PREDICTING FINANCIAL VIABILITY AND PROFITABILITY OF SELECT PAPER AND PULP INDUSTRIES IN INDIA

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ABSTRACT
Paper industry in India is the 15th largest industry in the world. It provides employment to more than 0.37 million people directly and 1.3 million people indirectly. During this fiscal year, domestic production of paper and paper board is estimated to be 10.11 million tons. As per industry guesstimates, over all paper consumption (including newsprint) has now touched 11.15 million tons and per capita consumption is pegged at 9.3 kg. Demand of paper has been hovering around 8% for some time. So far, the growth in paper industry has mirrored the growth in GDP. India is the fastest growing market for paper globally and it presents an exciting scenario: Paper consumption is poised for a big leap forward in sync with the economic growth and is estimated to touch 13.95 million tons by 2015-16. The futuristic view is that growth in paper consumption would be in multiples of GDP and hence an increase in consumption by one Kg per capita would lead to an increase in demand of 1 million tons. This study predicts the financial viability and profitability of select paper and pulp industries in India.

KEY WORDS: Altman’s z-score model, Paper Industry, Profitability, Trend Projection.

REFERENCES


- ibid., pp. 66.


