

Cachar paper mill on brink of closure



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Daya Nath Singh 10 March 2012 11651 views

Mismanagement, fund crunch and irregular supply of raw materials has put the Cachar paper mill on brink of closure. The employees and casual laborers of the mill are put under tight corner and the management has maintained complete silence over the whole affairs. Production of the paper mill has been confined to the tune of daily material collection from various sources. The supply of disproportionate raw materials could not ease the tension of high officials. Supply of bamboo, coal, lime etc, are urgently required to run the factory.

The problems in supply of bamboo from North Cachar Hills to this mill began about three years back due to legal complexities, unwillingness of contractors and suppliers. Afterwards, Mizoram also failed to supply the required quantity of bamboos. Whereas, the consumption of bamboo is one thousand tons per day, it is in position to supply only 100 tons a day. However, the bamboo supply from North Cachar Hills has slightly improved to the tune of about seven to eight hundred tones. On the other hand, there is no coal in the stock to run the factory. In absence of coal the factory has to be closed during the nights. According to the mill sources, 34 trucks of 'black diamond' is required per day. There is no chance of getting supply of coal to continue the production.

There is also serious problem in getting supply of lime. The contractors are not interested to supply raw materials as their huge amount is due on the factory for long time. They demand cash amount for further supply. For the Mill's Caustic and Chlorine plant salt is an essential item, which is brought from Gujarat. Due to failure in sending money in advance for its supply, it could not be brought from there. For emergency purpose about two hundred tones of salt have been purchased from the open market of Cachar for running the plant, which is also likely to exhaust soon. The management has sent a request to its Jagi Road unit to supply some salt. If the caustic and chlorine production is stopped, the paper production will not be possible.

For production of finished items all raw materials are required to be ready in stock, otherwise production cannot be possible. For example the Mill's power plant is to stop production due to no availability of coal. On the other hand the power has to be purchased from the Electricity Board at higher rates. According to official sources, the cost of paper production has increased due to lower rate of production in the plant. For a long time, due to less production per ton variable cost has increased. At present per metric ton cost of paper comes to about Rs.42,000, which is equal to its selling price or even a bit less. As result the workers' salaries, allowances etc; fixed cost is going under loss account and the Mill's capital is decreasing day by day. Besides, the Mill's huge amount is due on Sarva Siksha Mission, Paschim Banga Government and various government departments. Even after so many remainders the payments are not coming. At this stage if a heavy amount is not received from any source, the factory would face closure any time, the sources said.

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