to grow at a 13.4% CAGR through 2032, reaching nearly USD 11.3 billion, with packaging grades expected to remain the primary growth engine.

Addressing these challenges will require sustained investments in plantation development, recycling infrastructure, technology upgrades, process efficiency and value-added product categories. Opportunities are expected to emerge in specialty papers, high-performance grades, hygiene-linked products and packaging applications where quality, sustainability and reliability are becoming increasingly important.

Taken together, these segment-level trends (summarised in the table above) reinforce the broader industry outlook of paperboard- and specialty-led growth, with writing and printing paper demand supported chiefly by continued government expenditure on education and literacy initiatives.

The above report has been extracted from Andhra Paper Limited's annual report for FY 25-26.

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Dr. Sanganamoni Shivashankar
Scientist (AS & PE)
ICAR-IIOPR

EFB has moderate fibre length and strength compared to other materials. Its pulp yield (45–55%) is comparable to bagasse and bamboo



Recently, The Pulp and Paper Times spoke with Dr. Kancherla Suresh, Director, ICAR-IIOPR, Pedavegi, and Dr. Sanganamoni Shivashankar, Scientist (AS & PE), ICAR-IIOPR, Pedavegi, to explore the potential of Oil Palm Empty Fruit Bunch (EFB) in the Indian Pulp & Paper Industry. Their insights revealed several interesting findings and perspectives. Here are their views:

"EFB pulp performs best when used in blends. On its own, it is suitable for corrugating medium, test liner, molded pulp, and low-strength packaging"

Q Oil Palm Empty Fruit Bunch (EFB) is gaining attention as a non-wood raw material. How do you see its potential for the Indian pulp and paper industry?

Oil Palm Empty Fruit Bunch (EFB) holds good potential as a supplementary non-wood raw material for the Indian pulp and paper sector. With the expansion of oil palm cultivation under national initiatives, EFB can offer a renewable and locally available biomass resource. It may reduce dependence on wood and imported pulp while supporting circular bio-economy goals. Technically suitable for soda pulping, EFB could be effectively used for packaging, board, and blended paper grades, especially when supported by cluster-based processing near oil palm mills.



Dr. Sanganamoni Shivashankar
Scientist (AS & PE)
ICAR-IIOPR

Q What are the key physical and chemical characteristics of EFB that make it suitable for pulp and paper manufacturing?

EFB possesses favourable fibre and chemical properties. It has short-to-medium fibre length (0.8–1.2 mm), good bulk and porosity, and moderate strength which makes it suitable for packaging and board grades, particularly in blends. Chemically, it contains 40–50% cellulose, 20–30% hemicellulose, and moderate lignin (18–23%), which supports efficient pulping. However, its high initial moisture content (60–65%) necessitates pre-processing before use.

Q Has IIOPR conducted or supported any research on the use of EFB for pulp or paper production? If yes, what are the major findings?

ICAR–IIOPR has initiated research on the utilization of oil palm Empty Fruit Bunch (EFB) for pulp and paper applications. Strengthening these efforts through financial support and strategic collaborations with industry partners and stakeholders will be crucial for advancing pilot-scale studies and enabling commercial-scale adoption.

Q Which paper and board grades can be produced using EFB pulp?

EFB pulp performs best when used in blends. On its own, it is suitable for corrugating medium, test liner, molded pulp, and low-strength packaging. When blended with long-fibre sources like wood, bamboo, or bagasse, it could be used for higher-strength products such as kraft paper, duplex board, writing and printing paper, and quality packaging boards.

Q How does EFB compare with other non-wood raw materials like bagasse, wheat straw, and bamboo?

EFB has moderate fibre length and strength compared to other materials. Its pulp yield (45–55%) is comparable to bagasse and bamboo. While bamboo offers superior strength due to longer fibres, EFB performs well in blends. Unlike seasonal residues like wheat straw, EFB availability is expected to improve steadily with oil palm expansion.

Q What is the current and future availability of EFB in India?

Currently, EFB availability is moderate and localized around oil palm processing units. However, with the expansion of oil palm plantations, availability is expected to increase significantly over the next 5–10 years.

Q Which regions in India have the highest potential supply of EFB?


Dr.S Shivashankar

At present, states such as Andhra Pradesh and Telangana lead in the availability of oil palm Empty Fruit Bunch (EFB) due to extensive cultivation. In the coming years, North-Eastern states including Assam, Arunachal Pradesh, Mizoram, and Tripura are expected to emerge as significant contributors as oil palm plantations reach maturity.

Q What are the main logistical and handling challenges in EFB utilization?

Key challenges include high moisture content, low bulk density, rapid biodegradation, and scattered availability. These can be addressed through mechanical dewatering, shredding or baling, improved storage systems, and establishing cluster-based pre-processing units near oil palm mills. Efficient logistics planning and long-term supply agreements are also essential.

Q How does EFB contribute to sustainability in the paper industry?

EFB utilization can promote sustainability by reducing reliance on wood and imported pulp, thereby conserving forest resources. It also minimizes waste disposal issues at oil palm mills and reduces greenhouse gas emissions. Overall, it supports circular bio-economy practices and enhances resource efficiency in paper production.

Q What processing or pretreatment is required before pulping EFB?

EFB requires several pre-processing steps, including





Dr. Sanganamoni Shivashankar
Scientist (AS & PE)
ICAR-IIOPR

mechanical defibration, washing to remove impurities, moisture reduction, and size reduction. This is followed by soda or soda-AQ pulping, and post-pulping treatments like washing, screening, refining, and optional bleaching to improve pulp quality.

Q Are there any pilot projects or collaborations for EFB utilization?

Efforts have been initiated to explore partnerships among research institutions, oil palm processors, and paper mills. However, structured pilot-scale demonstrations and large-scale industrial collaborations are still pending and expected to take shape in the future.

Q What other high-value applications of EFB support a circular economy?

Beyond paper, EFB could be utilized for organic compost, biochar, biomass fuel (pellets/briquettes), particle boards, bioethanol, biogas, and advanced materials like nanocellulose. It is also useful as mulch in plantations, contributing to soil health and moisture conservation.

Q Do you see EFB becoming commercially viable in the next 5–10 years?

EFB is likely to become commercially viable as availability increases with oil palm expansion. Its success will depend on efficient supply chains, pre-processing infrastructure, and its use in blended pulp systems rather than as a standalone raw material.

Q What policy support is needed to promote large-scale use of EFB?

At present, national efforts are primarily focused on enhancing oil palm productivity and expanding the cultivation area to reduce edible oil imports. As the sector evolves, there could be considerable scope to further integrate EFB-based value addition, including pulp and paper applications, into the broader policy framework.

Q What message would you like to give to Indian paper manufacturers?

Paper manufacturers should view EFB as a strategic supplementary fibre rather than a replacement for wood. Early adoption through pilot trials, blending optimization, and supply chain partnerships can provide both economic and sustainability advantages, helping the industry reduce import dependence and diversify raw material sources.

DGFT extends the Minimum Import Price (MIP) period on virgin multi-layer paperboard under Chapter 48

-MIP imposed on import of Virgin Multi-layer Paper Board (VPB) under ITC (HS) Codes 48059100, 48059200, 48059300, 48109200, and 48109900 has been extended for a period of six months i.e up to 31.03.2027

The Pulp and Paper Times

The Government's move to extend Minimum Import Price (MIP) on Virgin Multi-layer Paper Board (VMPB) for a period of six months, marks a significant step toward protecting the domestic industry from the influx of low-priced imports. The decision is aimed at curbing unfair trade practices, particularly dumping, which has put pressure on local manufacturers' margins and market share. By setting a price threshold, the policy seeks to create a level playing field and ensure fair competition. Industry stakeholders believe the move will help stabilize prices and improve capacity utilization across domestic mills. It is also expected to encourage investment and strengthen the long-term sustainability of the sector.

According to Notification, in exercise of powers conferred by Section 3 and Section 5 of Foreign Trade (Development & Regulation) Act, 1992, read with paragraph 1.02 and 2.01 of the Foreign Trade Policy 2023, as amended from time to time, and in continuation of Notification No. 26/2025-26 dated 22.08.2025, Notification No. 69/2025-26 dated 31.03.2026, and Notification No. 14/2026-27 dated 30.04.2026 read with Policy Circular No. 04/2025-26 dated 03.09.2026, the Central Government hereby extends the Minimum Import (MIP) condition of specific items covered under Chapter 48 of ITC HS, 2022, Schedule -I (Import Policy), for a period up to 31.03.2027 with all other terms and conditions remaining same as in the Notification No. 26/2025-26 dated 22.08.2025.

Effect of the Notification: Minimum Import Price (MIP) @ INR 67,220 per MT on Cost, Insurance, and Freight (CIF) value, imposed on import of Virgin Multi-layer Paper Board (VPB) under ITC (HS) Codes 48059100, 48059200, 48059300, 48109200 and 48109900 has been extended for a period of six months i.e. up to 31.03.2027.



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Pakka Advances PM4 Development; flexC Base Paper Trials Underway in Europe, with a Distributor Soft Launch Expected

Pakka Limited Reports Highest-Ever Quarterly Revenue; Project Jagriti Back on Track, PM4 Start-Up Expected by November

Pakka Limited reports its highest-ever quarterly revenue; Project Jagriti is back on track, with PM4 expected to start by the end of October and paper production in November

Ved Krishna, Group Lead at Pakka Limited, attending the Q1FY27 concall, said, "We are pleased to report our highest-ever quarterly revenue. Our focus is to build on this performance while continuing to improve profitability."

Funding for Project Jagriti has been completed, the project is back on track, and Pakka expects to commission the machine within the next few months. The Food Services business has also made significant progress. Pakka has established a strong outsourcing model, with approximately five to six partners commencing production for the company. As the company progressively scales this model, it expects it to support both revenue growth and profitability.

Pakka has also completed multiple customer trials for its delivery containers and is ordering the first facility, including the required coating system. The company expects this facility to be in place by the time of its next investor call.

Pilot trials for the flexC base paper to be produced on PM4 are underway. Pakka expects to complete these trials within the next two months, followed by a soft launch.

Ved Krishna said the first quarter has been strong, and several performance records have been surpassed. Revenue increased by 42% compared with Q1 of the previous financial year and by 14% compared with the preceding quarter.

Wrap & Carry PBT was 16% lower sequentially, primarily due to costs paid to bankers during the quarter; operationally, the business performed better. The principal challenges are the start-up of PM4, which is expected around the end of October or in November; market acceptance of products manufactured on PM4; the continuing Middle East situation, which is affecting exports; and the high financing cost associated with Project Jagriti. "We remain focused on addressing each of these challenges," he said.

Project Jagriti and PM4 Progress

Project execution is now at an advanced stage, with more than 85% of the major equipment work completed. The machine is taking shape, as reflected in the progress shown in the presentation. Pakka is confident of starting the machine by the end of October and reeling out paper in November.

The Power Boiler and Recovery Boiler, which form part of Project Jagriti, are also at an advanced stage, and steam trials have been completed. Start-up is targeted for the end of August or the first week of September.



For PM4, Pakka is planning laboratory and pilot trials in Europe and expecting customer-ready samples from the pilot trials during September.

flexC Base Paper Development

Pakka's principal product-development focus is flexC base, a translucent paper with significantly enhanced strength. Laboratory trials are being completed in Europe, with pilot trials scheduled for early September.

The company expects to conduct a distributor soft launch in October, begin commercial production following the start-up of PM4 in November, and progressively stabilise production by January.

Initial target applications include confectionery wraps, snack and sweet pouches, sachets, tea pouches, seed packs, medical packaging, release liners and dry-food liners. The longer-term objective is to develop increasingly effective barriers for food packaging applications.

Pakka has also decided to relocate its Material Science Centre from Bengaluru to Ayodhya to deepen its investment in innovation, which is central to Pakka's future growth.

The Centre will focus on base materials, biotechnology, conversion systems, biodegradation and substrate valorisation, with applications spanning Flexibles, Wrap & Carry, Food Services and rigid products.

The collaboration agenda includes incubation, acceleration, global R&D partnerships, customers and converters. Exploration areas include large language model applications for research, cross-pollination of ideas, biomimicry, fermentation, microbial multiplication and an in-house design laboratory.

Pakka is also building global university partnerships, high-quality infrastructure, internship opportunities and a strong leadership pipeline.

For the current quarter, the company intends to commission the recovery and power plants under Project Jagriti and prepare PM4 for plant trials. The initial delivery-container facility is being established, the Material Science Centre is being developed in Ayodhya, and flexC pilot trials and the soft launch are expected to be completed. Pakka will continue to pursue both revenue growth and improved profitability.

PM4 Project Cost and Capacity

On the question of the total cost of PM4, Ved Krishna said, "The current total project cost is approximately ₹753 crore, and the project will add slightly more than 30,000 tonnes of annual capacity. However, the principal value lies not only in capacity but also in the quality of the materials to be produced."

"Our objective is to move further into flexible packaging and manufacture a high-quality substrate. As with CHUK, the team is working to create a differentiated product that we hope will benefit both customers and investors," he added.

The initial objective is to produce flexC base—an extremely translucent, low-porosity paper with sufficient strength to run on converting equipment used for polymer-based materials. Its low porosity is designed to reduce the consumption of coating chemicals.

Pilot trials are being conducted in Europe on a machine selected after evaluating several facilities globally. The pilot machine closely replicates PM4, which was custom-designed to produce a differentiated product.

The European trial will produce a few reels comparable to the paper expected from PM4. This will validate the proof of concept and allow distributors and customers to undertake smaller trials before commercial production begins.

PM4 trials are expected to start in November, followed by a stabilisation period of approximately one to two months. Commercial production and supply to the market are therefore expected to stabilise around January.

Bagasse Pulp and Softwood Fibre Blend

Pakka is using the same substrates intended for its facility. Bagasse pulp has been shipped from India, together with the selected long-fibre softwood.

Although softwood is available in Europe, Pakka shipped the selected material from India to replicate the exact blend ratios intended for PM4. The relevant chemicals have also been supplied for the trials.

The trials replicate both the pulp furnish and the chemistry, including surface sizing used to close the paper surface. Although the physical trial is scheduled for September, development has been underway for more than six months.

Pakka recognises that stabilisation may take time. To mitigate this risk, PM4 can also manufacture established grades such as release paper, greaseproof paper and parchment paper, which can be introduced to the market if the new product requires additional development time.

Focus on Flexible Packaging

PM4 is intended primarily to address the flexible-packaging segment. Barrier coatings continue to present challenges, particularly in customer acceptance of their cost, so Pakka is taking a phased approach beginning with flexC base paper while continuing to develop the coating chemistry.

Bagasse is a short, relatively low-density fibre that creates a less porous sheet with useful translucency. Because bagasse alone does not provide very high tear strength, Pakka intends to blend approximately 20%–25% selected softwood fibre to provide the additional strength required.

PM4 has been designed to achieve the four principal properties required for coating substrates: low porosity, translucency, strength and smoothness. Pakka remains confident in the product under development.

From a financial perspective, the primary focus is not merely net sales realisation, but the contribution generated by each grade. Pakka aims to achieve a contribution level higher than that of any grade produced previously and monitors contribution per machine hour as a key internal performance indicator.

In the targeted applications, petroleum-based ..P62

Expert's Views

Pawan Agarwal: Indian Paper Industry Getting Its Due Recognition, Sustainability and Plantation Driving Growth

Mr. Pawan Agarwal, President, Indian Paper Manufacturers Association (IPMA), in his inaugural speech on National Paper Day, said that the Indian paper industry is getting its due recognition, particularly in the last four-five years and especially post-COVID, as the industry is increasingly being recognized as a truly sustainable industry.

Speaking about Mr. Singhania, Chairman and Managing Director of JK Paper, Mr. Agarwal said that he has taken JK Paper to "unassuming heights" and that the performance of JK Paper is a benchmark for many paper industries in India. He said Mr. Singhania has not only taken JK Paper to these heights but has also inspired each and every paper industry and paper entrepreneur in India.


Mr.Pawan Agarwal
Managing Director - Naini Group

"He thinks not only of JK Paper, he thinks of the paper industry as a whole. He considers Indian paper industry as his own family. That is the reason he is there as a patriarch," Mr. Agarwal said, adding that Mr. Singhania is a mentor and guide for many, including Ved and himself.

Mr. Agarwal further said that a revolution is being seen in the Indian paper industry in the field of plantation, tree plantation and tree cover outside forests. According to him, Mr. Singhania led this movement, because of which the Indian paper industry can today be considered sustainable and fiber-reliant to a great extent.

Indian Paper Industry Using Sustainable Raw Materials

Agarwal said that Indian paper industry is getting duly recognized because everybody today believes that the industry is truly sustainable. He said the raw materials being used by the industry, including agricultural residue, wood, bamboo and recovered fiber, are coming from sustainable sources.

He particularly highlighted the role of wood used by the paper industry, saying that more than 95% of this wood is being produced by farmers in their agricultural fields. According to Agarwal, wood has now become an agro crop and agro produce, and it is being harvested between four to six years.

"So children, I can tell you from this dais, that you can use paper without any guilt. There have been a lot of myths about paper in the past, but all these myths have been blown now," he said.

Fresh Water Consumption Reduced

Highlighting the sustainability aspect of the pulp and paper industry, Agarwal said that the resources used by the industry have been optimized greatly in the last one decade.

He pointed to the reduction in fresh water consumption, saying that fresh water consumption in an integrated pulp and paper mill has come down from a very high figure of 200 or even 250 m^3 per ton of paper, where there was no limit and no control, to as low as 28 m^3 per ton of paper today.

Agarwal said the paper industry is one of the very few industries in India that is labor-intensive, energy-intensive and capital-intensive. He said that with so much intensity in terms of labor, capital and energy, there are many opportunities to optimize resources, and the industry has been doing so successfully.

According to Agarwal, the paper industry gives employment to more than half a million people directly and more than two million families indirectly.

Paper as an Alternative to Plastic

Agarwal also highlighted the growing concern over plastic and single-use plastic. He said that, as of date, there is no other substitute to plastic but paper.

He said paper has been recognized by governments, including state governments and the central government, as well as users, but there is a problem of implementation and strict implementation of laws against the use of single-use plastic.

On National Paper Day, Agarwal appealed to all users, including Gen Z, Gen Alpha, millennials and people of all ages, to willingly impose a ban on single-use plastic and restrict themselves from using materials that are not environmentally friendly.

Paper is Biodegradable, Compostable and Recyclable

Agarwal said paper is perhaps the only product whose..P50

Expert's Views

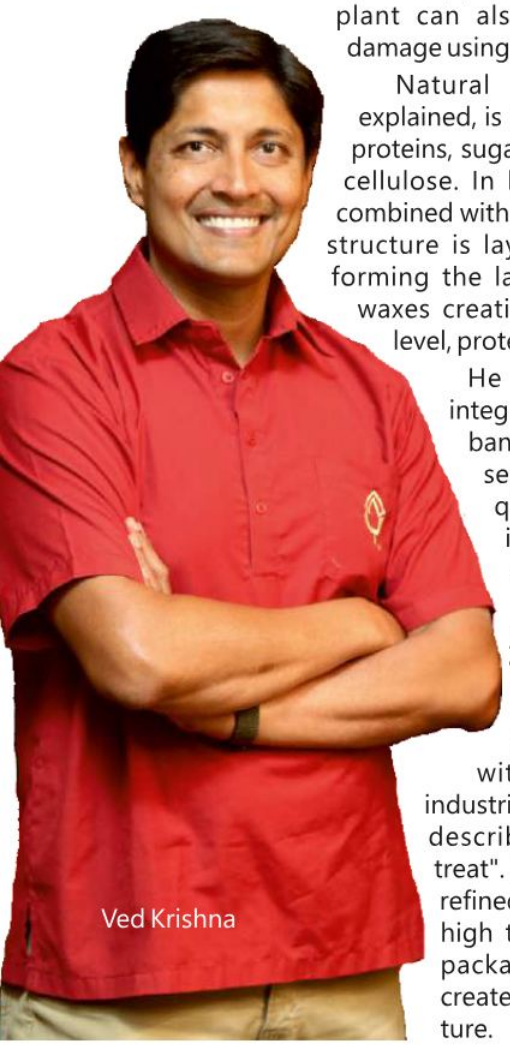
Ved Krishna: Nature Offers a Blueprint for Sustainable Packaging and Manufacturing

Mr. Ved Krishna, Group Lead, Pakka Ltd., said nature offers valuable lessons in packaging and manufacturing, and urged the paper industry to develop more sustainable solutions by studying natural systems.

Speaking at the National Paper Day celebration, Krishna said every living thing has packaging. Natural packaging, he noted, protects what is inside while allowing it to breathe and preventing external elements from entering. Fruits, vegetables and insects all demonstrate this principle.

Banana as a Model of Natural Packaging

Krishna used the banana as an example of efficient natural packaging. He said its end-of-life is programmed from the beginning: the packaging eventually returns to the earth and supports new life. The banana plant can also repair itself after damage using its own materials.


Ved Krishna

Natural packaging, he explained, is based on amino acids, proteins, sugars, carbohydrates and cellulose. In bananas, cellulose is combined with pectin and waxes. The structure is layered, with cellulose forming the larger framework and waxes creating finer, even nano-level, protection.

He said nature also integrates quality control. A banana does not require separate inspection; its quality is determined by its variety and natural development.

Manufacturing at Ambient Temperature

Krishna contrasted natural manufacturing with conventional industrial processes, which he described as "heat, beat, treat". Materials are cooked, refined and treated, often at high temperatures. Banana packaging, by contrast, is created at ambient temperature.

The primary energy source is the sun, eliminating the need for boilers or turbines. Raw materials come from the land, while cellulose is produced through carbon captured during photosynthesis. Krishna said nature's blueprint is precise, with DNA providing clear specifications and leaving little room for error.

Nature's Additive Manufacturing

According to Krishna, human manufacturing is largely subtractive. Trees are cut, converted into chips and processed, while waste paper is recovered and transformed into new paper.

Nature works differently. Natural packaging is additive, similar to 3D printing. Layer after layer is added as the product grows. When the product reaches the end of its life, its packaging also completes its cycle.

Packaging Designed for the Product

Krishna said natural packaging provides exactly the protection a product needs. A banana's skin regulates moisture and oxygen, helping keep the fruit alive. It also indicates freshness without requiring an expiry date: as the banana ripens, its colour changes, and when it begins to turn black, it signals the end of its usable life.

Natural packaging also offers a simple unpacking experience. A banana requires no tape, tools or instructions. It can be opened easily, and its appearance identifies it immediately without labels or printed information.

No Recycling Code Needed

Natural packaging does not require recycling codes or disposal instructions. A banana can be eaten by an animal or left in the soil to decompose. The system is designed to return safely to nature without requiring complex sorting or recycling infrastructure.

The Challenge of Plastic Waste

Krishna discussed the environmental consequences of human manufacturing, particularly plastic. At Pakka, he said, new employees visit landfills, polluted water bodies and recycling sites to understand the scale of the problem.

Plastic recycling remains difficult. Even monomaterial plastic may only be downcycled in limited quantities, while the final destination of much recycled material remains uncertain. Krishna also questioned how much plastic from bottles and polyester products is genuinely recovered.

He said plastic waste is increasingly found inside animals, including cows, crows, dogs and pigs, describing this as a direct consequence of human activity.

Renewable Materials and Green Chemistry

Krishna said the industry must focus on renewable materials. He noted that the Indian paper industry is involved in agroforestry and that approximately 75% of paper is recycled. He also referred to recycled paper imported from the United States and to bagasse as an underused material.

He urged the industry to examine its environmental claims, particularly its water consumption. A good integrated mill, he said, uses around 30,000 litres of water per tonne. When multiplied by daily production and annual operating days, the figure becomes substantial.

"We have no right to use that aquifer," he said, stressing the need for responsible water management.

Krishna also called for greater use of green chemistry. Unlike conventional chemistry, which may rely on caustic soda, chlorine and solvents, natural systems use water as the solvent. The industry, he said, should explore enzymatic and water-based processes and find ways to use waste and co-products more effectively.

Innovation Must Create Value

Krishna said human beings are capable of developing transformative technologies, citing plastic as an example. The first plastic bag appeared around 1946, and within decades plastic had changed daily life and the environment.

However, he cautioned that sustainable alternatives cannot depend on sustainability alone to attract customers. Products must also deliver value and performance.

"I am not saying that it should be cheap, but it should create the right value," he said. He added that Pakka had developed a product for which customers were willing to pay twice the price.

Learning from Nature

Krishna urged the industry to observe nature more closely. He cited the pomegranate as an example, highlighting its protective outer structure, hexagonal design and internal membranes that safeguard its delicate seeds.

Peas, peanuts, pineapples, apples and mangoes also offer lessons in packaging and protection.

He noted that human beings have existed for only a brief period compared with the 380 crore years of life on Earth. If that history were compressed into 24 hours, humans would have appeared only about a minute ago.

"Our ancestors have learned a lot from nature, and we have to learn," Krishna said, concluding his address by thanking the gathering and congratulating everyone on Paper Day.

P48... raw materials are biodegradable, compostable, recyclable and procured sustainably.

He further said that the paper itself is biodegradable, compostable and can be recycled 7 to 10 times.

"Can you think of any other industry on this planet which can boast of this particular aspect of sustainability and environmental friendliness, that all the raw materials are having this particular aspect, and all the products are again having the same aspect, environmentally friendly and sustainable?" Agarwal said.

Paper Industry's Contribution to Economy, Employment and Environment

Agarwal said the paper industry can contribute to the economy of the country, the environment, employment and the social aspect of the nation in a big way.

According to him, the paper industry is here to stay and flourish, while covering the three aspects of economy, social development and the environment.

He also highlighted the scale of tree plantation, saying that 35.1 million hectares of land is under tree plantation, which he attributed to the efforts of the Indian paper industry in the last decade and a half.

He said the plantation has a significant social impact in terms of providing employment to rural people and generating rural employment. He also pointed to its impact on the economy in many areas, including Uttarakhand and Uttar Pradesh.

According to Agarwal, government records show that the income of farmers involved in plantation activities has doubled during this period.

Plantation and Carbon Sequestration

Agarwal also highlighted the environmental impact of plantation and the carbon sequestration achieved through it.

He said one tree, in its lifetime of five to six years, absorbs around 7 kg of carbon dioxide and releases more than 350 kg of oxygen.

"So this is the kind of impact which paper industry is having on the society, on the economy, and on the environment of this country," Agarwal said.

Concluding his address, Agarwal said that the paper industry is going to find new avenues where products that are not environmentally friendly can be replaced by paper industry products that are totally environmentally friendly.

He wished everyone a good and happy National Paper Day.

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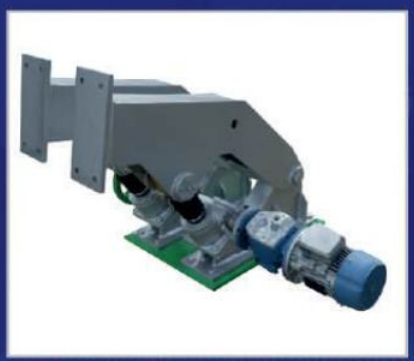
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Expert's Views



-Wood & Carbon Positive: Indian Paper Sector Expands Plantation Efforts Beyond Domestic Demand
- Almost 125 lakh ton wood is required to meet the domestic demand of the integrated paper players

In his address on National Paper Day, Mr. A.S. Mehta, President and Director – JK Paper, highlighted the Indian paper industry's steady 7% growth rate while calling on all stakeholders to serve as brand ambassadors to reshape public perception by promoting the sector's sustainability and circular economy credentials. Emphasizing the need for government protection under the 'Vocal for Local' initiative, he noted that domestic production capacity fully meets national demand. Furthermore, Mr. Mehta detailed how the industry's aggressive agroforestry plantations—expanding non-forest tree cover by over 5.5%—have made the sector both wood-positive and carbon-positive, while simultaneously serving as a vital socio-economic engine that provides year-round employment to over 3 lakh rural workers annually. Here is his full speech

The Pulp and Paper Times

Congratulations and best wishes on this occasion of National Paper Day. In fact, it gives immense pride for us that we are part of the industry.

It doesn't have the good image today, but we are trying to make the correct image of the industry, and our effort is on. It will take many more years to correct the image, but the process is on. As Mr. Singhania said in the afternoon, all the brand ambassadors of the industry—be it employees of the manufacturer, all our frontline sales people, all our partners and your people in the market—in fact, we should talk about the sustainability and the circularity of the industry, and we must create a good image of the industry.

The industry size and the scale is known to all of you, so I don't want to talk on this. But one thing we must take pride in is that we are part of the industry which is growing at a healthy rate of 7%—or, I mean, it used to grow at more than 7%, but also likely to grow at 7% in the coming years.

A huge investment is required. All the paper categories also are growing. Yes, some of the categories may not grow, but what we talked is 'Vocal for Local'. In fact, this message should also go to the government and the other people. We have been talking—I mean, I have been talking and meeting all the bureaucrats or the

politicians. I have been talking on this topic that we have the full capacity available to meet the domestic demand, and this must be encouraged and protected.

This is about the scenario of the wood, because when we are talking about sustainability, in fact, this is particularly about the virgin paper what we are talking. And if we see the demand side of the wood for the paper sector, it is likely to grow at 4% from the current level. Almost 125 lakh ton wood is required to meet the domestic demand of the integrated paper players.

But when we see this scenario, the availability, what we are projecting based on the plantation being done by the paper industry—in fact, in the last five years, the plantation has been amazing. All the paper companies, I mean, they're doing wonderful work on the plantation, and current year, we expect that the industry-direct plantation—indirect plantation is much more—the direct plantation is going to be more than 1,500,000 hectares of plantation. This is the newer plantation, and the coppice is in addition to it. So the wood availability in time to come is going to be much more than what we need. And that is why we call that the Indian paper industry is wood-positive and carbon-positive industry because we are planting much more than what we need.

When we see about the forest cover in the country, in fact, the Indian forest cover has gone up by 1-point-odd percent, and the entire credit for the forest cover increase goes to trees outside forests. And the credit goes to the paper and allied industries, those who have done so much of plantation.

So, in fact, the growth of trees cover, growth outside forests, is much more. It is 5.5% is recorded, but we understand that it is much more than 6%. So the growth of the trees outside forests is much more, and that is adding to the forest cover in the country.

It helps in many ways: carbon sequestration—this has been talked about—but much more is the biodiversity, and also the livelihood intervention. In fact, the plantation—when we do the plantation—1 hectare of plantation needs something around 0.6 person per year for everyday basis. So when we do 1.5 lakh hectares of plantation, we engage more than 2 lakh people throughout the year just for plantation activity, and the repeat coppice will need more people. So, on an average, we assume that 3 lakh people are directly involved in the planting activity done by the paper industry. Done by the private nurseries and the allied industries is in addition to it.

This is what I thought that the agroforestry, when we talk in the country, the economic benefits, many things have already been talked about. The doubling of the farmer income has been the objective of the government. In fact, in a major way, we are contributing to doubling the farmer income by—by adding the planting activities. Environment benefits have already been talked about. I said that the forest cover increase of 1% is predominantly because of the plantation activities done by us.

There are many challenges, and we have been talking to the ministries and the government. Something has been done, but many things are required to be done. And whatever is being done or talked about by the politicians, it takes much longer time than what they talk about. So, we need to continuously work with them. I mean, whatever is being talked about, they are talks only, not the action at ground level. But we need to continuously talk—talk and propagate this.

But a very interesting fact on this is the net farmer income by doing plantation activity. Please think that the traditional, even the cash crop, they don't give them the rewarding income to the farmer. Whereas if they do plantation, they get much more net income by doing plantation activity, and that is what is encouraging farmers to do much more plantation. I mean, all these data—the irrigated land, non-irrigated land, also the rainfed—there also the income from the plantation activity is better than even the cash crop.

This is again, I mean, these are all the data. I—I must say that whatever we talk about, the—the total duration of the—the plantation cycle of 4 to 6 years, that's not relevant today. It's not 4 to 6 years. In fact, I can only share with you that at JK Paper, we have developed the clones and we are harvesting in less than two years. In fact, our target, I had given a target to our—our plantation team for an annual tree crop. And we must work, and we are successful in achieving a 15-month harvesting cycle. We have already done that. So, hopefully in time to come, we will have an annual crop of trees, which will help the farmers and the marginal farmers.

The social impact, uh, it creates a major impact in the society when we are involved in the plantation activity. In fact, when I go and meet the—the—the—the people in the fields, they are so happy that their income—the source of income is fantastic when they are involved in the plantation activity.

So, this is, uh, climate change and other things. I mean, just see the agroforestry model. This is what we—we are doing, the intercropping, uh, in many areas, uh, in our plantation activity where the distance is kept more, and the plant—the farmers are doing, uh, the ginger, uh, and the soybean, and cotton, and there are many crops they are taking with the plantation activity.

And so, we need to—we need to continue with this activity. Our focus has to remain on the plantation activity, and that is what it will correct the image of the industry. We are not only using the trees, we are creating the greening structure, we are creating the atmosphere much greener, and what we need is much less than what we plant. Thank you very much. All the best.

Ongoing capacity expansion, product diversification strategy, and strategic investments in corrugation collectively position Subam Papers for a transformative phase of growth

The Pulp and Paper Times

Subam Papers Limited (SPL) is engaged in the manufacturing of Paper and Paper Product and is a packaging solution providing company. Subam started its journey in the year 2004 with manufacturing of paper cones and later expanded the product base by adding Duplex board and Kraft paper in its portfolio. The company is not like the traditional paper manufacturers, wherein the Company does not manufacture the products from wood pulp but instead uses wastepaper as raw material. The Company aims to preserve Mother Nature and tends to drive the Company on the principle of recycling. The Company leverages wastepaper as the primary raw material in the production of Kraft Paper and Duplex Board.

To further minimize the environmental impact, SPL harnesses renewable energy through its own wind and solar power installations. The captive wind energy infrastructure includes two windmills: with a capacity of 850 KW each totalling approximately 1.7 MW. Additionally, the Company operates solar plant with a capacity of 14 MW. These renewable energy sources enable the Company's manufacturing facilities to significantly reduce their carbon footprint, aligning with the Company's goals of sustainable and eco-friendly operations.

As an ISO 9001:2015 and FSC Recycled certified organization, SPL follows a strong Quality Management System. The Company ensures top-quality materials, workmanship, schedules, and public service, meeting all project standards. The Company focuses on quality control upholds high safety and environmental standards, consistently meeting client expectations. The FSC Recycled certification of the Company, shows the Company's commitment to sustainability by using 100% recycled materials. The Company's success is due to understanding customer needs, offering cost-effective and consistent quality products, adhering to delivery schedules, being flexible with sizes, and providing responsive customer service. The Company has a well-trained team dedicated to meeting special quality requirements.

Subam's unique advantage of producing a wide range of paper grades all on one campus creates substantial demand in the market for their products. This includes several specific applications, which further enhance their market presence and appeal. No other company in South India offers such a comprehensive facility.

This setup allows Subam to use raw materials and resources efficiently. SPL's products serve various industries, each requiring several types of paper with specific properties, coatings, and finishes. This diverse approach helps us meet many customer needs and adapt to changing market demands. By offering a variety of products with unique features and uses, we stay competitive and meet our customers' evolving preferences.

The Company features an infrastructure facility, supported by a dedicated team of professionals, focused on the production of Kraft Paper and Duplex Board to meet customer demands promptly. With the capability to manufacture and supply Kraft Paper and Duplex Boards in various shades, our products offer GSM ranging from 120 to 300, Busting Factor of 16 to 35, and Deckle sizes from 2,650 MM to 4,400 MM and with reel diameters up to 1,400 MM. Furthermore, the Company maintain a



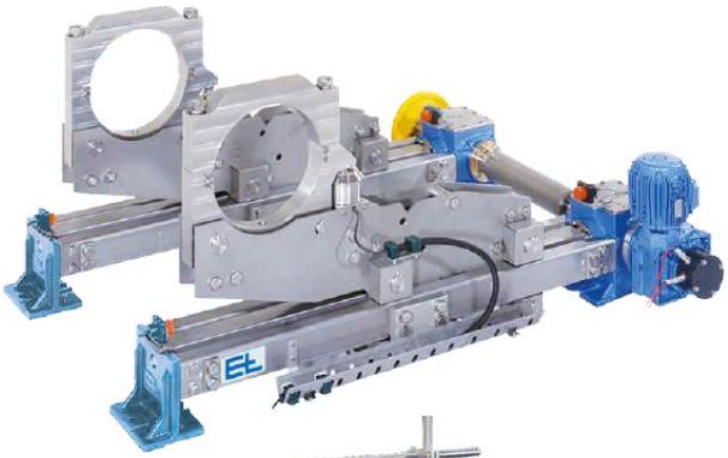
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substantial raw material storage facility to ensure ample reserves, enabling consistent production of high-quality products for the packaging industry.

Subma is located at Tirunelveli, Tamil Nadu and is also in proximity to the Harbour city of Tuticorin, Tamil Nadu. Since inception, the Company has prioritized focus towards continual improvement based on specific product quality and end user application. The success narrative of the Company is shaped by a clear and consistent business strategy that has propelled the Company to its current standing.

SPL uses wastepaper as its primary raw material for paper manufacturing which has significant environmental benefits. Recycling one ton of paper extends far beyond waste reduction, making a substantial contribution to environmental conservation. By opting to recycle, the Company collectively saves the equivalent of 17 trees, thereby conserving precious forests and promoting biodiversity. Furthermore, the conservation of 7,000 gallons of water and the sparing of 380 gallons of oil highlight the resource efficiency achieved through recycling. Notably, reducing landfill space by 3.3 cubic yards eases the burden on waste disposal systems, while the energy savings of 4,000 kilowatts underscore the inherent efficiency and sustainability of recycling processes.

Completion of Capacity Expansion- Automated Kraft Manufacturing Plant.

Subam Papers and Boards Private Limited, the wholly owned subsidiary of the Company, has successfully completed its capacity expansion by setting up a state-of-the-art, Automated Kraft paper manufacturing plant. This represents a landmark milestone in the Company's strategic growth journey and underscores the Management's commitment to investing in world-class infrastructure and technology to strengthen the Company's competitive position in the Indian paper manufacturing landscape.

The new plant has been designed with the latest manufacturing technology, ensuring higher efficiency, superior product consistency, and greater operational flexibility. Full automation across the production process minimises human error, reduces turnaround times, and significantly enhances the Company's ability to service large-volume and quality-sensitive customers across the value chain. The Management views this investment as a cornerstone asset that will underpin the Company's revenue growth and margin improvement trajectory over the medium-to-long term.

With the successful commissioning of the new plant, the total consolidated manufacturing capacity of Subam Papers Limited has increased from 1,80,000 MTPA to 3,07,750 MTPA representing an overall capacity expansion of approximately 70.97%. The Kraft paper manufacturing capacity alone has more than doubled, growing by 96.78% from 1,32,000 MTPA to 2,59,750 MTPA. The Management views this scale-up as transformative, establishing the Company among the larger, more competitive integrated paper manufacturers in India.

Product Diversification: 80–120 GSM Paper for Paper Carry Bag Manufacturing

A defining feature of the new plant at Subam Papers and Boards Private Limited is its capability to manufacture Kraft paper in the 80 to 120 GSM (Grams per Square Metre) range. This specific GSM band is the primary raw material used in the manufacture of paper carry bags a product category that is witnessing exponential demand growth across India, driven by legislative, environmental, and consumerled forces.

This product capability is not merely an incremental addition to the Company's portfolio it represents a deliberate and strategically timed entry into one of the most rapidly growing segments within the Indian paper and packaging industry, as detailed below.

Strategic Investment made by the SPL

SPL has established a business of packaging related activities which includes manufacture of carton box and corrugated box and other container made up of paper and paper product and in this regard, has entered into LLP agreement with M/s. Nellai Subam Packaging LLP with 80% Stake.

Our Wholly owned Subsidiary Company, Subam Paper and Boards Private Limited, entered into LLP Agreement with an existing entity named M/s. Mercury paper and Products LLP with 51 % stake with investment of Rs.10 Crores. Mercury Pack and Paper Products LLP is in the business of manufacture of Corrugated boxes, printed cottons and other paper products. Mercury Pack and Paper Products LLP is in the same line of business as that of the Company and its subsidiaries.

Our Wholly owned Subsidiary Company, Subam Paper and Boards Private Limited, established one more LLP named Rajapalayam Success Packaging LLP with 51% Stake/ contribution manufacture of corrugated paper and paper board and paper and paper board containers.

Management Outlook, setting out the strategic vision, operational developments, and growth roadmap for the Company and its wholly owned subsidiary, Subam Papers and Boards Private Limited. The Management believes that the ongoing capacity expansion, product diversification strategy, and the favourable secular tailwinds in the Indian paper packaging sector collectively position the Company for a transformative phase of growth, which is expected to generate sustained and superior long-term value for all stakeholders.

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Paper Industry Cost Pressures Deepen; Price Revisions Announced Across Writing & Printing Grades

The Pulp and Paper Times | New Delhi

Paper manufacturers have announced price revisions across various paper grades, citing sustained increases in raw material, chemical, energy, fuel and logistics costs. Seshasayee Paper & Boards Limited, BGPPL and Bindal Papers Mills have communicated price increases effective from October 2026.

Seshasayee Paper & Boards Raises Prices by Rs. 4,000 per Tonne

Seshasayee Paper & Boards Limited (SPB) has announced an upward revision of Rs. 4,000 per tonne across all its paper products manufactured at its Erode and Tirunelveli units, effective October 1, 2026.

In a communication to its valued indentors, the company said the revision has become necessary due to continued cost pressures across key raw materials, energy and fuel, chemicals, logistics and distribution.

SPB said prices of key inputs, including bamboo, hardwood pulp and imported wood pulp, have increased significantly over the past year, with the escalation becoming more pronounced during the last three to four months due to global supply shortages.

The company said the cost of wood, a key raw material, is now expected to increase by more than 25%, amid intense competition from other industries.

SPB also highlighted elevated coal and biomass fuel prices, which have directly affected steam and power generation costs. According to the company, coal prices have increased by nearly 25%.

The company further said prices of process chemicals, including caustic soda, chlorine dioxide and sizing agents, have increased materially. Prices of some critical processing chemicals have risen by more than 50% over the last six months, reflecting tighter global supply chains and currency-related pressures on imports.

Higher freight rates and diesel prices have also increased inbound logistics costs, adding to the overall cost pressure.

SPB said the price revision has been carefully considered and represents the minimum necessary adjustment to sustain the quality and reliability associated with its brand. The company reiterated its commitment to providing competitive products, consistent supplies and continued sales support.

BGPPL Announces Further Price and Booking Revisions

Separately, BGPPL said it continues to face strong cost-side headwinds, particularly from energy costs and the impact of disruptions in the Middle-East crude markets.

The company said the season has started sharply on the back of a dry pipeline, while shipping freight rates remain at all-time highs, particularly for China-origin shipments.

BGPPL said it achieved record billing in September 2026 but continues to be unable to keep pace with demand.

The company said it was reviewing distributor-wise and machine-wise bookings and pending orders as of October 1, 2026.

According to the circular, bookings at P0+12K for PM#7 were being closed with immediate effect. Going forward, any additional market requirement would be serviced at P0+14K, subject to limited allocation.

For BPU's other machines, PM#1 to PM#6, as well as Products & Copy Paper across all brands and GSMs, BGPPL announced P5 (+₹1,000 per MT) effective October 8, 2026.

Bindal Papers Mills Announces Price Increase

Bindal Papers Mills has also announced an upward revision in paper prices, effective October 1, 2026, citing a significant increase in the cost of key raw materials and chemicals used in paper manufacturing.

In its circular, the company said the rise in raw material and chemical costs has resulted in continued pressure on production and operating costs. Despite efforts to absorb the increases, the prevailing cost situation has made a price revision unavoidable.

The company has announced the following price increases:

- Writing & Printing Grades: Rs. 4,000 per MT
- Copier Paper: Rs. 2,000 per MT

The revised prices will be applicable from October 1, 2026.

The price revisions announced by the three paper manufacturers come amid continued pressure on major cost components of paper manufacturing, including fibre, pulp, chemicals, energy, fuel and logistics.

Writing & Printing paper mills are expected to see higher margins, with Rs. 2,500 crore in capex planned this fiscal

-W&P paper margins set to rise 150 bps as wood costs soften, efficiencies sharpen
-Better realisations and steady demand to lift revenue; credit profiles to remain stable

The Pulp and Paper Times

India's writing and printing (W&P) paper industry is expected to see a year of measured but meaningful improvement: operating margins are set to expand about 150 basis points this fiscal as a post-pandemic hardwood plantation cycle eases a key input cost. Further, efficiency-led investments will protect profitability in a structurally low-growth market facing rising digitisation.

Capex as a result may remain modest and along-with stable working capital should keep credit profiles resilient.

Our analysis of 13 W&P paper makers, accounting for ~70% of industry revenue, indicates as much. Says Shounak Chakravarty, Director, Crisil Ratings, "The margin story this fiscal is not being driven by pricing alone. A favourable hardwood cycle is the bigger swing factor. With plantation acreage added after the pandemic now entering harvest, domestic hardwood prices should soften further after declining last fiscal. Since wood is central to pulp costs, accounting for 50-55% of operating costs, increased supply at lower costs will directly aid profitability. Coupled with tighter process controls, operating margins should improve to ~13.5% this fiscal from ~12% last fiscal."

Realisations should also improve 2-3%, helped by higher landed cost of imported paper amid elevated freight rates and rupee depreciation. This should partly absorb inflation in logistics, employee and other fixed costs.

Demand, however, will remain steady rather than buoyant. Education-related consumption, including from coaching institutes, and usage by banking and judiciary segments should support 3-4% volume growth. But increasing digitisation will keep manufacturers cautious on large greenfield capacity additions over the medium term.

Capex is therefore expected to rise only marginally, by about 5% on-year to around Rs 2,500 crore this fiscal, with spending directed more towards cost and yield improvement than scale expansion.

Investments will focus on backward integration into wood pulp, recovery and reuse of in-process chemicals, optimisation of ash and moisture levels, and greater adoption of renewable power — all aimed at strengthening operating resilience.

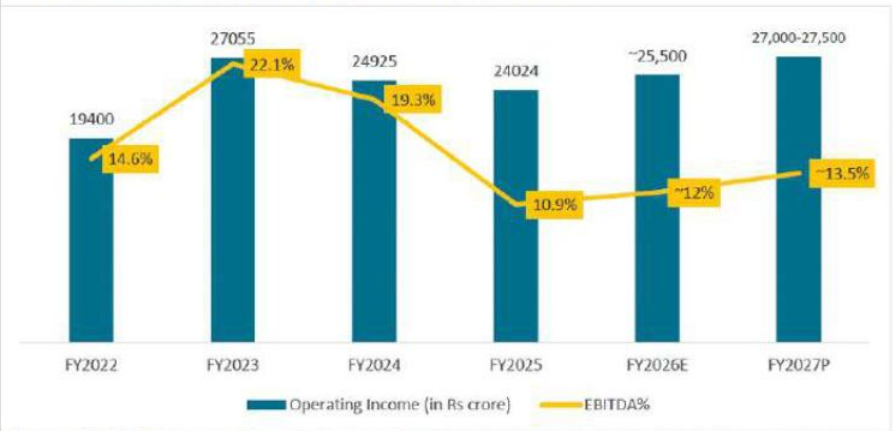
Says Pallavi Singh, Associate Director, Crisil Ratings, "Credit profiles of W&P paper players should remain stable because the industry's improvement is cash-accrual led. Even with marginally higher efficiency capex, incremental borrowing is expected to be limited. We expect debt-to-Ebitda1 and interest cover to improve to around 1.7 times and 4.6 times this fiscal, respectively, from around 1.9 times and 4.2 times last fiscal."

Key monitorables will be any reversal in realisations if import costs ease, and any unexpected firmness in hardwood prices that could constrain the expected margin expansion.

1 Earnings before interest tax depreciation and amortisation

Annexure

Chart 1: Revenue and Ebitda margin of W&P paper makers



Source: Crisil Ratings, annual reports of companies

N R Agarwal is preparing to become a one-million-ton-per-annum company by 2030. The company has initiated a proposed 500,000 TPA paperboard expansion programme

- The proposed expansion is more than 60% larger than the Company's previous capacity addition and is expected to transform N R Agarwal Industries into one of the largest paperboard producers globally within its category.

The Pulp and Paper Times

N R Agarwal Industries Limited (NRAIL) is one of the fastest-growing paperboard companies in India, servicing the growing needs of the modern packaging sector. The Company has consistently invested in scale, operational efficiency, value-addition, marketing and environmental responsibility.

Despite subdued industry realizations, elevated competitive intensity and volatility in global paper markets, NRAIL delivered a record operational and financial performance.

More importantly, FY25-26 validated the long-term strategic choice made during an uncertain period - investing ahead of the curve, expanding manufacturing capacity with conviction and strengthening organizational capabilities for a stronger future.

NRAIL reported a 29.32% growth in revenues from INR 1659.03 cr in FY 2024-25 to INR 2145.45 cr in FY 2025-26. EBITDA increased by 35% from INR 142.44 cr to INR 192.42 cr, while net profit rose by 147.59% from INR 17.65 cr to INR 43.70 cr. This performance was achieved during a period when industrywide realizations remained under pressure owing to a global paperboard oversupply and intermittent dumping into India.

The quality of our earnings improved significantly as well. Return on Capital Employed strengthened from 5.55% to 8.40%, EBITDA margin improved from 8.59% to 8.97% and interest coverage strengthened from 2.34 to 3.09. The Company demonstrated its ability to execute competently across every operational dimension - project commissioning, production stabilization, market development, export penetration, value-added product growth, working capital discipline and environmental responsibility.

Mr. R N Agarwal, Chairman & Managing Director, NRAIL, stated in the annual report for FY25-26, The growth achieved during the year was anchored in two realities: the continued strength of the Company's established business and the successful stabilization of its 2,40,000 TPA paperboard plant commissioned in March 2024. At the time of commissioning, industry observers had expressed reservations regarding the timing and



scale of the expansion amid sluggish realizations, increased imports and aggressive overseas pricing. However, our management remained guided by a long-term strategic perspective.

Embarking on the next expansion phase

Following the successful stabilization of the 2,40,000 TPA expansion programme, your Company initiated its most ambitious project - a proposed 500,000 TPA paperboard expansion programme. The Company has consistently demonstrated the ability to invest counter-cyclically in the pursuit of long-term value creation, strengthening its manufacturing and marketing capabilities even during uncertain industry conditions.

The proposed expansion is more than 60% larger than the Company's previous capacity addition and is expected to transform N R Agarwal Industries into one of the largest paperboard producers globally within its category.

During the year under review, the Company undertook two strategically significant initiatives.

First, it acquired 145 acres of land at Dahej, Gujarat for the proposed expansion. The location offers assured water availability, discharge infrastructure, logistical connectivity and regulatory alignment within the PCPIR zone, supporting efficient implementation and long-term competitiveness.

Second, the Company acquired a relatively young pre-used paperboard manufacturing machine from Europe. Based on advanced European technology and only a decade old, the machine is expected to be more efficient than several legacy pre-used machines operating in India.

The aggregate investment of approximately INR 250 cr towards land and machinery was funded and expensed through the Company's books during the last financial year itself, reflecting the Company's liquidity and financial discipline. The total project cost is estimated at approximately INR 1,500 cr, encompassing land, construction, machinery and associated infrastructure. Construction is expected to commence in Q2 FY 2027-28, with commercial production anticipated by December 2029. Upon stabilization, the Company expects to possess consolidated manufacturing capacity of nearly one million tons annually by 2030, placing it within the select league of global paperboard companies operating at a comparable scale.

Over the next three years, the Company expects to substantially repay all existing long-term debt, strengthen its credit profile further and subsequently mobilize fresh long-tenure debt to finance the proposed INR 1,500 cr expansion project

"Looking ahead, NRAGIL remains optimistic about the medium- and long-term prospects of the Indian paperboard sector as well as its own positioning within it. Supported by cost leadership, operational efficiencies and a growing value-added portfolio, the Company expects to remain attractively viable even if industry realizations remain moderate. The Company's EBITDA margin during FY 2025-26 stood at 8.97%, reflecting this resilience" Mr. Agarwal said.

Indian Paper Industry: Market Trends And Outlook

During the FY 2025 - 26, the Indian paper industry continued to face significant pressure due to unprecedented growth in imports, weak domestic market sentiment and persistent pricing pressure across segments. Paper and paper board imports into India remained at elevated levels, largely driven by duty free imports from ASEAN countries under the ASEAN India Free Trade Agreement along with increased inflow from China and other Asian markets.

The present global trade environment continues to remain uncertain. Anticipated tariff increases by the United States on countries such as China, Thailand, Vietnam and Malaysia are expected to result in diversion of surplus capacities and finished goods into markets like India, thereby intensifying competitive pressures on domestic manufacturers.

The low-priced imports continues to adversely impact domestic realizations, market share and operating margins across the industry. Despite representations by Industry Associations, the Minimum Import Price (MIP) imposed in certain Virgin Board grades had minimal or limited impact on imported supplies due to continued inflow through alternate grades and pricing structures.

The implementation of revised GST 2.0 tax rates emerged as another major setback for the industry. GST rates applicable to several paper products were revised from 12% to 18%, impacting overall demand sentiment and downstream consumption. Further, paper supplied for notebook manufacturing continued under the nil GST slab, resulting in loss of Input Tax Credit (ITC) benefits for the industry and adversely affecting margins of paper manufacturers catering to the educational and notebook segments.

The threat from imported readymade notebooks entering India at nil GST also emerged as a significant concern for the domestic notebook industry. Low cost imports and pricing disparities continued to exert pressure on local converters and paper manufacturers..P66

Paper mills inflated the basic ex-mill price of paper post GST 2.0, AINMA seeks action against Anti-Profiteering

Initiation of Anti-Dumping Investigations: Direct the DGTR to expedite an investigation into the dumping of note books from Indonesia

The Pulp and Paper Times | New Delhi, 8th September 2026:

The All India Notebook Manufacturers Association ((AINMA)) has submitted a comprehensive representation to the Ministry of Commerce and Industry on an existential crisis threatening the domestic notebook and exercise book manufacturing sector. A disturbing combination of zero-duty imports from ASEAN countries and structural flaws in the current GST framework is pushing this MSME-dominated industry to the brink of collapse.

The Threat of Destructive Imports and Cascading Tax Burdens while the GST Council's recent decision to reduce the GST on exercise books and notebooks to a Nil rate was intended to make educational supplies more affordable, it has inadvertently made the tariff structure against domestic manufacturers. Finished notebooks from countries like Indonesia currently enter India completely tax-free, exploiting a 0% Basic Customs Duty under the ASEAN Free Trade Agreement and a similar 0% IGST.

On the contrary, Indian MSME manufacturers are trapped in a cascading tax impact and inverted duty structure. Essential raw materials and auxiliary consumables, such as coated paperboard and packaging, continue to attract 18% GST or 0% with enhanced basic purchase cost in the tune of 12- 14% because no Input Tax Credit (ITC) can be claimed against an exempt final product by the paper mills. This massive cost disadvantage allows foreign suppliers to effortlessly undercut local producers, threatening the survival of an industry that currently possesses the capacity to meet all domestic demand.

The Association also revealed that the benefits of the 0% GST rate have failed to reach Indian students. Almost immediately after the GST reduction was announced, domestic paper mills unilaterally inflated the basic ex-mill price of paper by 12% to 14% to offset their own ITC losses. This artificial price hike has been entirely absorbed into the manufacturing costs of MSMEs, effectively converting an educational subsidy into enhanced margins for large paper mills.

Urgent Calls to Action

To prevent widespread job losses and the destruction of the domestic manufacturing base, the All India Notebook Manufacturers Association urges the Ministry of Commerce and Industry, the Directorate General of Trade Remedies (DGTR), and the GST Council to implement the following immediate interventions:

- Imposition of a Minimum Import Price (MIP): Immediately establish an MIP for finished notebooks to check and control ASEAN products, similar to the successful intervention recently deployed for Virgin Multi-layer Paper Board.
- Initiation of Anti-Dumping Investigations: Direct the DGTR to expedite an investigation into the dumping of note books from Indonesia and impose provisional anti-dumping duties to offset the unfair trade advantages currently being exploited
- Streamlining of Export Refunds: Amend the CGST Rules to allow exporters of domestically exempt goods to voluntarily pay IGST on export supplies, granting them access to the automated ICEGATE refund system and alleviating the sector's working capital crisis
- Action Against Anti-Profiteering: Initiate an inquiry into the pricing practices of domestic paper mills to ensure the benefits of tax rationalization are passed on to the educational sector

P47... substrates generally cost approximately INR 16–INR 18 per square metre, whereas the current target is approximately INR 24 per square metre.

This cost gap is why Pakka is initially launching flexC base rather than a fully barrier-coated substrate while continuing to develop the coating chemistry.

The principal cost challenge is not the base paper but the high price of bio-based barrier chemicals. Pakka is exploring strategic alliances and local manufacturing in India, including the possibility of partners establishing production within its facility.

The objective is to reduce the cost toward approximately INR 18 per square metre, at which point the customer discussion can shift from price to product performance and value.

Overall Increase in Kraft Paper Prices Could Reach 35%; Industry Calls for 20% Box Price Increase, Voluntary Shutdown Proposed

The Pulp and Paper Times

The corrugated packaging industry in South India is facing severe financial pressure due to sharp increases in kraft paper prices, an inverted GST structure, and rising operational costs, according to the deliberations of the South India Corrugated Box Manufacturers Association (SICBMA) General Meeting held on October 6, 2026.

At the meeting, the managing committee and attending members discussed what they described as critical financial challenges threatening the survival of the corrugated packaging industry across South India.

Kraft paper prices have increased by 25% and above over the past few months, while mill alerts indicate that the overall increase could reach 35% in the coming months. According to SICBMA, the sharp rise in raw material costs is eliminating manufacturing margins and placing significant pressure on factory cash flows.

The association also highlighted the impact of the GST structure under GST 2.0. Kraft paper attracts 18% GST, while finished corrugated boxes are taxed at 5%, creating a 13% tax differential and resulting in the accumulation of Input Tax Credit (ITC).

While an ITC refund mechanism is available, SICBMA said practical delays in the process are leaving working capital blocked in the GST system. As a result, corrugated box manufacturers are increasingly dependent on high-interest market loans to sustain day-to-day operations.

The financial pressure is further compounded by increases in electricity tariffs, labour wages and fuel costs, adding to the overall cost burden on manufacturers.

Voluntary Production Shutdown Proposed

Following the deliberations, the General Body resolved to initiate a peaceful and democratic industry-wide expression of distress. Members have been requested to consider temporarily suspending corrugated box production on Friday, October 9, and Saturday, October 10, 2026.

Through the proposed collective action, SICBMA has appealed to customers to immediately accept a 25% price increase in corrugated boxes and ensure that outstanding payments are released within agreed credit terms to help ease the industry's working capital constraints.

The association has also appealed to the Government and concerned authorities to take immediate measures to address kraft paper price increases, correct the inverted GST structure and establish a permanent, fast-tracked mechanism for releasing accumulated ITC.



Participation Remains Voluntary

SICBMA clarified that participation in the proposed production shutdown on October 9 and 10 is entirely an individual business decision of each corrugated box manufacturer.

The association stated that no mandatory instruction or direction has been issued by SICBMA, its office bearers or the Managing Committee. Factory owners have been advised to assess their individual business circumstances, customer commitments and operational feasibility before deciding whether to participate.

SICBMA said it will continue to officially represent the industry's grievances before administrative authorities at all relevant levels.

INDIAN PAPER INDUSTRY

Packaging paper segment to power revenue growth; cost efficiencies to sharpen margins

The outlook for this fiscal remains stable as consumption-led demand,

10-11%	~13.5%	70-80 bps
Packaging paper revenue growth	WPP operating margin	Industry margin expansion



Rahul Guha,
Senior Director, Crisil Ratings

Outlook at a glance

India's paper industry entered this fiscal with a stable credit outlook, supported by distinct growth drivers across its two largest segments. Packaging paper (PP; ~53% of industry revenue) will remain the primary growth engine, with revenue expected to increase 10-11% this fiscal, driven by consumption-led demand and the ongoing shift towards recyclable packaging formats. Writing and printing paper (WPP; ~33% of industry revenue) is expected to register moderate revenue growth of 6-7%, supported by improved realisations and steady volumes despite the structural headwinds from increasing digitalisation.

The recovery, however, will vary across segments. Packaging paper is expected to deliver volume-led growth, aided by a richer product mix and policy support in certain grades. In contrast, WPP is likely to witness a margin-led recovery rather than a volume-led upcycle. Together, these trends should drive overall industry revenue growth of 7-8% while expanding blended operating margin by 70-80 basis points to 11.5-12%.

Across both segments, moderate capacity additions, high utilisation levels and continued investment in operational efficiencies should support credit profiles. However, import intensity and geopolitical uncertainties affecting raw material and energy costs, currency movements and freight rates remain key monitorables. Mills with secure raw-material sourcing, scale advantages, diversified value-added product portfolios and conservative balance sheets will be better positioned to translate demand growth into sustainable earnings.

Packaging paper to remain the growth engine

Packaging paper, comprising kraft paper, duplex board and virgin board, is expected to record revenue growth of 10-11% this fiscal, supported by 6-7% volume growth and 3-4% higher realisations. Kraft paper, which accounts for about 55% of packaging paper volumes, will continue to benefit from growth in e-commerce, quick commerce and broader consumption trends. Demand for duplex and virgin board will be supported by sectors such as food, pharmaceuticals, personal care and consumer goods as brand owners increasingly adopt sustainable and shelf-ready packaging solutions.

The structural shift in industry demand is evident in the evolving segment mix. Packaging paper is expected to account for nearly two-thirds of domestic paper consumption, up from just over half in fiscal 2022. Within the segment, the share of duplex and virgin board has increased by more than 500 basis points in recent years to nearly 45%, supporting higher average realisations and improving revenue visibility.

Packaging board: MIP helps, but quality remains decisive

The minimum import price (MIP) imposed on multilayer virgin paperboard in September 2025 is expected to curb disruptive low-priced imports in covered grades and support domestic realisations. The benefits are likely to accrue more meaningfully to manufacturers with upgraded machinery and access to virgin fibre. However, the impact will not be uniform across the industry.

High-end coated grades remain import dependent because of limited domestic capacity and inadequate availability of kaolin, a key raw material. ASEAN suppliers, which account for around 55% of imports and benefit from free-trade arrangements, will continue to provide a competitive benchmark. Consequently, while the MIP improves the operating environment, it cannot substitute for product quality, cost competitiveness and ongoing grade development.

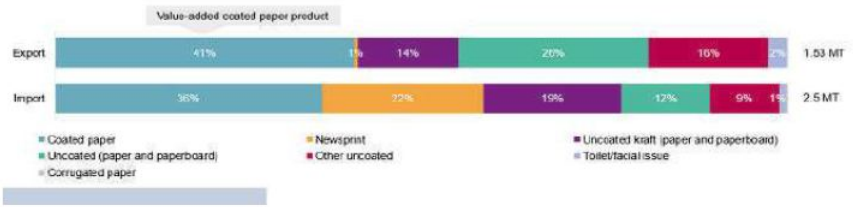
Efficiency-led investments to support profitability

Packaging paper operating margin is expected to expand by 40-50 basis points to around 9%, largely supported by efficiency-focused investments. As wastepaper, the segment's largest cost component, remains largely outside manufacturers' control, capital expenditure is increasingly being directed towards controllable costs such as energy, labour and logistics.

Investments in waste-to-energy boilers, renewable power, agro-residue processing and debottlenecking initiatives, coupled with better realisations, should help offset input-cost pressures and improve profitability.

The segment's outlook therefore remains anchored in structural demand growth and operational efficiencies. WPP, by contrast, is expected to rely less on volume expansion and more on improved realisations and softer

fibre costs, creating a different but complementary earnings trajectory.



WPP: steady demand, sharper margin recovery

WPP revenue is expected to increase 6-7% this fiscal, with production volumes rising by about 4%. Demand from educational institutions, coaching centres, banks and courts is expected to remain supportive, although rising digitisation will continue to constrain structural growth. Realisations are projected to improve by 2-3% as elevated freight costs and rupee depreciation increase the landed cost of imported paper.

Profitability is expected to be the stronger aspect of the WPP story. Operating margin should expand by around 150 basis points to approximately 13.5%. Plantation acreage added after the pandemic is now entering the harvest cycle, supporting lower domestic hardwood prices. Wood and pulp-related inputs account for 50-55% of operating costs for integrated players, making hardwood prices the most important earnings driver.

Process improvements, enhanced chemical recovery, optimisation of ash and moisture content, and increased use of renewable power should further support margins, although inflation in employee, logistics and other fixed costs is likely to absorb part of these gains.

Realisations and trade dynamics

Industry realisations are expected to improve further this fiscal, although gains will depend more on product mix, import-parity pricing and currency movements than on broad-based price increases. Packaging grades are expected to witness realisation gains of 3-4%, compared with 2-3% for WPP.

However, any reversal in freight or currency trends, a surge in low-priced imports, or renewed raw-material inflation could moderate these gains.

These realisation trends place external trade at the centre of the industry outlook: imports will continue to set the pricing benchmark in several grades, while exports will remain a selective outlet for differentiated products.

Imports constrain pricing; exports remain selective

Imports are expected to remain at 10-11% of domestic paper consumption and will continue to represent the industry's most visible source of competitive pressure. Coated paper, uncoated kraft and other uncoated grades comprise the bulk of imports. Coated paper imports, in particular, remain persistent because domestic capacity is limited and local raw-material availability remains constrained.

Imports continue to cap pricing power in commoditised grades and may reduce utilisation levels when overseas producers divert surplus volumes to India. This risk becomes more pronounced during periods of weak global demand, lower freight rates or a strengthening rupee.

Exports, meanwhile, will remain a portfolio-balancing outlet rather than a primary growth driver. Opportunities are concentrated in coated paper converted into cups, premium notebook covers and luxury stationery, as well as in uncoated paper and tissue products. West Asia, Sri Lanka and Bangladesh together account for 54-55% of export destinations.

While proximity to these markets, flexible production runs and improving product quality support Indian paper manufacturers, freight volatility, global overcapacity, currency fluctuations and intense competition from Asian suppliers will continue to limit sustained export profitability.

Given these trade dynamics, domestic producers are increasingly prioritising calibrated investments over aggressive capacity expansion, shifting the focus from scale alone towards efficiency, integration and balance-sheet resilience.

Capex pivots to efficiency, limiting oversupply risk

The capital expenditure cycle is becoming more defensive than expansionary. Nearly 60% of incremental spending in this and next fiscal is expected to be directed towards process-efficiency initiatives, while only about 20% is earmarked for capacity additions. WPP capex is projected at approximately Rs 2,700 crore this fiscal, compared with around Rs 600 crore for packaging paper.

Investments in backward integration, renewable energy, machine upgrades and debottlenecking should support higher output and improved margins without creating a meaningful supply overhang.

Capacity utilisation is expected to remain healthy at 88-90%, indicating that expansion plans are being calibrated to underlying demand. Improved accruals and moderate incremental borrowing should preserve balance-sheet flexibility. Nevertheless, execution delays, aggressive regional capacity additions and grade-specific concentration risks could disrupt local pricing and utilisation levels.

Source: Crisil Ratings analysis

Consequently, the industry enters the next 12-24 months with visible growth opportunities, but also with identifiable operating and market risks that will determine the pace and sustainability of the recovery.

Risks and opportunities over the next12-24 months

Consumption-led expansion in e-commerce, FMCG, food and pharmaceuticals A sharper influx of low-priced imports if global supply exceeds demand Substitution of plastic with recyclable paper-based formats Wastepaper, hardwood, pulp, energy and freight volatility Premiumisation towards duplex and virgin board Weak WPP demand as digitisation deepens Efficiency capex, renewable energy and backward integration Oversupply in specific grades following poorly timed additions MIP support for covered multilayer virgin paperboard grades Geopolitical disruption, currency movement and regulatory changes

Opportunities	Risks
Consumption-led expansion in e-commerce, FMCG, food and pharmaceuticals	A sharper influx of low-priced imports if global supply exceeds demand
Substitution of plastic with recyclable paper-based formats	Wastepaper, hardwood, pulp, energy and freight volatility
Premiumisation towards duplex and virgin board	Weak WPP demand as digitisation deepens
Efficiency capex, renewable energy and backward integration	Oversupply in specific grades following poorly timed additions
MIP support for covered multilayer virgin paperboard grades	Geopolitical disruption, currency movement and regulatory changes

Overall outlook: stable, with packaging in the lead

This fiscal is expected to be characterised by healthy volume-led growth in packaging paper and a margin-led recovery in WPP. Packaging board manufacturers should benefit from the MIP in covered grades, although high-end products will remain exposed to import competition. Restrained capacity expansion and efficiency-focused capex should support utilisation, earnings and credit profiles.

The outlook, however, is not without challenges. Weak global demand, surplus Asian capacity, raw-material availability, elevated energy and logistics costs, regulatory changes and currency volatility could temper the recovery. The most resilient mills are likely to be those that combine raw-material security, cost-efficient operations, differentiated products and prudent capital allocation.

For the industry as a whole, the balance between demand growth, pricing discipline and calibrated capital expenditure supports a stable credit outlook, with imports and input costs remaining the key monitorables.

Risk monitorables:

- **Import pressure:** Cheaper imports likely to weigh on realisations, particularly in the WPP segment
- **Supply-chain disruption:** Geopolitical developments affecting the availability of key inputs, including wastepaper and wood pulp, remain a key monitorable.

P61... supplying to the notebook segment.

Despite these near-term challenges, the long term outlook for the Indian paper industry remains positive supported by low per capita paper and tissue consumption, implementation of the National Education Policy (NEP), increasing literacy levels, rising organized retail penetration, expansion of e-commerce and growing preference for sustainable and recyclable paper based solutions.

The packaging board segment is expected to continue witnessing steady growth supported by increasing demand from FMCG, pharmaceuticals, food service and e-commerce sectors. Regulatory actions against single use plastics and increasing environmental awareness are accelerating the transition towards sustainable paper based packaging solutions.

Industry Scenario

The Paper Industry continues to play an important role in the global economy. The major segments comprising Writing & Printing Papers, Packaging Boards and Specialty Papers are witnessing evolving demand patterns with increasing focus on sustainability, recyclability and value added applications.

India continues to offer significant long term growth potential due to low per capita paper consumption compared to global averages. Growth in education, organized retail, food delivery, healthcare, e-commerce and sustainable packaging sectors are expected to support future industry growth.

Demand conditions in certain paper and packaging grades may remain moderate in the near term. However, long-term demand fundamentals for paper, packaging board and tissue products continue to remain positive supported by India's economic growth, increasing organized consumption, sustainability trends and rising environmental awareness.

The above Report has been extracted from TNPL's annual report for FY25-26.

Exports of paper, paper products lose steam after three-year growth run

Snapping a three-year growth streak, exports of paper and paper products declined by 12.88 per cent year on year to $249.01 million in fiscal year 2025-26 from $285.83 million in the previous fiscal year.

Industry insiders attributed the decline mainly to rising production and operating costs, energy supply challenges and global supply chain disruptions that have weakened the competitiveness of local manufacturers in overseas markets.

The sector's export earnings also continued to fall in the first two months of the current fiscal year.

According to Export Promotion Bureau (EPB) data, receipts dropped 22.80 per cent to $35.76 million in July-August of FY 2026-27 from $46.32 million in the same period a year earlier.

Before the downward trend, the sector's export earnings had more than doubled to $229.41 million in FY2022-23 from $105.10 million a year earlier. Export earnings then rose to $273.06 million in FY2023-24 and $285.83 million in FY2024-25.

An executive of a private paper mill said rising input and energy costs and higher freight charges were making it increasingly difficult for Bangladeshi manufacturers to offer competitive prices to international buyers.

"Most mills depend heavily on imported pulp and other raw materials, while energy and transportation costs have also increased significantly," he said, adding that the higher costs were squeezing exporters' margins.

Higher production costs have made Bangladeshi paper products less competitive, particularly against suppliers from India and China, he explained.

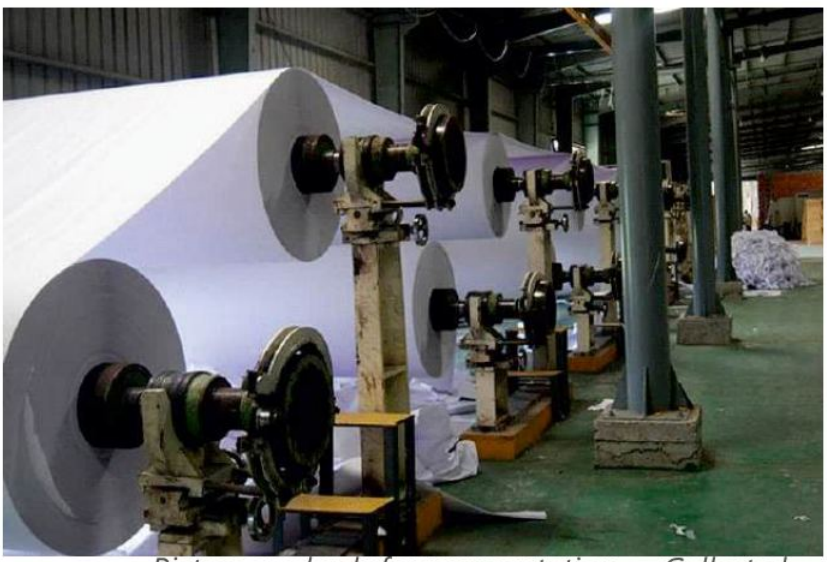
"If India's price is lower and Bangladesh's price is higher, how can we match the buyer's price?" he said.

He also cited political uncertainty over the past year as another factor affecting export business, saying international buyers generally prefer countries with stable governments.

Bangladesh currently exports paper and paper products to more than 50 countries, including the United States, United Kingdom, Malaysia, Singapore, South Korea, India, Nepal and Bhutan, according to industry sources.

The export basket mainly includes tissue paper, toilet tissue, paper cups, paper bags, cartons and other packaging products.

The diversification has enabled local manufacturers to move beyond conventional writing and printing paper and cater to growing demand for consumer and industrial packaging.



Picture used only for representation. — Collected

Bangladesh has 105 registered private paper mills, of which around 70 are currently operational, according to industry sources. Major exporters include Bashundhara, Meghna, Amber and Magura groups.

The domestic paper market is estimated at around Tk 55 billion, while cumulative investment in the industry is roughly Tk 700 billion.

The mills have an estimated annual production capacity of about 1.6 million tonnes, as against domestic demand of around 0.6 million tonnes.

The EPB recognised the sector's potential by declaring paper and packaging the "Product of the Year" at the Dhaka International Trade Fair 2026.

Industry players said Bangladesh needs to focus on higher-value paper products, improve production efficiency and explore new overseas markets to regain export momentum amid intensifying global competition.

Q1 FY27: TNPL Turns Profitable, West Coast Gains Strongly; Satia, Pudumjee Navigate Margin and Production Pressures

Paper Mills Show Mixed Performance as Realisations, Efficiency and Modernisation Shape Results

The Pulp and Paper Times

The first-quarter results of FY27 from Tamil Nadu Newsprint Limited (TNPL), Pudumjee Paper Products, West Coast Paper Mills and Satia Industries present a mixed picture for India's paper sector. While companies faced pressure from geopolitical developments, higher input costs and production disruptions, improved realisations, operational efficiencies, product mix and ongoing modernisation supported performance across several businesses.

The results indicate that the quarter was less about broad-based volume growth and more about cost management, pricing, operational efficiency and strategic investment in manufacturing capabilities.

TNPL:Profitability Returns Despite Lower Production

Tamil Nadu Newsprint Limited (TNPL) reported relatively stable revenue in Q1 FY27, with total revenue increasing marginally to Rs. 1,160.38 crore, compared with Rs. 1,154.55 crore in the corresponding quarter of the previous year.

The more significant improvement came at the operating level. EBITDA increased to Rs. 128.61 crore from Rs. 113.92 crore, representing an improvement of around 13% year-on-year. This suggests that despite limited revenue growth, the company was able to achieve better operating profitability.



The improvement became even more significant at the bottom line. TNPL moved from a loss before tax of Rs. 11.82 crore in Q1 FY26 to a profit before tax of Rs. 7.68 crore in Q1 FY27. Similarly, the company reported profit after tax of Rs. 5.74 crore, compared with a loss after tax of Rs. 7.41 crore in the previous-year quarter.

However, the recovery took place against a challenging production environment. Paper production declined to 99,914 MT from 106,375 MT, while packaging board production fell to 48,064 MT from 49,682 MT.

The company also highlighted the impact of geopolitical uncertainty arising from the West Asia crisis, which pushed up the prices of key imported inputs including coal, pulp and chemicals. These increases affected the cost of production for both paper and packaging board.

TNPL's Q1 performance therefore highlights a key industry trend: profitability can improve even without volume growth when operational performance and realisations offset cost pressures.

Satia Industries: Modernisation Drives the Q1 Story

Satia Industries experienced a different set of pressures during the quarter. Revenue from operations stood at INR 3,618 million, down 2% from INR 3,709 million in Q1 FY26 and 7% from INR 3,896 million in Q4 FY26.

The company said pricing witnessed an uptick during the quarter, but volumes were affected by the planned shutdown of Paper Machine 3 (PM3) from June 1, 2026.

At first glance, the company's INR 171 million net loss appears to represent a significant deterioration from the INR 316 million profit recorded in Q1 FY26. However, the company clarified that the loss was primarily attributable to a one-time, non-cash deferred tax charge resulting from the transition to the concessional tax regime.

Consequently, the reported net loss does not represent a corresponding cash outflow or necessarily indicate

deterioration in underlying operating performance.

More importantly, Satia's management highlighted that demand remained steady and realisations improved due to moderation in import dumping. This is an important development for domestic writing and printing paper manufacturers, as improved realisations can support margins even when volumes remain under pressure.

The major strategic development during the quarter was the modernisation and upgradation of PM3. The refurbishment is expected to continue for four to five months and is intended to increase production capacity, improve product quality and strengthen operating efficiencies.

Therefore, Satia's Q1 results should be viewed largely through the lens of capacity modernisation rather than the reported bottom-line loss. The quarter involved a deliberate production disruption as the company invested in its manufacturing platform.

Pudumjee Paper: Revenue Growth, but EBITDA Margin Moderates

Pudumjee Paper Products reported turnover of Rs. 203 crore in Q1 FY27, compared with Rs. 196 crore in the corresponding period last year, representing growth of approximately 4%.

However, EBITDA declined slightly to Rs. 51 crore from Rs. 52 crore despite the increase in turnover. Consequently, the EBITDA margin moderated to 25% from 27%.

This indicates that while Pudumjee continued to benefit from higher turnover, the incremental revenue did not translate into corresponding EBITDA growth.

The company's strategic focus remains on biodegradable and compostable specialty papers with barrier properties, designed to protect packaged contents. These products serve sustainable packaging applications across food, pharmaceuticals, hospital supplies, hygiene, confectionery and related sectors.

Pudumjee is also in the process of applying for environment clearance for construction of its project at Mahad. The company's focus on specialty and sustainable packaging papers positions it toward segments where demand is witnessing growth.

The Q1 numbers therefore show a business combining relatively healthy revenue performance with continued investment in higher-value sustainable paper applications.

West Coast Paper: Strong Sequential Profit Recovery

West Coast Paper Mills delivered the strongest sequential profit improvement among the four companies based on the figures provided.

The company reported standalone profit after tax of Rs. 108.68 crore in Q1 FY27, compared with Rs. 48 crore in Q4 FY26, representing a 122% quarter-on-quarter increase.

According to Chairman and Managing Director Mr. S.K. Bangur, the improvement was primarily driven by better operational efficiency in the Paper Division and higher realisations, while the Cable Division benefited from a better product mix.

The company's performance highlights the importance of operational efficiency and product mix in a market where input costs and demand conditions remain dynamic.

West Coast's Q1 performance also demonstrates that improved realisations, when combined with operational efficiencies, can have a significant impact on profitability even without relying solely on volume expansion.

Four Companies, Four Different Q1 FY27 Stories

The combined results reveal four distinct operating narratives.

TNPL demonstrated a turnaround in profitability, with revenue remaining broadly stable while EBITDA improved and the company moved from losses to profit.

Satia Industries faced temporary volume pressure because of the PM3 shutdown, but improved realisations and steady demand provided operational support. Its reported net loss was largely linked to a one-time, non-cash deferred tax charge.

Pudumjee Paper Products delivered revenue growth, although EBITDA and EBITDA margin moderated. Its continued emphasis on biodegradable, compostable and barrier specialty papers reflects a strategic shift toward sustainable packaging applications.

West Coast Paper Mills recorded a sharp sequential improvement in profit, supported by better operational efficiency, higher realisations and improved product mix.

Realisations and Efficiency Emerging as Key Profit Drivers

A common thread across the results is the growing importance of realisations and operational efficiency.

TNPL improved EBITDA despite a decline in paper and packaging board production. Satia reported improved pricing even as volumes were affected by the PM3 shutdown. West Coast specifically attributed its improved performance to higher realisations and better operational efficiency. Pudumjee, meanwhile, saw turnover increase but EBITDA decline, highlighting the challenge of converting revenue growth into proportional profitability.

At the same time, geopolitical developments remain a significant risk for the sector. TNPL specifically pointed to..P77

CII Energy Efficiency Summit 2026 Reaffirms Energy Efficiency as the Biggest Competitive Advantage in the AI-Powered Race to Net Zero



Hyderabad, 16 September 2026:

The Confederation of Indian Industry (CII) on Day 1 of the 25th Energy Efficiency Summit 2026 brought together policymakers, industry leaders, technology providers and sustainability experts at the Hyderabad International Convention Centre (HICC), Hyderabad, to deliberate on accelerating India's transition towards a Net Zero economy. Organized by the CII - Green Business Centre, the Summit was held under the theme "Accelerating the transition to a Net Zero economy through energy efficiency, clean technologies, and sustainable practices."

The inaugural day also featured the 22nd Power Plant Summit 2026 and the 20th PaperTech 2026, creating a comprehensive industry platform focused on energy efficiency, clean technologies, industrial decarbonisation, resource conservation, digitalisation and sustainable manufacturing. While the Power Plant Summit examined the future of thermal power through efficiency, sustainability, flexibility and Artificial Intelligence, PaperTech 2026 focused on making the Indian pulp and paper industry world class through technology, innovation, sustainability and operational excellence.

Addressing the inaugural session, **Shri Mallu Bhatti Vikramarka, Hon'ble Deputy Chief Minister, Government of Telangana**, emphasized the role of energy efficiency and clean technologies in enabling sustainable economic growth. He said, "Energy efficiency is not merely an environmental obligation; it is an economic competitiveness strategy. For a rapidly growing state like Telangana, the answer is not to slow down economic activity, but to make every unit of energy support more economic activity. The cheapest unit of electricity is often the unit we do not need to consume.

Energy efficiency is, in many ways, a power plant that requires no new land, no coal mine and no new transmission line. Every megawatt of demand permanently avoided through efficient motors, better cooling systems, intelligent buildings, smart industrial processes and digital energy management reduces pressure on the entire electricity system while lowering operating costs and emissions. As we look ahead, the challenge is to measure what matters, share solutions that work and scale proven technologies from one plant to hundreds of enterprises. Telangana wants its growth to be rapid, but also intelligent - producing more, prospering more and wasting less. That is good economics, good energy policy and, ultimately, the most practical path towards sustainability."

Mr. Tejpreet Singh Chopra, Chairman, Energy Efficiency Summit 2026 and Founder & CEO, BLP-Industry.AI, highlighted the convergence of technology, efficiency and industrial innovation. He said, "Energy efficiency is often called the 'first fuel.' It brings down demand, cuts costs, and creates room for cleaner sources of power to grow faster. I do believe AI and digital tools are becoming a catalyst for everything this Summit stands for. They compress the time between identifying an efficiency opportunity and acting on it. And they allow institutions like CII-Green Business Centre to scale their impact - moving from conducting a few hundred audits a year, to continuously monitoring thousands of assets across the country."

Mr. Ajay Sharma, Chairman, Power Plant Summit 2026 & Executive Director (Operation Services), National Thermal Power Corporation Ltd. said, "India's energy transition cannot be measured only by how many megawatts of capacity we add; it must also be measured by how efficiently we operate, how effectively we integrate renewable energy and how much value we create from every megawatt of capacity. As we move towards a net-zero economy, we cannot immediately do away with thermal power; we must make it more efficient, flexible and responsive while accelerating the integration of renewables and energy storage. The future of India's energy system will be built on efficient thermal power, renewable energy, storage and digital intelligence."

Mr. Ganesh Bhadti, Chairman, PaperTech 2026 and Executive Director (Operations and Projects), Seshasayee Paper & Boards Limited, said, "Energy efficiency and decarbonisation are the two wings that will determine the future and sustainability of industry. The Indian paper industry has demonstrated that it can benchmark itself against global standards, and its inherent characteristics—renewability, recyclability and biodegradability—give it a strong foundation to pursue a net-zero future. What we do today to advance energy efficiency, and decarbonisation will determine the sustainability of our industry tomorrow."

The Inaugural session was also attended by Mr. Goutham Reddy, Chairman, CII Telangana and Executive Vice Chairman, Re Sustainability Ltd.; Mr. Y. Harish Chandra Prasad, Past Chairman, CII AP & Chairman, Mahalaxmi Group; Mr. C Shekar Reddy, National Chairman, CII Indian Green Building Council (IGBC) & & Managing Director, CSR Estates Ltd; Mr. KS Venkatagiri, Executive Director, CII Green Business Centre; and Mr. P V Kiran Ananth, Executive Director - Energy Efficiency, Renewable Energy and Green Entrepreneurship, CII Green Business Centre.

The inaugural session witnessed the release of three publications — The Energy Efficiency Imperative: Lessons from the Past, Leadership for the Future, capturing key lessons and future priorities in India's energy-efficiency journey; the CII Thermal Power Plant Benchmarking Report 2026, establishing performance benchmarks and identifying opportunities to enhance efficiency and resource utilization; and Best Practice Manual in Paper Sector – Volume 14, showcasing 11 replicable best practices for energy and resource efficiency from India and international paper-sector leaders.

The inaugural session highlighted that India's transition towards Net Zero will require technology-led energy efficiency, operational excellence, modernization, AI-enabled decision-making, resource conservation, renewable energy and circularity, supported by collaboration across industry ecosystems. The discussions emphasized the need to translate sustainability ambitions into practical and scalable solutions that can strengthen industrial competitiveness, enhance energy security and improve environmental performance. The day also marked the first day of the 27th edition of the CII National Award for Excellence in Energy Management, with 263 industries across 15+ sectors sharing their best practices, innovative technologies and approaches to energy efficiency—continuing CII's long-standing effort to recognize and promote excellence in energy management across industry.

The event witnessed participation from 1600+ policymakers, senior industry leaders, technology providers, researchers, academia, energy professionals, startups, and other key stakeholders, with 60+ national and international speakers contributing to the deliberations. The event also featured a large exposition showcasing 75+ innovative technologies and solutions, highlighting emerging opportunities for energy efficiency, clean technology and sustainable growth.

MEPCO Q2FY26: Despite mixed regional conditions, growth in Saudi Arabia and Asia helped partially offset weaker performance in other markets; firmly on track with PM5 and Tm6

The Pulp and Paper Times

MEPCO is the leading, vertically integrated paper manufacturer in the Middle East, offering a diverse range of containerboard and specialty paper products for the packaging, construction, furniture, and paper core industries worldwide, with a growing global footprint spanning over 40 countries, including across the Middle East, South Asia, the Americas, and Europe.

Since MEPCO's establishment over 2 decades ago, the Company has steadily evolved to become a key contributor to the Kingdom's industrial and environmental landscape, building a strong legacy in paper production and recycling. At the heart of our journey lies a firm commitment to the principles of the circular economy; transforming waste into valuable resources and supporting sustainable industrial development, closely aligned with Saudi Arabia's Vision 2030, which emphasizes environmental responsibility, resource efficiency, and economic diversification.



The Company delivered a robust performance in the second quarter of 2026, supported by evolving market dynamics. Revenue reached SAR 298.0m, representing an 8% growth compared to Q2 2025, primarily driven by a 17% increase in sales of containerboard and industrial papers. This growth reflected the Company's continued focus on enhancing its product mix, strengthening market positioning, and increasing market share. Despite mixed regional conditions, growth in Saudi Arabia and Asia helped partially offset weaker performance in other markets. The Company prioritized local markets and Asia (specifically surrounding countries where freight expenses do not affect pricing competitiveness) during the period, as higher fuel prices increased freight costs and made exports to other regions less competitive. Gross profit stood at SAR 56.5m, with gross margin improving to 19% from 13% in the prior-year period, supported by stronger sales performance and the Company's ability to secure essential materials despite ongoing regional disruptions. Ongoing cost optimization initiatives, including lower selling and distribution expenses and the reversal of impairment losses on financial assets, contributed to operating profit rising to SAR 20.4m. Net profit for the period increased to SAR 15.3m, further supported by lower finance costs and zakat expense. In parallel, the Company remained on track to launch its two flagship projects, PM5 and TM6, and invested SAR 238.9m in capital work-in-progress during the period. Operating cash flow remained positive in line with business performance, while increased borrowings supported the Company's strategic growth investments and future capacity expansion plans, while keeping leverage within healthy levels.

H1 2026 result

MEPCO delivered a resilient performance in the first half of 2026, achieving revenue of SAR 542.3m, representing a 2% increase compared to H1 2025. The growth was primarily driven by an 8% increase in sales of containerboard and industrial papers, supported by optimal product mix. Lower cost of revenue, combined with higher sales, contributed to an increase in gross profit to SAR 83.1m from SAR 71.0m in the prior-year period. Operating profit stayed at almost the same level at SAR 25.1m, as a result of reduction in selling and distribution expenses. These improvements were offset by lower other operating income, higher impairment losses on financial assets and general and administrative expenses. Net profit for the period increased to SAR 13.9m from SAR 10.3m in H1 2025, benefiting from lower finance costs and a significant reduction in zakat expense, although the increase was partially tempered by lower ..P74

Imported Waste Paper Shortage Pushes Kraft Paper Prices Higher; Domestic Market Remains Firm

Imported waste paper availability has tightened amid higher international prices and container constraints, putting upward pressure on domestic waste paper and finished Kraft Paper prices across India.

The Pulp and Paper Times | 2 October

Mr. Naresh Singhal, President, Indian Recovered Paper Traders Association (IRPTA), said the Indian paper market has witnessed significant changes in the last few days, particularly in terms of prices, international market conditions and the availability of imported waste paper.

According to Singhal, the shortage of imported waste paper is having a direct impact on the domestic market, with Kraft Paper prices moving upward across different regions.

In North India, the basic price of 18 BF Kraft Paper has reached around ₹36, while mills have already started offering higher prices. He said the basic price could increase further to around ₹37 within the next few days, supported by continued demand pressure. According to him, the current market position is expected to remain firm through around 20–25 October, primarily due to festival-driven demand.

Singhal also highlighted changes in the price differential between different Kraft Paper grammages and qualities. The price difference between 140 GSM and 120 GSM Kraft Paper, which was earlier around 50 paise, has increased to ₹1. Similarly, the premium for Golden Yellow (GY) quality has increased from around ₹1 to ₹1.50, he said.

On the raw-material side, Singhal said domestic waste paper in North India is currently averaging around ₹22, while in Gujarat, standard Kraft waste paper is around ₹23.50 per kg and pure Kraft waste paper around ₹24 per kg on mill delivery. Finished Kraft Paper in Gujarat is around ₹37 for 16 BF, according to his assessment.

Imported Waste Paper Availability Emerges as a Key Concern

Singhal identified the reduced availability of imported waste paper as one of the major factors influencing the current market. He said imported waste paper is arriving in significantly lower quantities, while container availability and freight conditions are creating additional challenges.

He said US Double Sorted OCC, which was around US$230–240 in August, could reach around US$260 for September bookings, making the material increasingly difficult to bring into India. Meanwhile, waste paper from Europe, Ireland and the UK continues to arrive, including 98/2 material, which was around US$210, with the possibility of further increases due to freight and container constraints.

According to Singhal, the impact of tighter imported waste paper availability could extend beyond the current festival season. He expects domestic finished-paper prices to remain relatively firm even after demand moderates following Diwali, as limited availability of imported waste paper could prevent a significant decline in finished-paper prices.

Chennai Market Also Sees Price Increase

Singhal said the Chennai market has also witnessed a significant change. Local mills, where waste paper prices were earlier around ₹22, have moved to approximately ₹23, while mills outside Chennai are quoting around ₹24.

As a result of the increase in waste paper prices, finished Kraft Paper prices in the region have also moved higher. He said 18 BF finished Kraft Paper, earlier around ₹36, could move to approximately ₹38.

Festival Demand Supports Market

According to Singhal, the current improvement in demand is largely festival-driven. With multiple festivals approaching across different regions—including Durga Puja, Navratri, Ramleela and the broader Diwali season—paper and packaging demand remains strong.

He noted that waste paper collection has also increased as households and offices undertake cleaning ahead of the festive season. However, despite higher domestic waste paper availability during this period, he does not currently anticipate a significant decline in the market.

Singhal said the current market is near a peak in terms of demand, with mills operating well and Kraft Paper manufacturers benefiting from the widening gap between waste paper and finished-paper prices. He noted that the differential, which was earlier around ₹9, has increased to approximately ₹14.50, supporting the position of Kraft Paper mills.

He also said duplex mills have increased prices by around ₹2–3 over the past one to one-and-a-half months,

while white-grade recovered paper used in Writing & Printing Paper has seen an increase of approximately ₹1–1.50.

Kraft Liner Prices Rise Sharply

Singhal also pointed to a sharp increase in Kraft Liner prices. According to his market information, Kraft Liner, which was selling at around ₹64–65 in Delhi about one to one-and-a-half months ago, has increased to approximately ₹80–81 in the Delhi-NCR market.

He attributed the broader price movement to reduced availability of imported material and continuing difficulties in bringing raw materials into India.

Market Expected to Remain Firm

Looking ahead, Singhal said the market is currently not showing signs of a slowdown. While domestic waste paper prices could see some correction after October 25 if festival-related collection increases, he believes finished-paper prices may remain relatively stable because of the limited availability of imported waste paper.

He further expects domestic waste paper prices could come under renewed upward pressure after mid-November if domestic collection declines while imported waste paper remains difficult to procure.

Singhal also said the impact of higher imported waste paper prices is being felt across North, South, West, East and Central India, making the issue a broader industry concern rather than a region-specific development. He expects imported waste paper prices to remain under upward pressure in September.

P72..finance income. The Company continued to focus on operational efficiency and cost optimization while maintaining progress on its strategic growth initiatives, supporting its longterm value creation objectives.

"The second quarter of 2026 marked a positive improvement in the Company's performance, supported by stronger sales and continued focus on operational efficiency. The results were good enough to offset the drawback from Q1 2026. Revenue increased by 8% year-on-year to SAR 298.0 million in Q2, contributing to H1 revenue growth of 2% to SAR 542.3 million. The improvement in sales, particularly in containerboard and industrial papers, together with an improved product mix and disciplined cost management, supported a significant improvement in profitability, with Q2 gross margin increasing to 19% compared to 13% in the prior year period.

"We continued to make meaningful progress in our strategic investment program, with the PM5 and TM6 projects remaining on track to commence soft operations by late 2027. The Company invested SAR 238.9 million in capital work-in-progress during the period, reflecting our continued commitment to expanding capacity, enhancing operational resilience, and strengthening our product offering. At the same time, we maintained our focus on cost optimization and operational efficiency, supporting improved profitability despite evolving market conditions. Efficient inventory management resulted in decreasing inventory levels by more than 30% positively contributing to our Cash Conversion Cycle.

"Our priority remains to build on this momentum while maintaining a disciplined approach to growth and capital allocation. We will continue to capitalize on our high and flexible production capacity that enables us to strengthen our market position, optimizing our cost base, improving operational performance, and advancing our strategic investments. With the progress achieved during the first half of the year and our planned capacity expansion, we remain confident in our ability to capture future market opportunities and deliver sustainable long-term value for our shareholders." Faisal Haddawi, Chief Executive Officer of the Middle East Paper Company, commented.

"The first half of 2026 demonstrated the resilience of our business and the strength of our strategic direction. Against a dynamic market backdrop, MEPCO delivered growth in revenue and profitability, supported by stronger sales, an improved product mix, disciplined cost management, and continued focus on operational efficiency. We remain firmly on track with our two flagship projects, PM5 and TM6, which will expand production capabilities, strengthen operational resilience, and position the Company to capture future market opportunities. These investments reflect our confidence in MEPCO's long-term fundamentals and our commitment to disciplined capital allocation." Mr. Musab Sulaiman Al-Muhaidib, Chairman of the Board of Directors of the Middle East Paper Company, stated.

Looking ahead, our priorities remain clear; to drive operational excellence, strengthen our market position, optimize costs, advance our sustainability agenda, and execute our strategic investments with discipline. We are confident in our ability to build on the progress achieved and enter MEPCO's next phase of development as a stronger, more resilient, and future-ready organization. We remain committed to supporting the Kingdom's industrial and environmental ambitions while delivering sustainable, long-term value to our shareholders and stakeholders.

C. Ravinder Reddy Urges Industry Status for Printing and Packaging Sector

The Pulp and Paper Times

Mr. C. Ravinder Reddy, President, All India Federation of Master Printers (AIFMP), said that the time has come to grant industry status to the printing and packaging sector, recognizing it as a mainstream manufacturing industry that deserves such recognition.

Speaking at the National Paper Day celebration, Reddy said it was a great honor and privilege for him to represent the All India Federation of Master Printers, the apex body of India's printing and packaging industry, representing nearly 2.5 lakh printing entrepreneurs across the country.

At the outset, he congratulated the organizers for celebrating National Paper Day. He said the day was not just a celebration of paper, but a celebration of one of the world's most environmentally sustainable, renewable, recyclable, and biodegradable materials.

"Paper has educated generations, preserved knowledge, strengthened democracy, and connected people across the world. Even in the present digital age, paper continues to remain relevant and indispensable," Reddy said.

He highlighted the unique relationship between the paper and printing industries, saying that both industries have grown together for centuries. According to him, every sheet of paper manufactured in India finds its true purpose through printing, publishing, packing, education, business, and communication, and the success of one industry is closely linked to the success of the other.

Printing and Packaging Integral to Manufacturing

Reddy said India is moving confidently towards becoming a global manufacturing hub and, as exports continue to grow, every Indian product that reaches international markets carries not only the pride of the nation but also the responsibility of the printing and packaging industry.

"A quality product deserves quality packaging. Packaging protects, preserves, informs, and promotes the product. It ensures safety, compliance, and traceability," he said.

He added that a product may be manufactured in a factory, but it reaches customers because of the printing and packaging industry.

Reddy placed a request before the gathering regarding the status of the printing industry. He said that when the Industries Act was framed in 1951, printing was largely viewed as a craft activity, and even today it continues to be listed as a miscellaneous industry.

However, he said printing and packaging can no longer be viewed just as activities that put India on paper or wrap a product.

"Today, we have evolved into a highly sophisticated manufacturing ecosystem that combines engineering, material science, color science, structural design, process technology, automation, quality assurance, and supply chain integration," Reddy said.

He pointed out that every printed carton, pharma packaging, food packaging, security document, export label, and educational book is the result of advanced manufacturing, modern technology, and skilled professionals.

"India's printing and packaging sector is no longer a traditional service activity; it is an integral part of the manufacturing value chain," he said.

Packaging Industry and Growth

Reddy said packaging is recognized as one of the largest sectors of the Indian economy. According to IBEF, he said, it is the fifth largest industry in the country.

He stated that the Indian packaging industry is valued at approximately US $84 billion and is expected to grow another US $143 billion by 2029.

"Our industry has invested thousands of crores in state-of-the-art manufacturing facilities, generating employment for millions of people and adding value to almost every product manufactured in India," Reddy said.

Call for Industry Status

Reddy said the printing and packaging sector should be granted industry status, adding that such recognition would encourage investment, strengthen MSMEs, promote technology upgradation, generate skilled employment, improve exports, and make Indian manufacturing more globally competitive.

"As India moves forward towards becoming a developed nation, every manufacturing sector has an important role to play. The printing and packaging industry stands ready to contribute even more to the national mission," he said.

...P77

TNPL: Excellence in Energy Management and Operational Efficiency

The pulp and paper industry is an energy intensive unit and the energy cost of the industry is around 30% of its manufacturing cost. TNPL is taking continual efforts to reduce the carbon footprint. TNPL consumes Bio Fuel, Bio Gas and Black Liquor solids to a larger extent for manufacturing paper in Unit-I.

The Consumption of Bio Fuel, Bio Gas and Black Liquor solids accounts for 39.45 % of the total Energy consumed during 2025-26.

TNPL Unit-I is operating two Bio Methanation Plants to treat high organic waste water from bagasse handling and storage system to generate Bio Gas under 'Waste to Energy' concept. The Bio Gas generated is utilized in the lime kiln to replace furnace oil. Bio Gas generation for the year 2025-26 is 72.76 Lakh 3 3 NM as against 79.71 Lakh NM in the previous year. The Bio Gas usage in the lime kiln and power boiler as fuel reduced the consumption of furnace oil by 4161.54 KL and that of Imported Coal by 557 MT.



TNPL is self sufficient in power in both the units. The installed capacity of power plant in Unit-I is 103.62 MW and Unit-II is 50 MW. Power generation and consumption details are as given below.

TNPL Unit-I has obtained "Energy Efficient th Unit" award in 26 National Award for Excellence in Energy Management 2025 from Confederation of Indian Industry (CII). During the FY 2025-26, TNPL have saved 21.52 Lakh units of power (previous year 28.74 Lakh units), 5441.25 MT of Imported coal (previous year 5686.76 MT) and 4192.82 KL of furnace oil (previous year 4393.10 KL) by implementing various Energy saving projects.

PAT Cycle-VII , RCO and CCTS Cycle-I for TNPL Unit-I

PAT–VII Cycle: Commenced in the year 2022 23 and covering the FY 2022-23, 2023-24 and 2024-25. The baseline Specific Energy Consumption (SEC) is 0.5174 TOE/MT of paper. The Target SEC is 0.5010 TOE/MT of paper for the target year 2024-25. Since the FY 2024-25 will be assessment year M&V audit was conducted by M/s NIN Energy India Pvt Ltd during June 2025.

Renewable Consumption Obligation (RCO)

The Renewable Consumption Obligation (RCO) compliance study for the plant was carried out in accordance with the Ministry of Power's notification and the RCO guidelines. The on-site audit was conducted in June 2025 by M/s NIN Energy India Pvt Ltd. Compliance requirement as per BEE/ MoP Notification in FY 2024-25 is 107.606 million units. Actual compliance in FY 2024-25 is 198.076 million units. The surplus compliance achieved through renewable sources in FY 2024-25 is 90.470 Million Units.

CCTS Cycle -I for TNPL Unit-I

The Central Government has notified the Carbon Credit Trading Scheme (CCTS) 2023 on 28 June 2023 under the powers conferred by clause (w) of section 14 of the Energy Conservation Act 2001.

Under the CCTS, the Government has introduced a 'Compliance Mechanism', where the obligated entities shall comply to the greenhouse gas emission intensity targets as may be notified by the central government.

The obligated entities shall be required to achieve greenhouse gases emission intensity in accordance with the targets notified by the Ministry of Environment, Forest and Climate Change.

For fixing the target, baseline audit was conducted by BEE in the month of November 2024. The baseline GHG Emission Intensity achieved for 2023-24 is 2.0986 tCO /T. Target 2 of GHG Emission Intensity for Compliance Year 2025-26 is 2.0536 tCO /T.

PAT Cycle-V, RCO and CCTS Cycle-I for TNPL Unit-II

PAT Cycle–V: Commenced in the year 2021-22. The baseline Specific Energy Consumption (SEC) is 0.3761 TOE/MT of paper. TNPL achieved 0.3566 TOE/TON of Board during the assessment year 2021-2022. Totally 2,766 ESCerts are expected to be received from BEE as per M&V audit conducted by M/s PGS Energy Service Pvt. Ltd.

Once the process is completed, we will be planning for trading E-Certificates in the market.

Renewable Consumption Obligation (RCO)

The Renewable Consumption Obligation (RCO) compliance study for the Plant in accordance with the Ministry of Power's notification and the RCO Guidelines. The on site audit was conducted on 22nd July 2025 by CII – Sohrabji Godrej Green Business Centre (CII-Godrej GBC). Compliance requirement as per BEE/ MoP Notification in FY 2024-25 is 40.851 million units. Actual compliance in FY 2024-25 is 97.230 million units. The surplus compliance achieved through renewable and sources in FY 2024-25 is 56.644 milion units.

CCTS Cycle -I for TNPL Unit-II

Under the CCTS, the Government has introduced a 'Compliance Mechanism', where the obligated entities shall comply to the greenhouse gas emission intensity targets as may be notified by the central government. The obligated entities shall be required to achieve greenhouse gases emission intensity in accordance with the targets notified by the Ministry of Environment, Forest and Climate Change.

For fixing the target base line audit was conducted by BEE in the month of November 2024. The baseline GHG Emission Intensity achieved for 2023-24 is 1.2593 tCO /T. Target 2 of GHG Emission Intensity for Compliance Year 2025-26 is 1.2431 tCO /T.

Wind Farm

TNPL installed the first Wind Farm of 15 MW capacity during 1993-94 at Devarkulam Perungudi, Tirunelveli District. Since then the Company has increased the wind farm capacity to 35.5 MW in stages. The power generated in the wind farm is exported to the grid after wheeling a portion for TNPL Corporate Office & Perugamani Water Head Works requirement.

Rooftop Solar Power Plant at TNPL Unit I & II

In line with our commitment to environment and renewable energy, 1 MW each rooftop solar power plants were installed on buildings at both Units, contributing to our efforts to reduce carbon footprint.

As TNPL continues its progress towards a low-carbon future, its workforce remain the driving force behind every energy conservation initiative. By combining technical expertise with a strong culture of responsibility and continuous improvement, the Company is creating long-term value for its stakeholders while advancing its commitment to sustainable and responsible manufacturing.

P75... He requested policymakers and all stakeholders to support the long-standing demand for granting industry status to the printing and packaging sector and recognize it as a mainstream manufacturing industry.

"Paper carries knowledge, printing spreads knowledge, packaging protects products. Together, our industry strengthens Indian manufacturing, protects the Indian economy, and carries India's reputation across the globe," Reddy said.

On behalf of the All India Federation of Master Printers, he conveyed his best wishes to the paper industry for its continued growth, innovation, and success.

Reddy also congratulated the initiative of Mr. P. Rajesh Jain, President, Federation of Paper Traders Associations, to gather all seven associations on one platform.

"Thank you, sir, for this initiative. And together, let us build a greener, stronger, and more self-reliant India," he said.

He concluded by saying, "Thank you very much. Jai Hind."

P 69... higher prices of imported coal, pulp and chemicals following the West Asia crisis, while Satia noted continuing changes in global trade flows and logistics.

The Q1 FY27 results therefore suggest that the Indian paper industry continues to operate in a highly dynamic cost and demand environment, where companies with stronger operational control, improved realisations, differentiated products and modernised assets may be better positioned to protect profitability.

For the coming quarters, the performance of these companies will depend not only on paper demand and pricing, but also on how effectively they manage input costs, production efficiency, capacity modernisation and product mix.

P 31... expected to be absorbed internally and the balance sold across the domestic market.

The company is currently focused on stabilising its 100 TPD recycled writing and printing paper production, while preparing for an expansion to approximately 150 TPD within six months. Future plans also include exploring additional grades such as copier paper and further improving product quality.

The project combines paper manufacturing, captive consumption and downstream converting, creating an integrated business model that could provide Heart Touch Paper Mills with greater control over raw material supply, production and finished-product operations as it expands its presence in the Indian writing and printing paper market.

"Finding locations to store paper and efficiently supply it to different industries is a major challenge" Mr T. Kishan Singh, President Nominee, FPTA says ahead of 65th AGM

The Pulp and Paper Times

The Federation of Paper Traders' Association (FPTA), the apex national body representing paper traders and working to bridge the gap between manufacturers and consumers, in collaboration with the Telangana Paper Merchants' Association (TPMA), will host the FPTA 65th Annual General Meeting (AGM) in Hyderabad from October 3 to 5, 2026, at Novotel HICC. This was announced by Sri Abhishek Vijaywargiya, President, TPMA; Sri Ashish Jain Bhansali, Hon. Secretary, TPMA; Sri Prasad RG, Chairman, Reception Committee, FPTA 65th AGM; Sri Vinay Baldwa, Chairman, Media & Publicity, FPTA 65th AGM; and Sri T. Kishan Singh, President Nominee, FPTA; at a press conference held today at Taj Deccan.

More than 1,000 paper traders from across India are expected to participate in the AGM. The prestigious event returns to Hyderabad after 19 years and has added significance for the city as Sri T. Kishan Singh, Managing Director, Tirumala Balaji Paper Pvt. Ltd., Hyderabad, is set to take over as Nominee President of FPTA.

Mr T. Kishan Singh, President Nominee, Fpta; said, We as paper traders stand between paper mills and consumers, supplying paper to publishers, notebook manufacturers, printers, converters and various other industries. The need of the hour is the vital role of paper traders. We are not merely resellers; we are an important link in the paper supply chain and contribute to the economy. We seek the government's recognition and support, particularly in addressing the shortage of suitable warehouse space. Even in Hyderabad, finding locations to store paper and efficiently supply it to different industries is a major challenge. Our vision is clear, paper deserves recognition. It is not just another commodity, it is part of our lives, our economy and nation-building. Our message is simple, Support paper, Use paper, Love paper.

Speaking on the occasion Mr Abhishek Vijaywargiya, President, Telangana Paper Merchants' Association; said, More than 1,000 delegates from across India, including manufacturers, industry leaders, and policymakers, will participate in the landmark FPTA 65th Annual General Meeting. The Indian paper industry is a vital pillar of the economy. Today, it produces over 24 million tonnes of paper annually, contributes more than ₹1 lakh crore to the economy, provides direct employment to about 5 lakh people, and supports around 15 lakh people indirectly. Despite India's economic growth, the country's per capita paper consumption is just about 16 kg, compared to the global average of 57 kg, highlighting tremendous potential for future expansion. The conference will serve as a national platform to discuss industry growth, sustainability, technological advancements, taxation issues, and emerging opportunities for the paper trade and manufacturing sectors.

The prestigious three-day event will be inaugurated on October 3rd by H.E. Sri Shiv Pratap Shukla, Hon'ble Governor of Telangana. Sri Rajesh Ponnuru, CEO, ITC Ltd. (PSPD), will be the Chief Guest. Sri Pawan Agarwal, President, IPMA & CMD, Naini Papers Ltd.; Sri A.S. Mehta, President & Director, JK Paper Ltd.; and Sri Sushil Kumar Khetan, CEO & Whole Time Director, Emami Paper Mills Ltd., will be the Guests of Honour. The meeting will be presided over by Sri Rajesh Jain, President, FPTA.

Sri Ashish Jain Bhansali, Hon. Secretary, TPMA; said, A major highlight of the conference will be on October 4, when former Telangana Paper Merchants Association President Shri T. Kishan Singh takes charge as National President of FPTA. His elevation is a moment of immense pride for TPMA and the entire paper trade fraternity in Telangana. Through this AGM, we also seek to highlight that paper is not merely a commodity but an essential part of daily life, from education, textbooks and notebooks to printing, publishing, offices, packaging and government operations. Despite increasing digitisation, paper remains indispensable across sectors. We therefore appeal to the Central Government to reduce the GST on paper and paper products from the current 18% to 5% under the proposed GST reforms. This will ease the burden on manufacturers, traders and consumers and benefit the entire value chain, including students, schools, publishers, printers, packaging industries and the common consumer. Reducing GST on paper is not just a benefit to the paper trade—it is a benefit to the entire economy and society.

The AGM will bring together paper traders, manufacturers, industry leaders and experts for technical seminars and discussions on the latest developments, emerging opportunities and challenges facing the paper trade.....P80

Indian paperboard packaging industry overview and Government policies

The Pulp and Paper Times

Packaging has emerged as one of the largest and fastest-growing sectors of the Indian economy, currently ranking as the fifthlargest industry. It plays a critical role in driving industrial growth, innovation, and value creation across key sectors such as FMCG, agriculture, and food processing. The industry is expected to expand at a strong CAGR of 26.7%, supported by rising consumption, organized retail expansion, and increasing formalization of supply chains.

Within this broader landscape, the paper and paperboard packaging segment is witnessing steady and sustained growth. The market is estimated at US$ 14.57 billion in 2026, up from US$ 13.72 billion in 2025, and is expected to reach US$ 19.66 billion by 2031, reflecting a CAGR of 6.18% over 2026-2031. Paper-based packaging accounts for approximately 15.5 million tons of annual consumption in India, representing nearly 65% of the total packaging market, underscoring its dominance as a preferred material.

Growth in the segment is being driven by a combination of regulatory, consumer, and industry shifts. The nationwide push to reduce single-use plastics, coupled with rising environmental awareness, is accelerating the transition toward recyclable and biodegradable alternatives. At the same time, brand commitments to circular-economy packaging and government regulations banning certain plastic formats are reinforcing demand for paperbased solutions.

E-commerce and logistics have emerged as major demand catalysts. The rapid expansion of online retail and quick-commerce platforms has significantly increased the need for durable, lightweight, and cost-efficient packaging. Corrugated boxes dominate this space, offering the strength and protection required for transit, while also being recyclable. Leading e-commerce players have already transitioned toward paper-based materials such as corrugated boards, packing paper, and paper cushions for secondary and tertiary packaging. Frequent deliveries of food and groceries are further amplifying demand, making e-commerce a key volume driver for the segment.

The food and beverage industry represents another major growth pillar. Increasing consumption of packaged foods, coupled with the expansion of organized retail and food delivery services, is driving demand for safe, hygienic, and sustainable packaging formats. The India food packaging market generated revenues of US$ 22.9 billion in 2025 and is expected to reach US$ 39.6 billion by 2033, growing at a CAGR of 6.9%. Paper and paperboard products captured 39.18% of the India food and beverage packaging market size in 2025. Within this, there is a clear shift toward recyclable monomaterial packaging, alongside rising adoption of liquid cartons supported by growth in premium beverages and aseptic packaging technologies.

In parallel, the e-commerce packaging segment is witnessing exponential growth. The market generated revenues of US$ 4,866.3 million in 2025 and is expected to reach US$ 32,659.5 million by 2033, expanding at a CAGR of 26.9%. India accounted for 4.6% of the global e-commerce packaging market in 2025, highlighting significant headroom for future expansion as digital adoption deepens across Tier-1 and Tier-2 cities.

Overall, the India paper and paperboard packaging market is evolving rapidly, supported by regulatory tailwinds, strong enduse demand, and shifting consumer preferences toward sustainability. With its cost efficiency, scalability, and environmental advantages, paper-based packaging is well positioned to remain a cornerstone of India's packaging ecosystem while supporting the country's broader sustainability and growth ambitions.

Government policies

The Government of India has introduced several initiatives to promote sustainable and standardized packaging practices across industries. Key policies include:

National packaging initiatives

The government has launched the National packaging initiative to strengthen and modernize the sector, by establishing clear guidelines and requirements for packaging design and materials, promoting the movement of goods in bulk quantities, and encouraging centralized industrial activity through the development of advanced infrastructure such as specialized logistics parks and packaging laboratories for design and testing. The initiative also emphasizes reducing packaging waste by setting up material recovery facilities, supporting domestic businesses in manufacturing sophisticated packaging materials, and creating high-quality training facilities and certified programs to ensure the continuous availability of skilled labor.

Extended producer responsibility (EPR)

India's Extended Producer Responsibility (EPR) framework is set to tighten further by 2026, with broader accountability across producers, brand owners, and importers. The scope of EPR is expanding to include additional materials such as paper, glass, and metals, strengthening formal recycling systems. Regulatory oversight is increasing through stricter audits and improved verification mechanisms led by the CPCB, while digital compliance and traceability systems are being scaled up. These developments are accelerating India's transition toward a circular economy and encouraging greater adoption of recyclable materials like paper and paperboard packaging.

Policy framework for foreign investment in packaging

The Indian government has liberalized foreign direct investment regulations, permitting 100% FDI through the automatic route to attract overseas capital into the paper and packaging sector. This policy framework is designed to expand manufacturing capacity, encourage global participation, and accelerate the adoption of advanced technologies, thereby positioning India as a competitive hub for sustainable and innovative packaging solutions.

The above report has been extracted from NR Agarwal Industries' annual report for FY 25-26.

P78...Deliberations will focus on price volatility, rising imports, working-capital constraints, taxation issues and measures to increase paper consumption. The conference will also feature addresses by industry experts and motivational sessions, including an address by Sri Gour Gopal Das.

The trade is seeking simplification and effective implementation of Nil GST on notebooks and exercise books, which can make educational stationery more affordable and encourage wider paper usage. It is also seeking easier and more affordable working-capital support, faster renewal of bank limits and better access to credit-guarantee mechanisms for eligible MSME traders.

Paper trading is highly inventory-intensive, requiring substantial capital to maintain stocks and manage the gap between purchases and customer collections. Improved access to finance is therefore important for the smooth functioning and growth of thousands of traders, particularly MSMEs.

Overall Increase in Kraft Paper Prices Could Reach 35%; Industry Calls for 20% Box Price Increase, Voluntary Shutdown Proposed

The Pulp and Paper Times

The corrugated packaging industry in South India is facing severe financial pressure due to sharp increases in kraft paper prices, an inverted GST structure, and rising operational costs, according to the deliberations of the South India Corrugated Box Manufacturers Association (SICBMA) General Meeting held on October 6, 2026.

At the meeting, the managing committee and attending members discussed what they described as critical financial challenges threatening the survival of the corrugated packaging industry across South India.

Kraft paper prices have increased by 25% and above over the past few months, while mill alerts indicate that the overall increase could reach 35% in the coming months. According to SICBMA, the sharp rise in raw material costs is eliminating manufacturing margins and placing significant pressure on factory cash flows.

The association also highlighted the impact of the GST structure under GST 2.0. Kraft paper attracts 18% GST, while finished corrugated boxes are taxed at 5%, creating a 13% tax differential and resulting in the accumulation of Input Tax Credit (ITC).

While an ITC refund mechanism is available, SICBMA said practical delays in the process are leaving working capital blocked in the GST system. As a result, corrugated box manufacturers are increasingly dependent on high-interest market loans to sustain day-to-day operations.

The financial pressure is further compounded by increases in electricity tariffs, labour wages and fuel costs, adding to the overall cost burden on manufacturers.

Voluntary Production Shutdown Proposed

Following the deliberations, the General Body resolved to initiate a peaceful and democratic industry-wide expression of distress. Members have been requested to consider temporarily suspending corrugated box production on Friday, October 9, and Saturday, October 10, 2026.

Through the proposed collective action, SICBMA has appealed to customers to immediately accept a 25% price increase in corrugated boxes and ensure that outstanding payments are released within agreed credit terms to ..P82

Coal Supply Disruptions and Maize Starch Shortages Push Up Cost Pressures, Prompting Paper Mills to Raise Prices

The Pulp and Paper Times

The global situation continues to evolve, and the second-order effects of the ongoing war are becoming increasingly evident across industries. What initially appeared to be a disruption in energy markets and international supply chains is now translating into a broader challenge involving fuel availability, industrial inputs, production costs and supply continuity.

The Paper Industry continues to face significant cost pressures arising from geopolitical uncertainties, elevated energy and logistics/shipping costs. These direct cost drivers, along with their second-order effects, continue to impact the overall cost structure.

BGPPL said in its circular dated 22 Oct 2026, said, The Indian Paper industry is entering a particularly sensitive phase, with Coal and Starch availability now emerging as critical concerns. The industry has raised serious concerns over irregular Coal dispatches, delays in the movement of Coal rakes and the diversion of supplies towards the Power sector. Consequently, some mills are being forced to procure Coal from the open market at substantially higher costs and rely on expensive grid power to sustain



operations. Starch availability adds another dimension to the challenges. Maize Starch is an essential input in Paper manufacturing. A 22% increase in demand for maize for Ethanol production, coupled with a 15% decline in maize production compared to last year, is placing additional pressure on starch availability for the Paper industry. BGPPL alone consumes approximately 1,500 MT of Starch every month, highlighting the significance of any disruption in its availability and impact on Cost.

Although Coal and Starch serve different purposes, the pressure on both demonstrates how disruptions originating outside the industry can progressively affect the entire manufacturing ecosystem.

"Our objective in sharing this assessment is to provide our associates with a clear understanding of the evolving industry landscape. BGPPL is closely monitoring the situation. If the current pressures persist, further price increases in both Coated and Uncoated Papers may become unavoidable in order to continue supplies." BGPPL said.

Coal allocation between electricity generation and industrial consumption has emerged as a concern for newsprint manufacturers, with the Indian Newsprint Manufacturers Association (INMA) seeking changes to improve access to contracted supplies. The association has written to Prime Minister Narendra Modi, citing difficulties in obtaining adequate coal from public sector mining companies under long-term Fuel Supply Agreements (FSAs).

INMA has identified irregular dispatches and inadequate deliveries through rail and road networks as constraints on manufacturing operations. The association has also sought implementation of a coal allocation policy recommended by the Cabinet Committee on Economic Affairs (CCEA), which proposes a 75:25 distribution ratio between the power and non-power sectors.

BGPPL said in its circular dated 19 Oct 2026, that On the Demand side, the Season has gained strong momentum. Despite record billing in September and sustained dispatches thereafter, supply remains stretched. High order pendency, coupled with persistent shipping uncertainties and elevated freight rates, further reinforces the firm Market outlook.

Inventory Levels Remain Low

Coal availability remains a concern across NTPC's fleet and the wider thermal power sector. As of 5 October, NTPC's standalone fleet held 4.58 MT of coal against a prescribed requirement of 12.83 MT, equivalent to 36 per cent of the normative level.

Based on the consumption rate assumed by the Central Electricity Authority (CEA), the available inventory was sufficient for nearly six days. Ten NTPC plants had been classified as critical because of inadequate coal stocks.

The broader position across domestic-coal-based thermal power plants also reflected the gap between available stocks and prescribed requirements. Inventory stood at 18.15 MT on 5 October, sufficient for 6.5 days of consumption, against a normative requirement of 57.23 MT. Of the 176 domestic-coal-based plants, 81 were classified as critical, with stocks below 25 per cent of their respective normative requirements.

INMA has raised concerns that the existing dispatch pattern directs more than 95 per cent of coal supplies to power plants. This leaves industrial consumers struggling to secure sufficient quantities under their long-term contractual arrangements.

The resulting supply gap has pushed manufacturers towards open-market coal purchases at substantially higher prices. They have also had to depend on grid electricity at greater cost to maintain plant operations. The proposed allocation framework would alter the balance between power generation and industrial consumption. Its implementation, however, comes against the backdrop of shortages at thermal power plants, where coal inventories have remained below prescribed requirements.

Price Increase

BGPPL said on 19th Oct 2026 circular that In view of the above, we shall implement P7 (+Rs 1,000/MT) w.e.f. 24.10.2026 on all grades of Unit BPU PM#1–6, including Copy Paper (all brands & GSMs).

"We are implementing these revisions in phased steps to minimise Market disruption. Given the ongoing cost pressures, further price increases in both Coated and Uncoated grades are inevitable. Please note that No old price benefits will be extended based on bookings, volumes, or prior arrangements, irrespective of the date of order placement, unless specified by the Regional Sales Office. The applicable price will be strictly based on the billing date. Distributors may convert their pending orders to the new prices" BGPPL informed.

"The Prices of all our Writing & Printing Grades will be increased by INR 3,000 PMT, with immediate effect. This price revision has become necessary due to the Continued escalation in the costs of Coal Prices, Raw Materials, Pulp & other Manufacturing Inputs, including Chemicals, Packing Materials, Fuel, logistics and other Consumables. This price adjustment is necessary to offset the sustained increase in Input Costs and ensure the Continued Supply of quality products and services to our valued customers." Khanna Paper said in its circular dt. 22 Oct 2026.



..P80 help ease the industry's working capital constraints.

The association has also appealed to the Government and concerned authorities to take immediate measures to address kraft paper price increases, correct the inverted GST structure and establish a permanent, fast-tracked mechanism for releasing accumulated ITC.

Participation Remains Voluntary

SICBMA clarified that participation in the proposed production shutdown on October 9 and 10 is entirely an individual business decision of each corrugated box manufacturer.

The association stated that no mandatory instruction or direction has been issued by SICBMA, its office bearers or the Managing Committee. Factory owners have been advised to assess their individual business circumstances, customer commitments and operational feasibility before deciding whether to participate.

SICBMA said it will continue to officially represent the industry's grievances before administrative authorities at all relevant levels.

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India's Renewable Capacity Adds 51 GW in FY25–26, Solar Leads with 44.61 GW

The rapid expansion of renewables, storage, EVs and green hydrogen is driving demand for specialised cabling and grid infrastructure, creating significant opportunities for the power sector.



Page 6

GE Vernova to Invest $11 Billion in Power Grid Through 2028

The investment will support grid modernisation, expansion of renewable energy and electrification, strengthening power infrastructure globally.



Page 10

India's Wires & Cables Market to Grow to USD 17.08 Billion by 2032

The market is projected to grow at a CAGR of 7.94%, driven by infrastructure expansion, renewable energy and rising electrification.



Page 14

India's Power Sector Enters a Defining Decade

300 GW Solar, 95 GW Storage and Rising Energy Demand to Reshape the Grid

India's power sector is set for a major transformation with 300 GW of solar capacity and 95 GW of storage expected in the coming years, industry experts say. The country's growing energy demand, renewable integration and grid modernisation will drive massive investments in transmission, distribution and advanced infrastructure.



Page 8

Havells Reports Strong Q1 Performance

The company said sustained demand and a healthy product mix supported growth in the electrical and consumer durables segments.



Page 12

APAR Strengthens Global Footprint, Reports 50% US Revenue Growth in FY26

The company is expanding its presence in North America and Europe, with a focus on high-performance conductors, cables and speciality products.



Page 16

GAIL to Build 18,700 km Pipeline Network

The pipeline project will strengthen India's energy security and support growing natural gas demand across the country.



Page 11

Renewable Energy Capacity Globally Reaches 692 GW in 2025

Solar accounts for over 510 GW of additions, marking a record year for clean energy deployment worldwide.



Page 7

APAR Inaugurates Customer Qualification Plant

The facility features multi-format and multi-chemistry capability, strengthening the company's new energy portfolio.



Page 16

India Adds 51 GW Renewable Energy Capacity in FY2025–26

The new capacity includes a record 44.61 GW of solar, reinforcing the country's clean energy transition.



Page 6

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Packaging paper manufacturers' revenues to rise 10–11%; Rs 1,100 crore of incremental capex undertaken by paper mills, margins to expand

Efficiency-focused capex and healthy accruals to keep credit profiles stable

The Pulp and Paper Times

Domestic packaging paper manufacturers are set for another year of double-digit growth this fiscal, supported by 6-7% volume growth and 3-4% realisation gains. Demand from consumption-linked sectors, increasing adoption of recyclable packaging and a richer product mix will support growth, while efficiency-focused investments should expand operating margins by 40-50 basis points to around 9%. With capex largely funded through internal accruals, credit profiles are expected to remain stable.

A Crisil Ratings study of 47 packaging paper companies, accounting for around 40% of industry volumes, underpins these expectations.

This growth is reshaping the domestic paper industry. Packaging paper — comprising kraft paper, duplex board and virgin board — is expected to account for nearly two-thirds of domestic paper volumes this fiscal, up from just over half in fiscal 2022, as paper-based formats gain penetration across consumption-linked sectors and the shift towards sustainable packaging gathers pace.

Says Nitin Kansal, Director, Crisil Ratings, "Two forces will drive the sector's 10-11% revenue growth this fiscal: first, volume growth as consumption-linked sectors such as e-commerce, FMCG1, food and pharmaceuticals increase their use of packaging paper, and second, realisation gains as the product mix shifts towards higher value grades. The share of duplex and virgin board has risen by over 500 basis points to nearly 45% of packaging paper volumes in recent years, strengthening both growth visibility and realisations."

With wastepaper prices — the largest cost component — largely outside manufacturers' control, investments are increasingly targeting controllable costs such as energy, labour and logistics. Waste-to-energy boilers, renewable power, agro-residue processing and debottlenecking, together with higher realisations, should partly offset input-cost pressures and lift operating profitability by 40-50 bps this fiscal.

This focus is evident in recent investment patterns: 60-65% of the approximately Rs 1100 crore of incremental capex undertaken by companies rated by Crisil Ratings over the past couple of fiscals went towards efficiency-led projects rather than capacity creation. As manufacturers prioritise margin resilience and balance-sheet strength over aggressive expansion, efficiency focused investments are expected to remain central to their capex strategy.

Says Gaurav Arora, Associate Director, Crisil Ratings, "The sector's capex cycle is turning more defensive than expansionary. Nearly three-fourths of the sector's incremental spending will target process efficiency, energy optimisation and debottlenecking, helping protect margins without materially stretching balance sheets. With annual capex of Rs 500-600 crore expected to be funded largely through internal accruals, gearing should remain below 0.5 times and interest coverage around 4.5 times, supporting stable credit profiles."



That said, downside risks remain. A rise in cheaper imports could pressure domestic realisations, while supply-chain disruptions and geopolitical tensions could raise wastepaper, energy and logistics costs. The extent to which efficiency gains offset these pressures will therefore remain a key monitorable.

BIR Report: Global Recovered Paper Market Strengthens Amid Tight Fibre Availability, Rising Logistics Costs and Regulatory Challenges

India and Southeast Asia Remain Key Destinations for European Recovered Fibre; OCC Prices Rise 35–45% in Europe and the United States Since Early 2026

The Pulp and Paper Times

The global recovered paper market is entering the final quarter of 2026 with firmer prices, tighter fibre availability and increasing competition among international buyers. According to the October 2026 Paper Quarterly Report of the Bureau of International Recycling (BIR), presented by Francisco Donoso, President of the BIR Recovered Paper Division and DOLAF Servicios Verdes S.L. (Spain), the market has witnessed significant changes during the year, driven by reduced collection volumes, stronger export demand, rising transportation costs and evolving regulatory requirements.

The report highlights that the European recovered paper market has strengthened compared with the beginning of 2026, particularly in the Old Corrugated Containers (OCC) segment. However, this improvement does not necessarily indicate a broad recovery in paper and board production. Instead, restricted recovered fibre availability, seasonal inventory rebuilding by European mills and increased international demand have played a significant role in supporting prices.

India continues to be one of the principal destinations for internationally traded recovered fibre, while Southeast Asian markets, including Vietnam, Malaysia and Indonesia, are also contributing to international demand. Meanwhile, developments in North America, particularly lower recovered fibre availability and tariff-related uncertainty between the United States and Canada, are influencing global market dynamics.

European Recovered Paper Market Shows Firmer Prices

The European recovered paper market has maintained a relatively firm position during the third quarter of 2026, with prices broadly stable to slightly higher across major markets, including Germany, France, Italy and the United Kingdom. Upward price movements were particularly visible in OCC during September.

European export indicators for OCC recovered approximately 20–25% from early-spring levels, while the domestic European OCC market recorded increases of approximately 35–45% from the lows observed at the beginning of the year. Mixed paper also followed an upward trend, although at a more moderate pace. Among higher grades, Sorted Office Paper (SOP) remained comparatively stable, while certain pulp substitutes showed greater firmness.

In the United Kingdom, strong export demand combined with persistently low collection volumes pushed OCC prices higher. Italy also experienced stable market conditions, with slight upward pressure on the same grade.

However, the report points out that the price improvement is primarily associated with limited recovered fibre availability rather than a substantial increase in demand for finished paper and packaging products. Collection volumes remained weak in several major European markets, while mills continued to protect or rebuild inventories, increasing competition for available OCC, mixed paper and other recovered fibre grades.

Germany, which accounts for approximately 31% of total European recovered paper consumption, has experienced a significant decline in recovered paper exports. According to provisional figures from the Federal Statistical Office, Germany exported 678,000 tonnes of recovered paper during the first six months of 2026. This follows a 15% decline in full-year exports in 2025, when shipments fell to 1.46 million tonnes, the lowest level in 20 years.

The summer period further influenced market conditions. German mills increased their OCC inventories despite low collection volumes, partly due to planned production stoppages during July and August. In Spain, despite rising domestic consumption, OCC prices remained under pressure because of increased imports and ample supply.

Packaging demand, a fundamental driver of OCC consumption, remains relatively subdued. A 2026 survey of approximately 400 European brand owners across the UK, Germany, France and Spain indicated an uneven recovery in packaging demand. While 40% of respondents reported an increase in packaging volumes, 23% reported a decline. Analysts had projected full-year 2026 containerboard demand growth of only 1–1.5%, reflecting the cautious outlook for the sector.

India and Southeast Asia Drive International Recovered Fibre Demand

International demand continues to play an important role in supporting the European recovered paper market.

India remains one of the most important destinations for European recovered fibre, supported by packaging demand and periods of reduced domestic collection.

Vietnam, Malaysia, Indonesia and Thailand also remain significant destinations for European recovered paper. Southeast Asian buyers have shown renewed activity, although purchasing decisions are increasingly influenced by freight costs, material quality and regulatory requirements.

The report highlights that European mills are now competing not only with one another but also with international buyers for the same available recovered fibre. Stronger Asian demand encourages European exporters to increase their purchasing activity, forcing domestic European mills to compete more aggressively to retain material.

European OCC export values towards Asia increased by approximately 15–25%, depending on the destination, quality and period of comparison. This has strengthened the relationship between European domestic prices and Asian import demand.

The resulting market mechanism is increasingly evident: stronger Asian demand leads to greater export competition, which supports European recovered paper prices and increases purchasing costs for domestic mills.

India continued to be a relatively reliable volume destination, although buyer caution persisted due to rupee weakness and uncertainty surrounding maritime freight costs. Vietnam and Malaysia remained active buyers, generally making purchases through short-term commitments while closely monitoring freight economics.

Rising Transportation Costs Add Pressure to Recovered Paper Trade

Logistics has emerged as one of the most important factors influencing international recovered paper transactions during 2026. Geopolitical disruptions, longer transit times, carrier surcharges and changes in shipping routes have increased the overall cost of transporting recovered fibre.

According to the report, European road transportation costs increased by approximately 10–15%, directly affecting the delivered cost of recovered paper. Ocean freight from Europe to Asia rose by approximately 20–35%, with temporarily higher increases on routes particularly affected by geopolitical and shipping disruptions.

The continuing situation around the Strait of Hormuz has added transit time and carrier surcharges to Asia-bound shipments. Rerouting vessels around the Cape of Good Hope, initially adopted as an emergency measure, has increasingly become a standard operating procedure for several shipping services.

Although Europe-to-Asia trade continues to benefit from structural backhaul container availability, freight volatility remains a significant concern. Relatively small changes in transportation costs can influence the competitiveness of recovered paper shipments and redirect international trade flows.

The report also notes that businesses with larger operating scale, access to multiple shipping routes, hedged fuel exposure and established carrier relationships have been better positioned to manage these challenges. Smaller independent traders face increasing disadvantages as freight economics become a more important part of market access.

Regulatory Changes in Indonesia and Europe Create New Challenges

Regulatory developments are also reshaping international recovered paper trade. Indonesia's earlier restrictions on contaminated mixed paper imports created port delays, held containers and forced exporters to reassess their quality-control systems.

Initially, Indonesian authorities announced a contamination limit of 0.5%, broadly aligned with China's stringent import quality requirements. Subsequently, the guidelines were revised to align with ReMA specifications, allowing 1–2% prohibitives and 3–4% outthrows. Two bales per container are now required to be opened and inspected for quality upon arrival.

Although the immediate disruption has eased, the regulatory framework remains under discussion. The report highlights that exporters will increasingly need to demonstrate effective quality management throughout the supply chain, from collection and sorting to baling and container loading.

These requirements could make the Indonesian market more difficult for smaller traders that lack the necessary sorting infrastructure or contractual arrangements to guarantee material specifications.

In Europe, the revised EU Waste Shipment Regulation (WSR) and its associated Digital Waste Shipment System (DIWASS) are introducing further compliance requirements for recovered paper exporters.

The revised WSR became effective on May 21, 2026, with DIWASS launched on the same date. The digital platform is mandatory for intra-EU shipments, covering documentation and reporting requirements. Operators can continue using the previous paper-based procedure until December 31, 2026, after which the transition becomes mandatory.

According to Francisco Donoso, the revised WSR could pose a serious risk to Europe's recovered paper industry beyond 2027 because it may restrict the move-

ment of waste-classified recovered paper to non-OECD countries, including India and most Southeast Asian markets.

The question of end-of-waste status for recovered paper has consequently gained importance. Germany and Austria are pursuing national solutions, while Italy maintains that its domestic recovered paper exporters are not required to use DIWASS because the material has already lost its waste classification under Italian end-of-waste criteria. The Italian position has reached the European Parliament for clarification from the European Commission.

The outcome of these regulatory discussions could significantly influence Europe's ability to maintain access to international recovered paper markets.

United States Recovered Fibre Market Faces Tariff Uncertainty

In North America, the recovered fibre market continues to operate under uncertainty arising from tariff-related tensions between the United States and Canada.

The United States initially announced tariffs following unsuccessful negotiations between the two countries, after which Canada introduced counter-tariffs that explicitly include pulp and paper products. The tariffs range from 25% to 50%, potentially affecting integrated cross-border supply chains.

The American Forest and Paper Association has warned that tariffs could increase costs and uncertainty throughout the industry, threatening cross-border supply chains that support investment, manufacturing and employment. The association has urged both governments to resume negotiations.

Although the full impact on recovered fibre supply, demand and pricing remains uncertain, the report recommends closely monitoring developments because pulp, paper, packaging and tissue supply chains are deeply integrated between the two countries.

Meanwhile, the domestic recovered fibre market has experienced relatively low generation of OCC, Double-Lined Kraft (DLK) and mixed paper. Slower retail sales and wet weather, which disrupted collection activities, contributed to the lower availability.

At the same time, consecutive three- and four-day holiday weekends encouraged domestic mills to build inventories. Higher domestic demand consequently pushed prices upwards for both domestic consumption and exports.

During the last month covered by the report, recovered paper prices in the United States increased by approximately US$10–15 per tonne. Since January 2026, OCC and mixed paper prices have risen by approximately 35–45%.

The report suggests that this upward trend could continue through the fourth quarter of 2026 before stabilising. However, potential production downtime at domestic paper mills during October and November could lead to some price corrections and increased export availability.

Outlook: Fibre Availability, Asian Demand and Freight to Shape the Market

The global recovered paper market is expected to remain influenced by the interaction of collection volumes, international demand, logistics costs and regulatory developments.

In Europe, the immediate outlook will depend on whether recovered fibre collection improves and whether Asian buyers maintain their purchasing activity. If Asian demand remains firm while European availability stays limited, significant downward pressure on recovered paper prices appears unlikely.

The report also highlights the importance of monitoring containerboard operating rates, developments in virgin pulp markets, North American export availability and Europe-to-Asia freight conditions.

Virgin pulp markets have shown signs of stabilisation following considerable volatility. Hardwood pulp has recovered from weaker levels earlier in the year, while softwood pulp has remained comparatively stable. However, the direct impact on OCC and mixed paper is limited because these grades are more closely influenced by packaging production, collection volumes and export demand.

The outlook is somewhat different for SOP, pulp substitutes and other higher grades, where movements in virgin pulp prices can have a more direct influence. The structural decline in printing and office paper is also reducing the availability of high-quality recovered fibre, potentially increasing sensitivity to supply shortages.

Overall, the BIR report indicates that the recovered paper market has become increasingly interconnected, with developments in Europe, Asia and North America influencing prices and trade flows across regions.

As 2026 progresses towards its final quarter, the industry's ability to manage fibre availability, quality standards, transportation costs and regulatory compliance will remain critical. The market's performance will depend not only on the availability of recovered paper but also on the ability of traders and mills to manage increasingly complex international supply chains. ●

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