

JK Paper takes over Sirpur Paper Mills

Acquires 76% stake in ailing unit after getting nod from NCLT Hyderabad

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Harsh Pati Singhania-promoted JK Paper Ltd has taken over the ailing Sirpur Paper Mills Ltd, located at Kagaznagar in Telangana. The takeover comes after the Hyderabad Bench of the National Company Law Tribunal (NCLT), on July 19, approved a ₹782-crore resolution plan.

“The acquisition provides a growth opportunity to JK Paper to expand its existing line of business of paper and paper board,” the company said.

It has acquired a 76.37 per cent stake in Sirpur Paper comprising 13.9 crore shares of face value of ₹10 each.

JK Paper does not require approval from the Competition Commission of India as the target business is within

the prescribed exemption threshold. The Sirpur Paper unit, incorporated in 1938, has developed into an integrated paper and pulp mill with a capacity of 1,38,000 tonnes per year.

Its last reported financial year turnover was ₹430.59 crore. Since the plant shut down in September 2014, there has been no revenue generation over the past three years.

After the lenders lifted the seizure of the paper mill, Singhania, Vice-Chairman and Managing Director of JK Paper, and others

opened the paper mill, which is expected to play a major role in the revival of the economy in the newly carved out Kumarm Bheem Asifabad district.

KT Rama Rao, Telangana IT and Industries Minister, and local MLA Koneru Konappa played a role in facilitating the takeover of the mill by ensuring that the State extends certain concessions to help make the operations viable.



Harsh Pati Singhania, Vice-Chairman and MD, JK Paper