

File No.: VIS (2022-23) - PL732-618-1006

Dated: 25.03.2023

TECHNO-ECONOMIC VIABILITY STUDY REPORT

OF

39600 TPA (120 TPD) KRAFT PAPER WITH 0.5 MW

POWER PLANT

SETUP BY

M/S ARAMCO PAPERS PRIVATE LIMITED

PROMOTED BY

BALAJI GROUP

■ Corporate Valuers

■ Business/ Enterprise/ Equity Valuations

■ Lender's Independent Engineers (LIE)

■ Techno Economic Viability Consultants (TEV)

■ Agency for Specialized Account Monitoring (ASM)

■ Project Techno-Financial Advisors

■ Chartered Engineers

■ Industry/ Trade Rehabilitation Consultants

■ NPA Management

■ Panel Valuer & Techno Economic Consultants for PSU
Banks

REPORT PREPARED FOR

STATE BANK OF INDIA, SME BRANCH, MUZAFFARNAGAR

**Important - In case of any query/issue or escalation you may please contact Incident Manager
Valuers@rkassociates.org. We will appreciate your feedback in order to improve our services.*

*NOTE: As per IBA Guidelines please provide your feedback on the report within 15 days of its submission after
which report will be considered to be correct.*

CORPORATE OFFICE:

D-39, 2nd floor, Sector 2, Noida-201301

Ph - +91-0120-4110117, 4324647, +91 - 9958632707

E-mail - valuers@rkassociates.org | Website: www.rkassociates.org

IMPORTANT NOTICE

COPYRIGHT FORMAT: This report is prepared on the copyright format of R. K. Associates Valuers & Techno Engineering Consultants (P) Ltd. (R. K. Associates) to serve our clients with the best possible information and analysis to facilitate them to take rational business decisions. Legally no one can copy or distribute this format without prior approval from R. K. Associates. It is meant only for the advisory/ reference purpose for the organization/s as mentioned on the cover page of this report. Distribution or use of this format or report or any of its content/ information/ data by any organization or individual other than R.K Associates will be seen as an unlawful act and necessary legal action can be taken against the defaulters.

This report is intended for the sole use of the intended recipient/s and contains material that is

STRICTLY CONFIDENTIAL AND PRIVATE.

DEFECT LIABILITY PERIOD: In case of any query/ issue or escalation you may please contact Incident Manager at valuers@rkassociates.org. Though adequate care has been taken while preparing this report as per its scope, but still we can't rule out typing, human errors, oversightedness of any information or any other mistakes. Therefore, the concerned organization is advised to satisfy themselves that the report is complete & satisfactory in all respect. Intimation regarding any discrepancy shall be brought into our notice immediately. If no intimation is received within 15 (Fifteen) days in writing from the date of issuance of the report, to rectify these timely, then it will be considered that the report is complete in all respect and has been accepted by the client up to their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner.

Part N: R. K. Associates Important Disclaimer and Remarks are integral part of this report and Feasibility assessment is subject to this section. Reader of the report is advised to read all the points mentioned in these sections carefully.



TABLE OF CONTENTS

SECTIONS	PARTICULARS	PAGE NO.
Part A	Report Summary	4-5
Part B	INTRODUCTION	
	1. About the Report	6
	2. Executive summary	6
	3. Purpose of the Report	9
	4. Scope of the Report	9
	5. Methodology/ Model Adopted	10
	6. Data Information received from	10
	7. Documents/ Data Referred	10
Part C	Company Profile	
	1. Company Overview	11
	2. Proposed Shareholding Details	12
	3. Promoters/Directors Profile	13
Part D	Proposed Unit's Infrastructure Details	
	1. Proposed Location	17
	2. Location Map	17
	3. Land Details	18
	4. Site pictures	19
	5. Building & Civil Works	26
	6. Plant and Machinery/ Equipment details	27
	7. Utilities	28
Part E	Project Technical details	
	1. Capacity of Manufacturing Facility	29

	2. Technical Specification of the Proposed Manufacturing Facility	29
	3. Technology Used	31
	4. Source of Procurement of Equipment's	32
	5. Testing Standards For Production	34
	6. Manpower	35
Part F	Product Profile	
	1. Introduction	37
	2. Product Category	37
	3. Manufacturing Flow Chart	38
	4. Marketing, Selling & Distribution Plan	39
Part G	Industry Overview & Analysis	40
Part H	SWOT Analysis	46
Part I	Project Cost and Means of Finance	47
Part J	Project Schedule	49
Part K	Statutory Approvals Licences NOC	51
Part L	Company's Financial Feasibility	52
Part M	Conclusion	73
Part N	Disclaimer Remarks	75



PART A

REPORT SUMMARY

- 1. Name of the Company:** M/s Aramco Papers Private Limited
- 2. Address of the Company:** **Registered Office:** C-12/436, Yamuna Vihar, Shahdara, East Delhi, Delhi-110053, India.
- 3. Project Name:** 18 B.F AND 20 B.F Kraft Paper for packaging industry
- 4. Project Location:** Khasra No. 549 & 550, Village Shernagar, Jansath Road, Muzaffarnagar, Uttar Pradesh.
- 5. Project Type:** 39600 TPA (120 TPD) Kraft Paper with 0.5 MW Power Plant
- 6. Project Industry:** Paper Manufacturing Industry
- 7. Product Type/ Deliverables:** High B.F. Quality Kraft Paper
- 8. Report Prepared for Organization:** State Bank of India, SME Branch, Muzaffarnagar
- 9. TEV Consultant Firm:** M/s. R.K Associates Valuers & Techno Engineering Consultants (P) Ltd.
- 10. Report type:** Techno-Economic Viability Report
- 11. Purpose of the Report:** To assess the Project's Techno-Economic Viability for the purpose of seeking external financial assistance on the Project.
- 12. Scope of the Report:** To assess, evaluate & comment on Techno-Financial Viability of the Project as per data information provided by the client, independent Industry research and data/ information available on public domain.

13. Date of Report:

25th March, 2023

14. Documents referred for the Project

A. PROJECT PLANNING DOCUMENTS:

1. Detailed Project Report
2. Financial Projections of the Project
3. Project proposed Schedule
4. Statutory Approval Details
5. Process Flow of manufacturing

B. PROCUREMEMNT DOCUMENTS:

1. High level breakup of Plant & Machinery Cost
2. Land (Lease) details and conversion Certificate (CLU)
3. List of major customers of the company
4. Proposed manpower details
5. Water and Electricity arrangements details

15. Means of Finance:

Equity + Debt

16. Key Financial Indicators

Key Indicators	Value
Average DSCR	2.95
Average EBITDA Margin	6.6%
Average EBIT Margin	4.95
NPV	INR 13.70 Crore (+)
IRR	12.10%
Debt to Equity Ratio	2.28
Payback Period	4 Years 11 Months

Note: Above financial indicators are based on the financial projections of the proposed project provided by the firm and assessment and analysis of the same done by us.



PART B

INTRODUCTION

1. ABOUT THE REPORT:

Techno Economic Viability Study Report of the High B.F. quality Kraft paper manufacturing unit to be set by M/s Aramco Paper Private Limited with an installed capacity of 39,600 TPA.

2. EXECUTIVE SUMMARY:

M/s Aramco Papers Private Limited was incorporated on 29th January, 2019 registrar of Companies Delhi vide CIN No. U21000DL2019PTC345136. M/s Aramco Papers Private Limited is an arm of Balaji Group of Industries having exposure to Books Publication and other related products. The group promoted Publication units, Poly Packing unit and also having exposure to waste paper and finished paper trading. The present project of company is being promoted by Industrialist Shri Ashish Kumar Chariya and his associates.

The company is established as a private company limited by shares with Registration no. 345136 and Tax Deduction and Collection Account Number (TAN) is DELA52968G. The Permanent Account Number (PAN) of the company is AARCA8538R and GSTIN is 09AARCA8538R1ZH and is promoted by the directors who appears to be well experience in businesses of paper manufacturing as per the profile shared to us by the client and information available in the public domain about them.

The company is registered at Registrar of companies, Delhi having registered office at C-12/436, Yamuna Vihar, Shahdara, East Delhi, Delhi-110053, India under the directorship of Shri Ashish Kumar Chariya and his associates. As per the information available on the MCA website, the company is having an authorized capital of INR 4,50,00,000 and the paid-up capital of INR 4,50,00,000.

As per Udyam registration certificate provided by the client, the company is categorised as MICRO enterprise and having the Udyam Registration Number UDYAM-DL-02-0029530. The Consent to Establish (CTE) for New Unit/Expansion/Diversification under the provisions of Water (Prevention and control of pollution) Act, 1974 as amended and Air (Prevention and control of Pollution) Act, 1981 as amended is granted on 20th March 2023 for 125 MTPD as per the information provided by the client/company.

As per data/information provided by the company, currently company is having 8060 Square meter land at Khasra No. 550, Village Shernagar, Jansath Road, Muzaffarnagar, Uttar



Pradesh. Below table shows the TPA capacity of the proposed manufacturing plant for at initially proposed level and at revised proposed level.

Particular	Initially Proposed Capacity	Revised Proposed Capacity
Location	TPA	TPA
Khasra No. 549 & 550, Village Shernagar, Jansath Road, Muzaffarnagar, Uttar Pradesh	33,000	39,600
Total	33,000	39,600

Source: Information provided by the company

As per the latest proposed plan of manufacturing unit tapping the market of kraft paper in India and as per the growing demand of the finished goods which is the most important raw material in the Packaging Industry particularly after the ban on plastic, M/s Aramco Papers Private Limited is planning to increase the earlier proposed manufacturing capacity up to 39,600 TPA from the initially proposed capacity of 33,000 TPA to increase the scope and scale of the production at Khasra No. 549 & 550, Village Shernagar, Jansath Road, Muzaffarnagar, Uttar Pradesh.

We R.K associate is performing the Techno-Economic Viability study for setting up proposed manufacturing facility at Khasra No. 549 & 550, Village Shernagar, Jansath Road, Muzaffarnagar, Uttar Pradesh, for taking a term loan of INR 12.00 Crore and cash credit limit of INR 2.00 Crores from financial institutions for building construction and Plant & Machinery purchase & installation work.

PROPOSED PROJECT COST: The total cost of the project for setting up of the manufacturing facility is being estimated as **INR 21.66 Crores**, which is proposed to be funded through equity of **INR 6.60 Crores**, unsecured loan of **INR 3.06 Crores** and debt of **INR 12.00 Crores**.

Particulars (INR Crores)	Total Cost
Land & Site Development	0.00
Building & Civil Works	0.45
Plant & Machinery	12.11
Plant & Machinery- Additional	6.30
Misc. Fixed Assets	0.12
Interest During Construction Period Assets	0.49
Escalation & Contingencies	0.57



Particulars (INR Crores)	Total Cost
Pre-Operative Expenses	0.07
Security Deposit	0.33
Margin Money For W/C	1.22
Total	21.66

As per the discussion with client/company officials, for the proposed manufacturing unit of 39,600 TPA capacity, the company has already arranged the land on lease basis during the inception of existing manufacturing facility for 30 years at a nominal annual charges from one of the director of Aramco Company Mr. Yameen, who is the owner of the proposed land.

The major heads in the Total Project Cost will be Purchase & installation cost of plant & machinery, for which the company is seeking a term loan of INR 12 Crores. Rest most of the heads will be funded through equity and approximately 3.00% of building and Plant & Machinery is considered as contingencies which will also be funded through equity.

The company is planning to fund the project through term loan to setup the manufacturing unit and SBI has sanctioned INR 8.00 Crores and the company is approaching the financial institutions to provide the remaining required capital of INR 4.00 Crores for over run cost of the project.

CURRENT STATUS OF THE PROJECT: The Company was proposing to install Kraft Paper manufacturing plant with installed capacity of 33000 TPA at Khasra No. 549 & 550, Village Shernagar, Jansath Road, Muzaffarnagar, Uttar Pradesh with financial assistance to the tune of 8.00 Crores by way of Term Loan & Rs.2.00 Crores as working capital and accordingly State Bank of India has sanctioned requested credit facilities, however in view of the changing environment and demand of the time and large scale production, management has decided to increase the capacity of the plant from 33,000 TPA to 39,600 TPA and hence company has revised the project and requesting the bank for sanction of additional Term Loan of Rs. 4.00 Crores to part fund the enhance for the additional capex of INR 6.50 Crore in the plant & machinery. Since the capacity of the plant can be enhanced up to 125 TPD for higher GSM quality paper with the proposed machinery which seems to be reasonable and in the line with industry standards.

As per the information provided by the client/company, the company was supposed to achieve the COD in January 2023 earlier but due to expanded plant & machinery cost is expected to achieve the COD by April, 2023 since the CAPEX creditors of the company are

outstanding. However, the company has attempted a successful trial run of the pulper plant, boiler plant and other major machineries as per verified during the site visit.

Therefore, to check and assess the Techno-Economic viability of the Project for submitting the proposal to financial institutions, State Bank of India, SME Branch, Muzaffarnagar has appointed us as TEV consultant to review technical, commercial and financial viability of the project based on our independent EIC research and information/data provided to us about the project by client/company.

3. **PURPOSE OF THE REPORT:** To assess the Techno-Economic Feasibility of the green field proposed project to take further Project funding decision for the same.
4. **SCOPE OF THE REPORT:** To assess, evaluate & comment on Techno-Financial Feasibility of the proposed Kraft paper manufacturing unit being set up by M/s Aramco Papers Private Limited as per the data/information provided by the client/promoter/stakeholder and our independent EIC research.

NOTES:

- Project status is taken as per the information provided by the company/promoter/stakeholder and verified during the site visit as on 24th March 2023
- This has not been independently verified or inspected independently since this was out-of-scope of the work. Reviewing existing unit infrastructural details is out of scope of the work.
- Site inspection has been carried out for the proposed units and operating details regarding the unit is taken as per the information provided by the company which has been relied upon.
- Scrutiny about the company, background check, and credibility, credit worthiness of the company or its promoters is out-of-scope of this report.
- This report is only an opinion in respect to Technical and Financial Feasibility of the project as per the future Projections provided by the firm and independent analysis done by us and doesn't contains any recommendations including taking decision on the financial exposure.
- This is not an audit activity of any kind. We have relied upon the data/ information supplied by the company in good faith that it is true and without any fabrication.
- This is not a Detailed Project Report or a detailed design or architecture document. Land and property details mentioned in the report is only for illustration purpose as per the



information provided to us by the client. The same doesn't tantamount for taking any responsibility regarding its legality, ownership and conforming to statutory norms.

5. METHODOLOGY/ MODEL ADOPTED:

- a. Data/ Information collection as per our standard checklist.
- b. Review of Data/ Information collected related to TEV study.
- c. Review and analysis of the Projections as per the market trends and futuristic growth opportunity of the industry and company.
- d. Independent review & assessment of technology used provided by the company/promoters.
- e. Projections of Revenue, Expenses, P&L, Balance Sheet, fixed assets, COGS.
- f. Assessment of Key Financial Metrics.
- g. Final conclusion.

6. DATA/ INFORMATION RECEIVED FROM: All the data/Information has been received from Mr. Ashish Chhariya (Director) and the required details about him shown in the below table:

Particulars	Details
Designation	Director
Company	M/s Aramco Papers Private Limited
Email Address	sbjpub@gmail.com
Contact No.	+91 9412807296

7. DOCUMENTS / DATA REFERRED:

- a) Detailed Project Report & Proposed project cost.
- b) Memorandum of Association and Director's details.
- c) Manufacturing Process Flow Chart
- d) Lease deed for the procured land
- e) Civil and construction details
- f) Details of utilities
- g) List of proposed Plant & Machinery.
- h) Invoices/quotations
- i) Description of suppliers and buyers of the company.
- j) Electricity bill, Man power proposal, Land conversion certificate, MSME Certificate, GST Certificate, Enrolment Certificate.



PART C

COMPANY PROFILE

1. COMPANY OVERVIEW:

M/s. Aramco Papers Private Limited was incorporated on 29th January 2019 with CIN: U21000DL2019PTC345136 is a private limited company having its Registered Office at C-12/436 Yamuna Vihar, Shahdara, East Delhi, Delhi - 110053, India. It is classified as Non-govt Company and is registered at Registrar of Companies, Delhi. Its Authorised Capital is INR 4,50,00,000 and paid-up capital is INR 4,50,00,000.

The proposed project is for setting-up a unit for manufacturing High B.F. Quality Kraft Paper with an installed capacity of 39600 TPA. The proposed unit will come up at Khasra No. 549 & 550, Village Shernagar, Jansath Road, Muzaffarnagar, Uttar Pradesh. The product to be manufactured under the envisaged project is HIGH B.F. KRAFT PAPER, which is the most important raw material in the Packaging Industry particularly after the ban on plastic.

As per the discussion with the company official, initially the company was planning to establish a proposed manufacturing facility with 33,000 TPA capacity for which State Bank of India has already sanctioned INR 8.00 Crores by way of Term Loan & INR 2.00 Crores as working capital loan. The company has already achieved COD for the said plan and a trail run was also conducted. However, in view of the changing environment and demand of the time and large-scale production management has decided to increase the capacity of the plant from 33000 TPA to 39600 TPA and hence company has revised the project.

The Proposed Project is being taken-up by M/s Aramco Papers Private Limited, a flagship Company of Balaji Group, which, besides this Company, has several successful industrial ventures under its belt, is being managed by established, experienced and of high substance promoters. The proposed project is in hands of persons who have vast experience in Paper sector.

As per the information available in the public domain about them and information provided by the company, the promoters of the Company are also interested in the following industrial units:

S. No.	Name of Company	Interested Partners/Directors
1.	SHRI BALAJI POLYPACKS	1. Ashish Kumar Chariya 2. Prabhat Kumar 3. Krishan Pal Malik

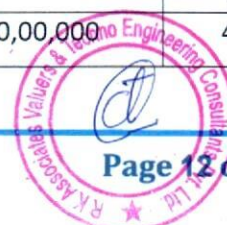


		4. Neeraj Bhardwaj 5. Manoj Ruhela
2.	SHRI BALAJI PUBLICATION	1. Ashish Kumar Chariya 2. Prabhat Kumar 3. Krishan Pal Malik 4. Neeraj Bhardwaj 5. Manoj Ruhela
3.	AVIRAL PUBLICATIONS	1. Ashish Kumar Chariya 2. Prabhat Kumar 3. Krishan Pal Malik 4. Neeraj Bhardwaj 5. Manoj Ruhela

All the above units are performing well. The firms are regular in repayment of institutional dues. The company is having an adroit team of employees, which keeps themselves abreast with advanced manufacturing techniques and designs.

2. PROPOSED SHAREHOLDING DETAILS: As on 31st March 2022, the Company is having authorized share capital of INR 4, 50, 00,000 and the total paid-up capital is INR 4, 50, 00,000 as per the data available on the MCA website. As per the information provided by the company, the shareholding details of the company is mentioned below:

S. No.	Name of the Shareholder	No. of Shares Allotted	Amount	% Of Holding
1	Wajida Khatoon	3,85,000	38,50,000	8.56%
2	Anupama Sharma	1,24,000	12,40,000	2.76%
3	Mohd Yameen	10,25,000	1,02,50,000	22.78%
4	Ashish Kumar Chhariya	2,00,000	20,00,000	4.44%
5	Krishna Pal Malik	5,00,000	50,00,000	11.11%
6	Manoj Kumar Ruhela	2,50,000	25,00,000	5.56%
7	Renu	3,50,000	35,00,000	7.78%
8	Neeraj Bhardwaj	1,50,000	15,00,000	3.33%
9	Neha Bhardwaj	1,26,000	12,60,000	2.80%
10	Sangita Ruhela	1,09,000	10,90,000	2.42%
11	Sanjay Chhariya	1,50,000	15,00,000	3.33%
12	Sarla Malik	2,00,000	20,00,000	4.44%



S. No.	Name of the Shareholder	No. of Shares Allotted	Amount	% Of Holding
13	Zainuddin	1,60,000	16,00,000	3.56%
14	Kartik	67,500	6,75,000	1.50%
15	Kaseem Ali	2,67,500	26,75,000	5.94%
16	Mohd Suhail	3,00,000	30,00,000	6.67%
17	Prabhat Kumar	65,000	6,50,000	1.44%
18	Naman	71,000	7,10,000	1.58%
	Total	45,00,000	4,50,00,000	100%

Source: Data/Information provided by the Client.

3. PROMOTERS/DIRECTORS PROFILE: As per data/information provided by the client/banker, Director's details have been shown in the below table:

DIN	Name	Appointment Date	Qualifications/Experience
03066599	Mr. Krishan Pal Malik	22 nd January 2022	<p>Krishan Pal Malik director of the company is also having more than 25 years of experience in the publication of books and packaging material.</p> <p>He is also partner in three firms namely Shri Balaji Publication, Shri Balaji Polypacks and Aviral Publications. All the unit are running well and having very good track record.</p> <p>He is also operating a Petrol Pump in Delhi and is a man of wealth</p>
08345199	Wajida Khatoon	29 th January 2019	<p>Wajida Khatoon wife of Mohd Yameen is also looking after various trading firms engaged in the trading of waste paper and have vast experience in the paper industry.</p>
08345200	Mohd. Yameen	29 th January 2019	<p>Mohd Yameen director of the company is having more than 20 years of experience in the trading of</p>

			waste paper and having vast knowledge of the paper trade.
08983710	Mr. Prabhat Kumar	10 th December 2021	<p>Mr. Prabhat Kumar director of the company is also having more than 20 years of experience in the publication of books and packaging material.</p> <p>He is also partner in three firms namely Shri Balaji Publication, Shri Balaji Polypacks and Aviral Publications.</p>
08983711	Mr. Ashish Kumar Chariya	10 th December 2021	<p>Mr. Ashish Kumar Chariya director of the company is having more than 21 years of experience in the publication of books and packaging material.</p> <p>He is presently running successfully three firms namely Shri Balaji Publication, Shri Balaji Polypacks and Aviral Publications. All the unit are running well and having very good track record.</p> <p>There is not a single instance in the delay of payment of financial dues. He has sufficient funds to invest in the company in the case of any requirement.</p>
09467479	Mr. Neeraj Kumar Bhardwaj	22 nd January 2022	<p>Mr. Neeraj Bhardwaj director of the company is also having more than 22 years of experience in the publication of books and packaging material. He is also partner in three firms namely Shri Balaji Publication, Shri Balaji Polypacks and Aviral</p>

			Publications.
09472394	Mr. Manoj Kumar Ruhela	22 nd January 2022	Mr. Manoj Ruhela director of the company is also having more than 24 years of experience in the publication of books and packaging material. He is also partner in three firms namely Shri Balaji Publication, Shri Balaji Polypacks and Aviral Publications. All the unit are running well and having very good track record.

Source: Data/Information provided by the client

To give a brief overview of the background of Directors we have listed down the basic company information as found on public domain in general/ tertiary category research.

(Mr. Krishan Pal Malik)

S. No.	CIN/FCRN	Company Name	Begin Date
1	U21000DL2019PTC345136	ARAMCO PAPERS PRIVATE LIMITED	22/01/2022

Source: Information extracted from MCA & public domain

(Ms. Wajida Khatoon)

S. No.	CIN/FCRN	Company Name	Begin Date
1	U21000DL2019PTC345136	ARAMCO PAPERS PRIVATE LIMITED	29/01/2019

Source: Information extracted from MCA & public domain

(Mr. Mohd Yameen)

S. No.	CIN/FCRN	Company Name	Begin Date
1	U21000DL2019PTC345136	ARAMCO PAPERS PRIVATE LIMITED	29/01/2019

Source: Information extracted from MCA & public domain

(Mr. Prabhat Kumar)

S. No.	CIN/FCRN	Company Name	Begin Date
1	U21000DL2019PTC345136	ARAMCO PAPERS PRIVATE LIMITED	10/12/2021
2	U15100UP2020PTC126580	GOVELA FARMS PRIVATE LIMITED	30/11/2021

Source: Information extracted from MCA & public domain

S. No.	LLPIN/FLLPIN	LLP Name	Begin Date
1	AAU-9511	SHRI BALAJI INFOSOFT LLP	04/12/2020

Source: Information extracted from MCA & public domain

(Mr. Ashish Kumar Chariya)

S. No.	CIN/FCRN	Company Name	Begin Date
1	U21000DL2019PTC345136	ARAMCO PAPERS PRIVATE LIMITED	10/12/2021
2	U15100UP2020PTC126580	GOVELA FARMS PRIVATE LIMITED	30/11/2021

Source: Information extracted from MCA & public domain

S. No.	LLPIN/FLLPIN	LLP Name	Begin Date
1	AAU-9511	SHRI BALAJI INFOSOFT LLP	04/12/2020

Source: Information extracted from MCA & public domain

(Mr. Neeraj Kumar Bhardwaj)

S. No.	CIN/FCRN	Company Name	Begin Date
1	U21000DL2019PTC345136	ARAMCO PAPERS PRIVATE LIMITED	22/01/2022

Source: Information extracted from MCA & public domain

(Mr. Manoj Kumar Ruhela)

S. No.	CIN/FCRN	Company Name	Begin Date
1	U21000DL2019PTC345136	ARAMCO PAPERS PRIVATE LIMITED	22/01/2022

Source: Information extracted from MCA & public domain



PART D

PROPOSED UNIT'S INFRASTRUCTURE DETAILS

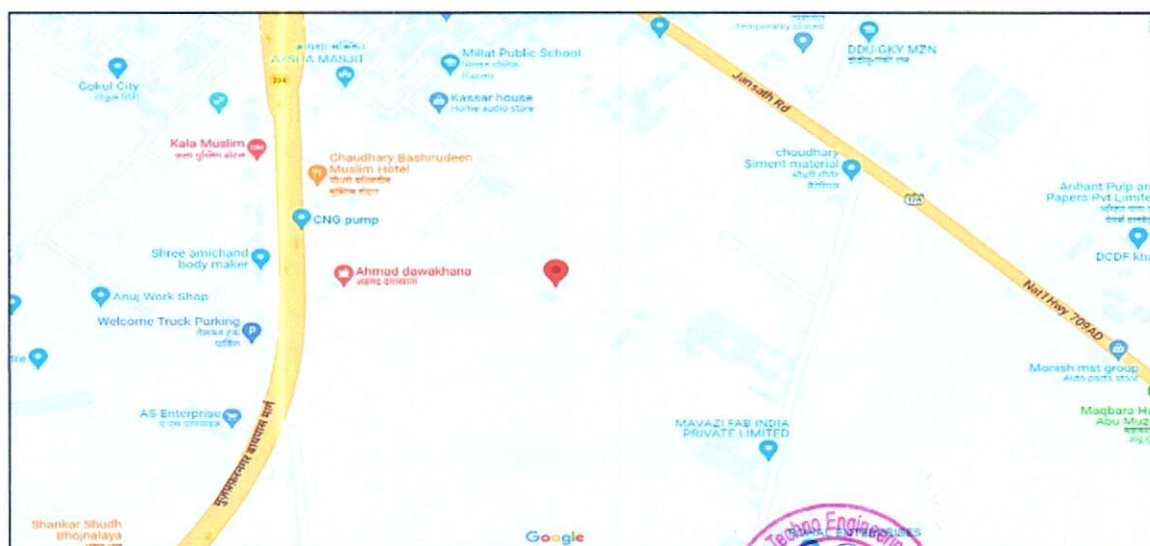
In this section, proposed extension of plant details are mentioned. Existing plant is already in operation and therefore infrastructure details related to it, has not been specifically mentioned here since this is out of scope of the work.

- 1. PROPOSED LOCATION:** The Company proposes establishing a new Kraft Paper Manufacturing Plant at Khasra No. 549 & 550, Village Shernagar, Jansath Road, Muzaffarnagar, Uttar Pradesh, India which is spread over an area of 8060 Square meter as per information shared by client/company. During the site visit the location is found to be appropriate and prominent. The factory site is just 125 KM from Inland Container Depots (ICD) Dadri. This is good for all export and import related activity. Company will does bulk supply of kraft paper from factory. Entire Delhi NCR is within 150 to 200 KM range from the proposed factory. The demand for consumption of kraft paper in Delhi NCR market is high. Therefore, because of prime location of the company, it has advantage to supply kraft paper in short notice in Delhi and Delhi NCR market.

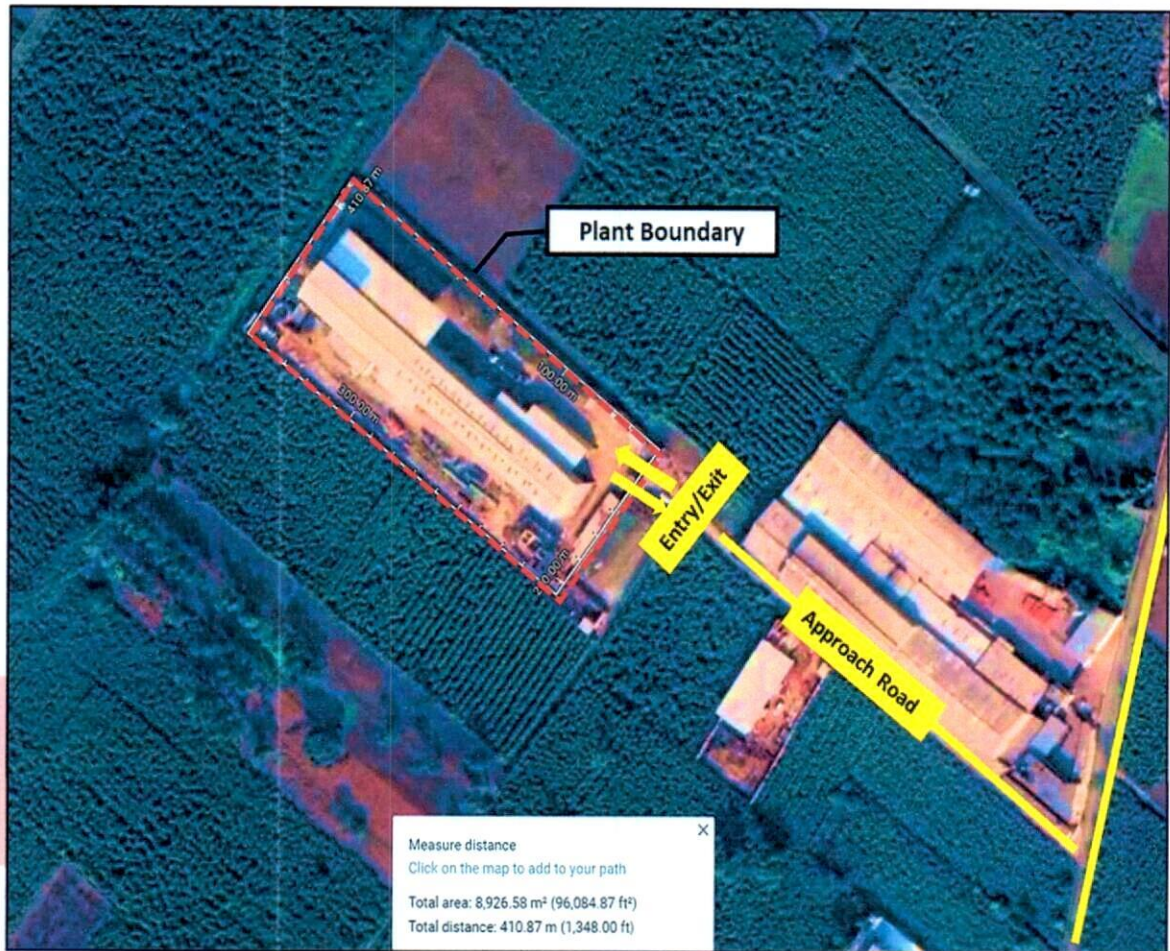
Connectivity	Details
Rail	Muzaffarnagar Railway Station, Uttar Pradesh, which is ~6 km away
Airport	Indira Gandhi International Airport which is 134.5 km away

2. LOCATION MAP:

- a) Google Map:** Location: Project location would be 29°26'13.3" North and 77°44'22.1" East in Jansath Road Muzaffarnagar U.P. and the location as per the Google map is attached below.



b) **Demarcation:** Demarcation of the land on the Google map is attached below:

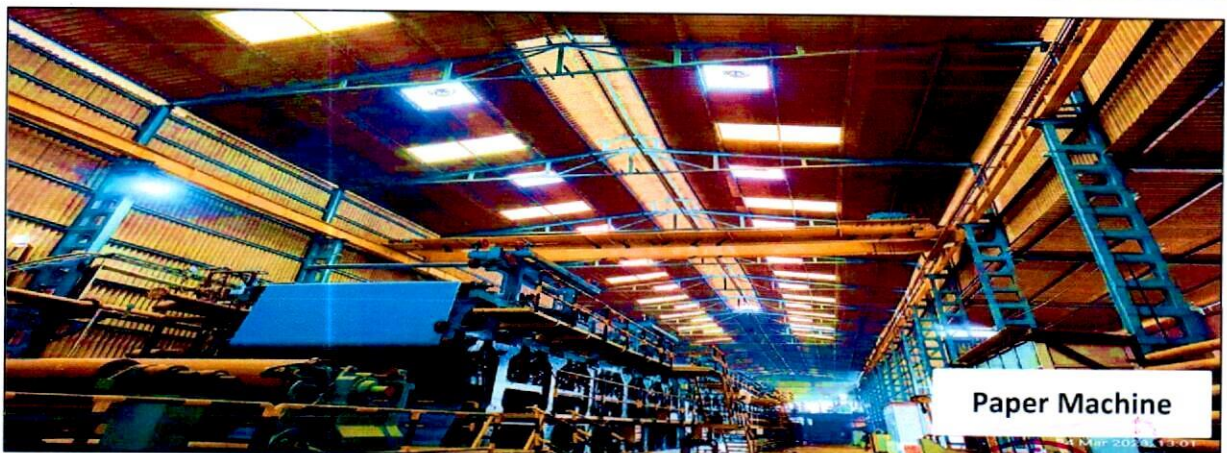


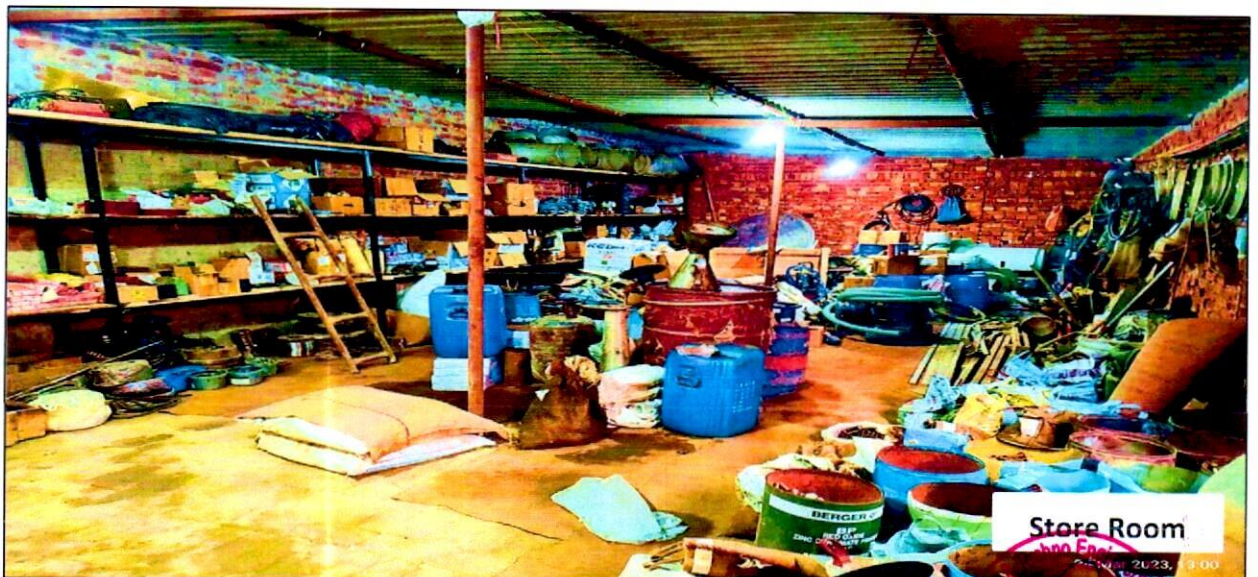
3. **LAND DETAILS:** The Company has acquired the rectangular freehold land on lease for the proposed plant land in February 2022, admeasuring approx. 8060 Sq. Mt. at Khasra No. 549 and 550, Village Shernagar, Jansath Road, Muzaffarnagar, Uttar Pradesh, 251003, in the company's name. As per lease deed, M/s Aramco paper has taken the lease for the period of 30 years on nominal charge of INR 60,000 annually. The proposed factory is planned for manufacturing Kraft paper with installed capacity of 39600 TPA.

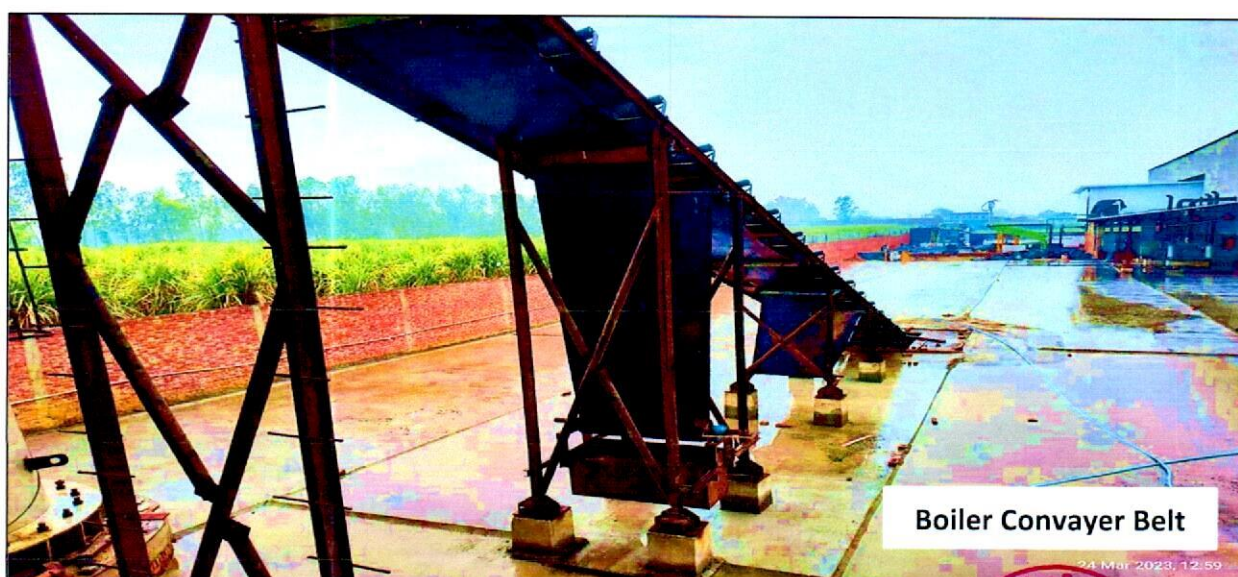
The surrounding area of the factory site is developing area and land is levelled with topographical conditions. As per the valuation of the land done by Er. S.K. Jain recently, the rates for land in the subject locality varies within the range of Rs. 3,200/- Rs. 3,300/- per sq.mtr. Depending upon the various attributes of the land and distance from the main road. We have relied upon the same assessment. According to that valuation report: the fair market value of the land the adopted rate of valuation is Rs. 3,200/-. According to the report the entire property includes land, building and services like water supply arrangement, drainage arrangement, compound walls, C.B. deposits and fittings and electric fittings etc.

Hence as per valuation report the fair market of the land in today's scenario is 3.61 crores. And as per the Lease Deed Company has a lease agreement of 60,000/- INR per year for 30 years. Therefore, the decision of lease of land taken by the management was economically and commercially viable.

4. **SITE PICTURES:** Some of the site pictures has been taken during the site survey, are attached below:

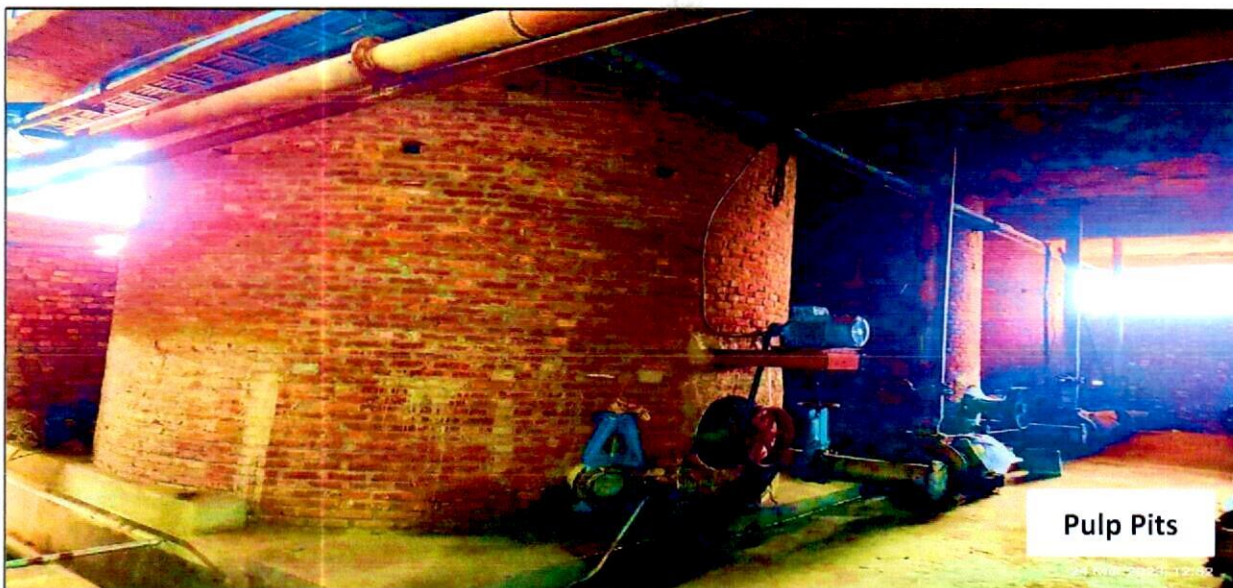


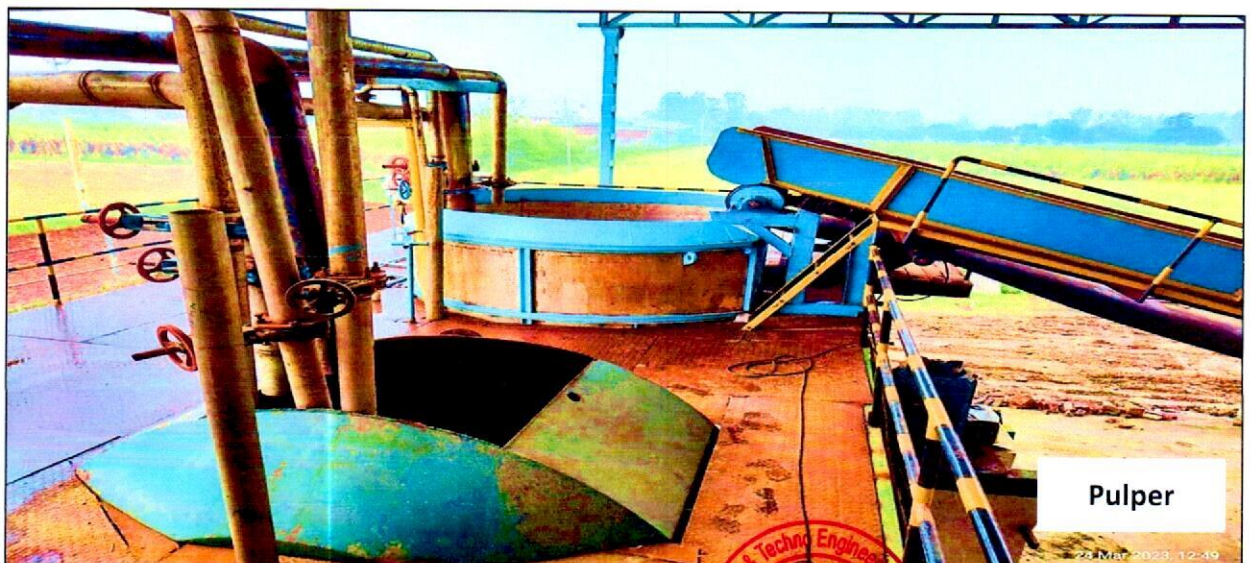














5. **BUILDING & CIVIL WORKS:** The proposed kraft paper factory buildings shall be constructed per the sanctioned map plan. It will consist of the Buildings, cylo tank, CC pits, Seal Pit, Wire Pit, Sole Plate Foundation, Pulper Pit, Vacuum Pump room, Compressor Room, Boundary wall & Steel Gate and other utility areas for the smooth working of the proposed unit from here among other supportive facilities like adequate parking space and other public utilities. As per the information provided by the company all the construction work and civil work of the proposed plant is completed. Project is at a very promising conceptual stage of implementation. Below table shows the details about buildings:



S.No.	Item	Covered Area (In sq ft)	Type Of Construction	Rate (In Rs./sqft)	Amount (In Rs. Cr.)
1	Work Shed 300 X 48 X 33ft	14,400	A. C. Sheet roofing over steel column with Channel steel trusses	200	0.29
2	Vertical Chest 90 Cum.X 6	540	A. C. Sheet roofing over Steel Column with tubelar Steel Trusses	400	0.02
3	Cylo Tank 20 cumX 1			L.S.	0.02
4	CC Pits			L.S.	0.01
5	Seal Pit			L.S.	0.01
6	Wire Pit			L.S.	0.01
7	Sole Plate Foundation			L.S.	0.01
8	Pulper Pit			L.S.	0.01
9	Vacuum Pump room		1 st class brick work in C.M., RCC roofing slab	L.S.	0.01
10	Compressor Room		Steel doors & window CC flooring complete.	L.S.	0.01
11	Boundary wall & Steel Gate			L.S.	0.05
TOTAL					0.45

During the site visit we found that the plant is demarcated by boundary walls of height about 8 ft with wire fencing. Plant majorly comprises shade structure having Asbestos Cement (AC) roofing sheets. Staff rooms were found under construction during the site inspection.

- 6. PLANT & MACHINERY (EQUIPMENT):** Aramco Paper Mills Pvt Ltd is setting up a 120 TPD Kraft paper mill in Muzaffarnagar Nagar, Uttar Pradesh, however the capacity can be increased up to 125 TPD with respect to GSM of the Kraft paper. The mill is equipped with rolls and dryers from Servall Engineering, pulp mill equipments from Krofta Engineering Ltd, WF Filter Fabriks Pvt Ltd, Wires and Fabriks (S.A.) Limited, Gangotri Plasticisers Pvt Ltd etc and Industrial boiler from IBL.

As per informed by client Aramco paper mill have 36 rolls / Dryers, 6 pulp pits with per pit capacity of 3 tons, an industrial boiler with 14 tons of capacity, Kraft paper machine with capacity of 100 to 120 tons per day and 2450 mm deckle, Cylinder dryer of 1500 mm etc. All these machinery had been verified by us during the site visit on 24th March, 2023.

The waste paper based unit will produce final kraft paper product in 18 BF and 20 BF with an investment of Rs. 21.66 crores approx. The mill is expected to start with the commercial

production by April, 2023 to cater the markets of Uttarakhand, Uttar Pradesh and Delhi NCR and Haryana. We have checked about the supplier companies for which quotations have been shared, which appears to be reputed and renowned suppliers for such type of machines as per information available on the public domain.

As per communicated by client and information available in public domain the new machinery cost estimates are assessed based on present market rates and offer received from vendors/suppliers. Also some parts of kraft paper machinery are pre-owned by company which are found in good condition during site visit.

7. UTILITIES:

Details of Water, Electricity and other utilities are describes as below:

- a. **Electricity:** The power requirement of the proposed Unit is estimated at 1700 KVA which will be obtained from the U.P. electricity board, as per information provided by company, application for the same has already been submitted. Further Company will also install a turbine of 0.5 MW.
- b. **Fuel:** Company will be requiring 0.40 MT/Hr. fuel storage space to operate the diesel generator set to supply uninterrupted power supply to the facility in case of any power failure.
- c. **Water:** The source of water to meet the plant's make up water requirement will be through Bore wells. Company had already obtained NOC certificate for ground water from Uttar Pradesh government.



PART E

PROJECT TECHNICAL DETAILS

1. **PROPOSED CAPACITY:** The proposed High Quality Kraft Paper plant is for 39600 TPA manufacturing capacity. Below table shows the details of proposed capacity of the plant:

Year	Installed Capacity Mt	Capacity Utilisation%	Production in M.T.	Sales in M.T.
2024	39600	60%	23760	23256
2025	39600	65%	25740	25698
2026	39600	70%	27720	27678
2027	39600	75%	29700	29658
2028	39600	80%	31,680	31638
2029	39600	85%	33660	33618
2030	39600	90%	35640	35598
2031	39600	95%	37620	37578
2032	39600	100%	39600	39558

2. **TECHNICAL SPECIFICATION OF THE PROPOSED FACILITY:** For the proposed paper plant below table shows the details of major equipment, plant & machinery along with quantity and Amount:

List of Major Proposed Equipment's, Plant & Machinery			
S. No.	Item/Machine	Quantity	Amount in Crores
	Kraft paper Machine		
1	Dryers	36	1.800
2	Wire Part	1	1.100
3	Head Box	1	0.030
4	Slotted Screen	1	0.100
5	Pope Reel	1	0.080
6	Turbo	2	0.120
7	Rewinder	1	0.200
8	Decker	2	0.150
9	All Frame	1	0.550
10	Dryer Cylinder- 1500 mm	7	0.374
11	Felt Drive Roll	6	0.065
12	Felt Roll	150	0.103
13	Felt Auto Guide	14	0.091
14	Felt Stretcher	14	0.082



TECHNO-ECONOMIC VIABILITY REPORT

M/S ARAMCO PAPERS PRIVATE LIMITED

15	Dryer Frame	1	0.168
16	Doctor Blade Assembly	28	0.098
17	Paper Roll	4	0.011
18	Sole Plate	20	0.055
19	Sizing Chemical Kitchen		0.180
20	Vacuum Pumps		0.497
21	Bearings		0.119
22	Hydraulic System		0.075
23	D. Screen Felt		0.081
24	Wire Part Hirrofoils		0.041
25	Felt		0.060
26	Stature Set	11	
27	Auto Gide	12	
28	Agitator	4	
29	Felt Roll Housing	300	0.180
30	Misc. Fitting Materials		0.181
31	Framings for Dryer, press section etc.		0.320
32	Reconditioning of Dryers		0.050
33	2500 KVA Transformer		0.199
34	Line Charges & System Loading		0.769
35	Boiler (Complete)		1.140
36	Turbine (Complete)		0.510
37	E.T.P. (Complete)		0.685
TOTAL			10.266
ADD : GST @ 18%			1.848
GRAND TOTAL			12.114

List of Additional Proposed Equipment's, Plant & Machinery				
S. No.	Item/Machine	Quantity	Specifications	Amount in Crores
1	Electric Motors	7	Electric Motors	0.145
2	Computers, Others	10	Computers, LED, Printers UPS	0.074
3	Electricity		Common items used in electricity installation	1.000
4	Supply of Fabrocate Conveyor	28.1 MTR, 2 Nos	Conveyor Rolls, Erection & Installation Charges, CI Spout	0.082
5	Ventuary wet Scrubber	110 Kg.	Ventuary & Scrubber and Erection	0.075
6	Conveyor Belt	48*2 MTR	Conveyor Belt	0.024
7	Steam Syste and Boiler Line Insulation		24 Gauge Aluminium Sheet for insulation and laggaing charges	0.195
8	Screw Air Compressor	1	230 CFM, 8 Kg., 50 HP Screw Compressor	0.067



9	H Type Press Frame, Steam Condensate Tank	3	1st Press, 2nd & 3rd Press H - Type, Frame & Rolls, Steam Condensate Tank	0.435
10	Wire	12	Synthetic Fabric Wire for Dryer (5 Group)	0.111
11	Felt (Synthetic Fabric)	2	Synthetic Fabric Hyflex for Wire Part	0.067
12	Johnson Screen, Hill Screen, Conveyor	2,2,120 Mtr	Jonson Screen, Hill Screen, Conveyor	0.234
13	Doctor Blades	45	PB Doctor Blade, Fiber Glass Epoxy	0.015
14	Cables	9760 MTR	Cables for Plant	0.287
15	Automation	9 Pcs, 400 MTR	Mitsubishi Make HMI, Relay, Multi-Channel cards, CC Link Cables, Lan Cables, Program Installation Charges	0.081
16	Panel Installation	1	VFD Control Desk & MCC Control Desk, PCC, MCC & VFD Panel And Installation	0.085
17	Drives VFD	15	Yashkawa VFD Drives	0.185
18	Various Electric Panels	26	Electric Panels, Control Deck, Bushbar, Control Box	0.345
19	Steel and SS Pipe Lines		Steel for Boiler, ETP Strucher & Pipe Lines	0.473
20	Micro Process Basis Weight Valve Actuator	1	Plant Automation	0.020
21	Calibration, Valve Controller, Sr Box		Valve Controller, Sr Box Control System and Calibrate, Annexure Attached	0.036
22	Forklift	2	Electric Forklift for 3 Tons	0.320
23	Rope Feeding System	3 set	Rope Stretchers, Rope Pulley Set, Paper Role Pulley	0.082
24	Cascade Based Steam & Condensate	1	Forbes Marshall Cascade Steam System & Condensate	0.210
25	Turbine	1	Turbine	0.600
TOTAL				5.250
	ADD : GST and Freight @ 20%			1.050
GRAND TOTAL				6.299

3. **TECHNOLOGY USED:** The Company has informed that the Production Capacity of the plant will be 120 TPD and list of machinery provided by the company includes imported and domestic machines both. As per discussion with the company, the main kraft paper making

machine is having 120 TPD production capacity. However, its auxiliary parts and equipment are being purchased for the same estimated production capacity.

The advanced technology-based Kraft paper machines can be semi-automated kraft paper machines or automated kraft paper machines. These Machines have advance technology they can improved the production rate of Kraft paper. The latest technology in kraft paper machineries is automatic PLC control system. A Programmable logic controller (PLC) is an industrial microprocessor-based controller with programmable memory used to store program instructions and various functions.

This high-end technology has paved the way to an easy manufacturing process in the pulp and paper industry. With the help of automatic PLC system, the machine gains ample speed and faster manufacturing with lesser human efforts. The increased speed reduced the time taken for manufacturing of the products and thus, saves energy and power.

As per information provided by company, it is producing recycled kraft paper. This type of kraft paper is developed from recycled paper and paper products. The fibres of recycled kraft paper are smaller in size and it has less bright appearance than other kraft papers.

Kraft paper machine used by company, mainly consists of three sectional systems namely forming section, press section, drying section, and lastly the calendar section. Kraft Paper machines systems are the drive systems that increase the performance of the machine and delivers improved quality of the paper. During the site visit we found that company is using fully automatic kraft paper machinery to produce kraft paper, which is based on advanced in kraft paper market.

We also found that new machinery cost estimates are assessed based on present market rates and offer received from vendors/suppliers. Also some parts of kraft paper machinery are pre-owned by company which are found in good condition during site visit.

As per the above technical analysis, M/s Aramco Paper Pvt. Ltd. is using the conventional technology which is a prevailing, going on, recognized and trending in the market at present. Thus based on the above analysis, it seems to be reasonable to comment that the company will be technologically viable by holding the ownership of the proposed equipment, plant & machinery.

- 4. SOURCE OF PROCUREMENT OF EQUIPMENTS:** As per the information shared by the company, they have finalize the vendors/ suppliers and the final negotiation with some



vendors is in process. Below is the details of expected suppliers and equipments shared by the company:

Supplier of Major Proposed Equipment's, Plant & Machinery		
S. No.	Item/Machine	Supplier
1	Kraft paper Machine	Gangotri Plasticisers Pvt Ltd
2	Capacity 100-120 Ton /Day	
3	120-200 GSM	
4	2450 mm Deckle	
5	Dryers	
6	Wire Part	
7	Head Box	
8	Slotted Screen	
9	Pope Reel	
10	Turbo	
11	Rewinder	
12	Decker	
13	All Frame	
14	Dryer Cylinder- 1500 mm	Gangotri Plasticisers Pvt Ltd
15	Felt Drive Roll	
16	Felt Roll	
17	Felt Auto Guide	
18	Felt Stretcher	
19	Dryer Frame	
20	Doctor Blade Assembly	
21	Paper Roll	
22	Sole Plate	
23	Sizing Chemical Kitchen	
24	Vacuum Pumps	Kakati Karshak Industries Private Limited
25	Bearings	CTC Impex (India) Pvt Ltd
26	Hydraulic System	ACE Automation Engineers
27	D. Screen Felt	Wires & Fabrics(S.A.) Ltd
28	Wire Part Hirrofoils	Bhilwara Hi-Tech Engineering
29	Felt	Dinesh Felts
30	Stature Set	Bhagwati Engineering Works
31	Auto Gide	
32	Agitator	
33	Felt Roll Housing	Agarwal Mill Store
34	Misc. Fitting Materials	
35	Framings for Dryer, press section etc	Stark Engineering Pvt Ltd
36	Reconditioning of Dryers	Stark Engineering Pvt Ltd
37	2500 Kva Transformer	PVJ Power
38	Line Charges & System Loading	Sharma Electric Works

39	Boiler (Complete)	Industrial Boilers Ltd
40	Turbine (Complete)	IB Turbo Private Limited
41	E.T.P. (Complete)	Shri Krsna Envirotech

Supplier of Additional Proposed Equipment's, Plant & Machinery		
S. No.	Item/Machine	Supplier
1	Electric Motors	Verma Engineers
2	Computers, Others	Shri Tirupati Infotech
3	Electricity	Sharma Electric Works
4	Supply of Fabrocat Conveyor	Shree Radhey Enginring Works
5	Ventuary wet Scrubber	
6	Conveyor Belt	Manpreet Trading Company
7	Steem Syste and Boiler Line Insultion	R S Industries
8	Screw Air Compressor	Aiura Air Compressure
9	H Type Press Frame, Steam Condensate Tank	Stark Engineering
10	Wire	WF
11	Felt (Sythentic Fabric)	Wires & Fabric
12	Jhonson Screen, Hill Screen, Conveyor	Bhagwati Engineering Works
13	Doctor Blades	Marg Engineering
14	Cables	Mahendra Electric Works
15	Automation	Falcon Automation
16	Pannel Instlation	Aavni Electricals
17	Drives VFD	Eletromech Engineers
18	Various Elettric Pannels	
19	Steel and SS Pipe Lines	Goel Glass Emporium
20	Micro Process Basis Weight Valve Actuator	A to Z Instrument & Automation
21	Calibratation, Valve Controller, Sr BoX	
22	Forklift	Satya Forklift
23	Rope Feeding System	Shivalik Engineering Works
24	Cascade Based Steam &Condensate	Forbes Marshal
25	Turbine	IB Turbo

5. TESTING/QUALITY ASSURANCE FOR FOAM MANUFACTURER: Quality is an important ingredient of kraft paper manufacturing process. Utmost emphasis is placed on the quality of the products of the company. Every Kraft Paper Product undergoes stringent quality tests, across various parameters, at different stages of manufacture. Below are the list of critaria to check the quality of the product:

- Strength
- Burst, Tear and Moisture
- GSM (Grams per Square Meter)



- Load Bearing Capacity
- Surface Finish
- Cobb Value
- Dimensions

All tests are conducted at company's Quality Assurance laboratory under the supervision of the Quality Inspectors. All the contemporary machines are equipped for efficient drying and quality control. This ensures the production of high quality Kraft Paper with uniform and superior basis weight and moisture that meet International Quality Standards. The multiple-wire paper gives amazing tear strength and stiffness to Kraft Paper. The automatic control equipment ensures high conversion yields while maintaining Burst Factor (BF). The perfectly wound reels can be used all the way to the core without any wastage and with minimum changes to the corrugating machine.

6. **MANPOWER:** As per information shared by the client/company, an estimate of manpower requirement allowing for leave, absenteeism, sickness and holidays for smooth and for efficient operation of different sections of the kraft paper manufacturing plant, including all of its departments, has been prepared based on technical, skills and management ground primarily to indicate the order of manpower requirement.

In estimating the manpower requirement, a proper ratio between the administrative & managerial staff, Mechanical Engineer, Foreman, Fitter, Electrical Engineer, manager (Quality Control), General Manager, Manager (Pulp Mill), Manager - Finance & Accounts, Purchase Manager, Shift Incharge, Workmen – unskilled, Chemist, Stores Executives, Godown Assistants, Time Office Assistants, four staff has been maintained with a view to affording proper industrial and professional management at various levels.

As per information provided by the company, they have estimated around 75 workers will be required when paper manufacturing plant will be operational. The basic structure of the manpower will require the following kind of resources:

S.No.	Particulars	Nos.	Expected Salary	Amount (INR)
Production Staff				
1	Mechanical Engineer	1	25000	300000
2	Foreman	1	25000	300000
3	Fitter	5	15000	900000
4	Electrical Engineer	1	20000	240000
5	Manager (Quality Control)	1	15000	180000

TECHNO-ECONOMIC VIABILITY REPORT
M/S ARAMCO PAPERS PRIVATE LIMITED

6	Shift In-charge	9	10000	1080000
7	Workmen - unskilled	40	7500	3600000
8	Chemist	2	15000	360000
	Total	60		6960000
	Amount in Crores			0.70
	Add: 10% for Fringe Benefit in Crores			0.07
	Total Salary of Production Staff for 1st Year in Crores			0.77

S.No.	Particulars	Nos.	Expected Salary	Amount (INR)
Administrative & Managerial Staff				
1	General Manager	1	75000	900000
2	Manager (Pulp Mill)	1	25000	300000
3	Stores Executives	2	15000	360000
4	Godown Assistants	2	12000	288000
5	Time Office Assistants	1	8000	96000
6	Purchase Manager	1	15000	180000
7	Manager - Finance & Accounts	1	40000	480000
8	Clerical & Office staff	4	15000	720000
9	Peons and miscellaneous helper	2	7500	180000
	Total	15		3504000
	Amount in Crores			0.35
	Add: 10% for Fringe Benefit in Crores			0.04
	Total Salary of Administrative Staff for 1st Year in Crores			0.39



PART F

PRODUCT PROFILE

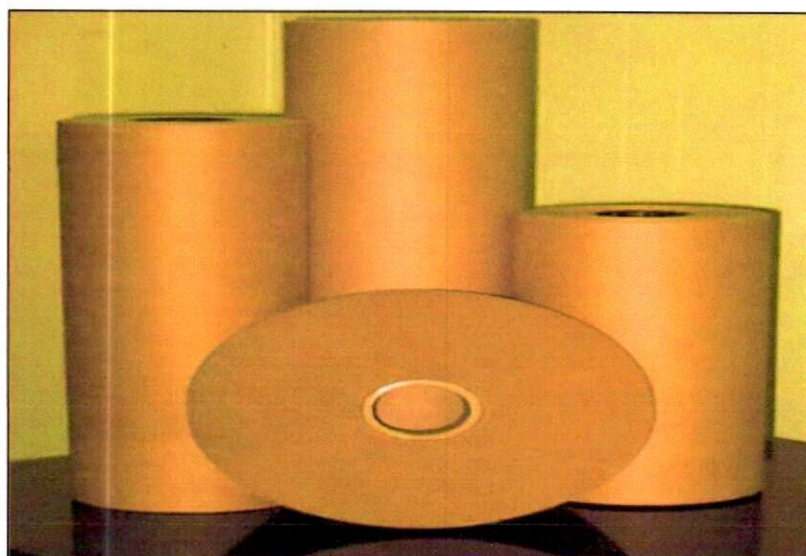
1. INTRODUCTION:

Kraft paper is the most used material in packaging. It is made by the sulphate pulping process. The product to be manufactured under the envisaged project is high B.F. Kraft paper, which is the most important raw material in the Packaging Industry particularly after the ban on plastic.

The major raw materials used by the company for production of High-quality Kraft Paper are: Imported Waste Paper and Indian Waste Paper. The ratio of Imported Waste Paper and Indian Waste Paper in raw-materials mix is kept at approximately 15% & 85% and yield of 90% to 92% respectively to produce High quality Kraft Paper of required strength. Further, Some Chemicals like Caustic Soda, Rosin & Starch etc. are used as per requirement during the process of manufacturing.

2. PRODUCT CATEGORY:

- a) **18 BF KRAFT PAPER, GSM: 120 – 200:** M/s Aramco Paper Private Limited produces 18 BF Kraft Paper. Company source quality range of Kraft papers, which is available in various length and thickness as per the client' specifications. Company's array of Kraft papers is made with premium grade paper pulp owing to which the products have deluxe fair surface, smoothness and high strength. These Kraft papers are used in varied paper based applications due to their perfect finishing and high seal-ability. Furthermore, Aramco's range is also suitable for any type of cartons for FMCG products.

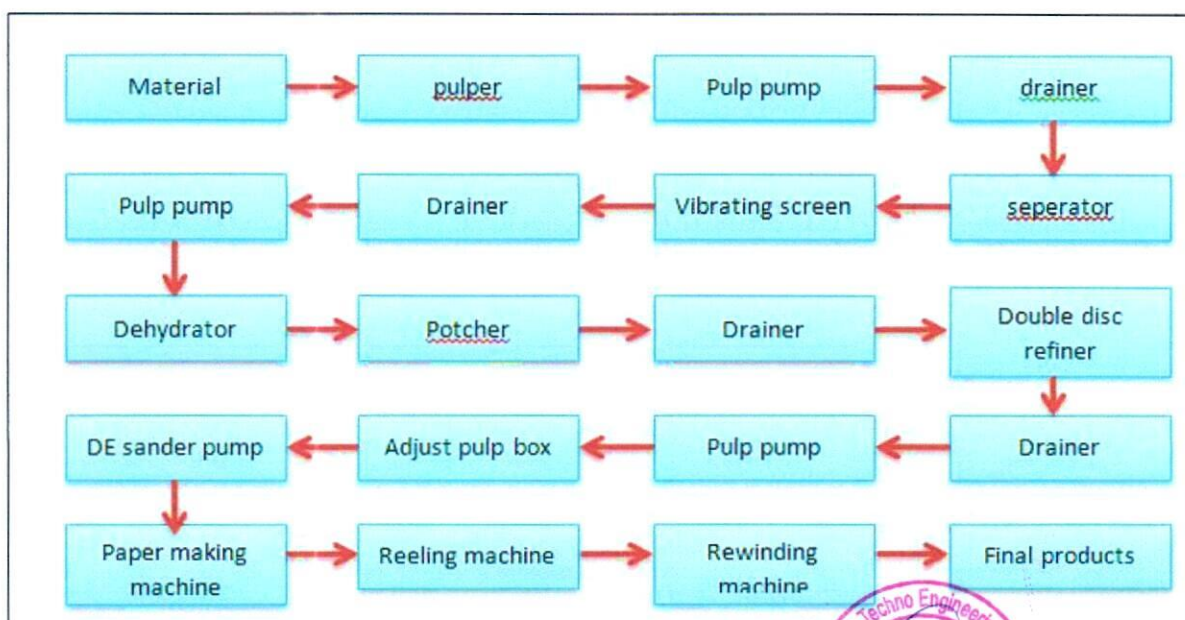


- b) **20 BF KRAFT PAPER, GSM: 120 – 200:** M/s Aramco Paper Private Limited is presenting an excellent quality assortment of 20 BF Kraft Paper. With the assistance of the dedicated team of professionals, company is providing a premium quality range of 20 BF Kraft Paper Roll.

These Kraft Papers are used for roll type packaging. Company's capacious warehouse is installed with all required amenities essential for safe storage of the products. Furthermore, the warehousing system is efficiently managed by the team of experts. M/s Aramco is one of the steadfast providers of the finest range of the product in Muzaffarnagar (India).



3. **MANUFACTURING FLOW CHART:** Below is the manufacturing flow chart of Kraft paper production for M/s Aramco paper mill:



4. MARKETING, SELLING & DISTRIBUTION PLAN:

The pulp & paper industry is witnessing interesting times. While there has been a rapid decline in the demand for newsprint over the last few years, whereas the packaging segment is doing phenomenally well. Growth in FMCG products like packaged beverages & personal care products, evolving e-commerce sector, and the ban on single-use plastics are some of the major demand drivers.

All these exciting changes in the industry have paved the way for new opportunities. However, for a business to succeed, the products must be known to potential buyers. Hence, it is the appropriate time for paper manufacturers to develop marketing strategies and use them to create product awareness. Marketing helps to boost brand awareness; it provides life to each and every department by tackling an array of functions such as research, advertising, public relations, digital, data analysis, customer service, and communications.

As per information provided by the company: engaging with customers, understanding product quality, and providing good services are the three marketing mantras of M/s Aramco Papers. Company will sell its products through local distributors in the market.

As per our market research and information available in the public domain, some of the top most competitor of M/s Aramco Papers Pvt Ltd in a range of around 80-100km of muzaffarnagar. M/s Aramco knows that Intertwining empathy and marketing is extremely important. When marketers know their customers, they are able to connect with them on an emotional level and develop a product as per their requirements. This will be a win-win situation for both the businesses as well as the consumers.

We also found that company is developing its own website, it is under construction. Once the website will be ready, it will also give online exposure of selling of the products of the company.



PART G

INDUSTRY OVERVIEW & ANALYSIS

1. INTRODUCTION:

The Indian Paper Industry accounts for about 4% of the world's production and is positive over the coming years. The growth is expected to be driven by the rising demand for paper products, which is majorly supported by various government education programmes. India's per capita consumption of paper is just around 14 kg, one of the lowest in the world whereas for USA, it is around 320 kg, European Union -129 kg, Asia 45 kg and 75 kg in China. It is said, an increase of 1 kg in per capita consumption will lead to a demand of 1 million tonnes of paper products.

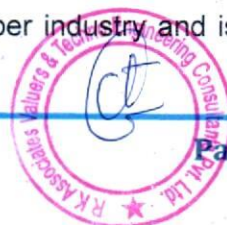
There are vast demands in the area of tea bags, filter paper, tissue paper, medical-grade coated paper, lightweight online coated paper, etc. This denotes a huge potential. However, the industry is facing challenge to adopt environment friendly technology and to practice conservation measures. Its capacity utilization is also wavering around 80% due to old technology.

From just 17 paper mills in the year 1951 with a capacity of 0.14 million tonnes, the Indian paper industry has grown to 825 mills with a total capacity of 17 million tonnes. While the paper Industry comprises a number of small scale mills, relatively large mills continue to contribute to a sizable share of total production. Large Paper Mills, about 80 units accounts for production share of about 60% and balance smaller units produce the remaining 40% of paper goods.

2. **MARKET OVERVIEW:** India's Paper Industry Sector is set to grow at a 7% CAGR over the next five years and will reach 27 million tonne capacity from the current 15 million tonnes by 2028.

Printing & Writing (P&W): Printing and writing segment caters to school books, office stationary, printed textbooks, copier papers, notebooks etc. This segment forms ~31% of domestic paper industry. Governments thrust on education through steps like Sarva Shiksha Abhiyan, Right to Education, increase in e-commerce venture and other service sector are key factors contributing to the growth of this segment.

Packaging & Paper board: This segment primarily caters to packaging industry in tertiary and flexible packaging of FMCG goods, pharmaceuticals, textiles and e-commerce deliveries. This segment forms ~47% of the domestic paper industry and is currently rising



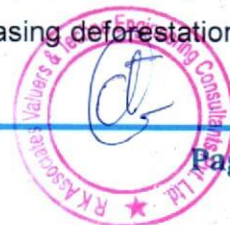
rapidly due to factors of ecommerce, urbanization and higher share in organized retail in FMCG and pharmaceuticals. This is currently fastest growing segment owing to the above factors. On the packaging segment, corrugated boxes made of Kraft paper segment is highly Unorganized with nearly 90 percent of the production coming from small and unorganized players. Within Paperboards, there is also a rising demand for Value-Added Paperboards (VAP)

Newsprint: Newsprint is used in production of newspaper & magazines industry. India has 84,000 Newspapers in multiple languages and 110 million copies in circulation. Newsprint segment forms ~18% of Indian paper industry. However, this segment is under stress from imports from South East Asia. The urban population is driving the growth, with 80% of urban populace with read and writing ability, it creates a latent demand for consumption of newspaper/magazines. The regional media in tier-2 and 3 penetration is growing at 10-15%. Another case with India is newspaper have become brand advertorials and purchase guide.

The growing usage of compostable and sustainable packaging materials owing to the increasing awareness regarding the detrimental impact of plastic and other non-biodegradable variants is primarily propelling the growth of the Indian Kraft paper market.

As per the data released by Centre for Monitoring Indian Economy (CMIE), there have been around 73.5 lakhs job losses in April 2021 alone. Indian Kraft paper industry is fragmented across India and not even a single mill has more than 1% of market share, mostly all are into the MSME Sector and there are around 600 mills scattered across the country. Most of these units are located at some of the most backward and offer millions of jobs to rag pickers, sorters, loaders, unloaders, truckers, etc. These Kraft paper mills are real eco-friendly turning waste paper into a quality Kraft Paper. It's the paper waste recyclers who handle the waste and produce good quality packaging paper and supply to the converters who make the boxes for the end consumers.

3. **POLICY MEASURES:** The Excise Duty on Paper and Paperboard has been reduced to 10% and less under free trade agreement with many ASEAN over the years. This has resulted in increased imports and is in danger of dumping from China India and Indonesia. In the last nine years, imports have risen at a compounded annual growth rate of 11.34 per cent in value terms (from Rs 3,411 crore in 2010-11 to Rs 8,972 crore in 2019-20), and 13.23 per cent in volume terms (from 0.54 million tonnes in 2010-11 to 1.64 million tonnes in 2019-20).
4. **ENVIROMENTAL CONCERN:** The availability of paper pulp- the key raw-material has always been a matter of concern for the industry with increasing deforestation and civilization



encroachment into pasture lands. The industry has been requesting the government to allot degraded revenue and forest lands to cultivate fodder for wood pulp and social forestry programme for generating feedstock. But nothing major has been done by government. Another concern from environmentalists are water consumption and waste discharge. The industry which used to consume 200 cu.meter of water has reduced it now to 50. Cu.meter and efforts are on to reduce it further to 40 cu.meter. Many paper mills have been forced to shut down on account of water shortage

- 5. TECHNOLOGIES AND RELATED ISSUES:** Large number of industries has been facing issues due to obsolescence of technology used by them for paper making operations. The major problem in upgradation and modernization is due to the high capital requirement for up gradation and scale of operation at which no standard state of the art equipment and machinery are available.

The large number of small and micro level units operating in India face problems in technology up gradation, as most of them are based on decade's old machinery. Three segments of industry namely-wood, agro and recycled fibre based have different technological levels. Many of the agro and recycled paper mills still use conventional process technology which is otherwise obsolete by international standards. Some of the wood based mills and few agro / recycled mills have upgraded the technology from time to time for improvement in the quality of paper, energy efficiency and reduction in the pollution load.

The foremost difference between the Indian paper industry and global leaders lies in the economies of scale. As compared to international capacities, we lag far behind. Scandinavian countries, USA, the Russian Federation, China, Indonesia and Japan are the major players in the field of pulp and paper. These countries have some of the best available raw materials for paper production, cutting edge technologies and control the global trade. However, only a few mills in India employ the state-of-art technologies. One of the serious implications of technological obsolescence is the environmental impact which can be overcome only through appropriate technology upgradation and modernization.

The technological interventions required to fulfil the technology gaps may be taken up through a dedicated technology modernization programme in the wood and agro based & recycled fibre based paper mills. Technology modernisation should basically aim to improve the competitiveness of industry through acquisition of state-of-art technologies. This can be achieved through Acquisition of proven technology of foreign or indigenous origin/design and drawing, Acquisition / license of patent rights, Acquisition of capital goods for transfer of

process technology, Contractual R&D activities leading to technology upgradation of the units.

6. STATUS OF TECHNOLOGY IN INDIA: The foremost difference between the Indian paper industry and global leaders lies in the economies of scale. As compared to international capacities, India lag far behind. Scandinavian countries, USA, the Russian Federation, China, Indonesia and Japan are the major players in the field of pulp and paper. These countries have some of the best available raw materials for paper production, cutting edge technologies and control the global trade.

However, only a few mills in India employ the state-of-art technologies. Table below shows variety wise production of paper by different categories of mills in India, the status of technologies employed by these mills and their comparison with the major global paper producing countries.

Variety of paper	Globally		India	
	World's leading manufacturers	Cutting edge technologies used	No. of Mills using advanced technology	Status of technology in Indian mills
Printing + Writing / Coated / uncoated Wood free paper	USA Germany Brazil Indonesia Turkey China Italy Japan Finland	<ul style="list-style-type: none"> Proficient debarking & chipping systems 	5 wood based mills and 3 agro based mills	<ul style="list-style-type: none"> Low Kappa pulping, ECF bleaching, Efficient washing, screening, cleaning & chemical recovery systems in 5 wood based mills
		<ul style="list-style-type: none"> Low Kappa pulping, Efficient washing screening & centric leaning 		<ul style="list-style-type: none"> Drum Pulpers and efficient deinking systems in RCF based mills.
		<ul style="list-style-type: none"> ECF & TCF Bleaching Efficient chemical recovery 		<ul style="list-style-type: none"> Only 3 mills have paper machines above 1000 m/min speed
		<ul style="list-style-type: none"> Modern high speed paper machines 		
Packaging /Wrapping	USA Turkey China Germany	<ul style="list-style-type: none"> Low Kappa Pulping 	3 wood based mills, 6 RCF	<ul style="list-style-type: none"> Low Kappa pulping, Efficient washing, screening, cleaning &

other paper	Italy Australia Sweden Finland	<ul style="list-style-type: none"> Efficient washing & chemical recovery modern high speed paper machines 	based mills	chemical recovery systems in 3 wood based mills. <ul style="list-style-type: none"> Drum pulpers & pulp screening and cleaning systems in 6 RCF based mills
Newsprint	Canada China Japan USA Germany	<ul style="list-style-type: none"> High yield pulping Efficient washing Modern high speed paper machines with super calendar 	1 wood based mills, 10 RCF based mills	<ul style="list-style-type: none"> CTMP pulping in 1 wood based mill. Hi consistency pulpers and deinking systems in 6 RCF based mills. 4 high speed machines with calendars
Household & Sanitary Paper	USA China Japan Italy Turkey	<ul style="list-style-type: none"> Low Kappa pulping Efficient washing, screening & cleaning Modern stock preparation and additives systems. Modern tissue paper machines 	2 wood-based mills	<ul style="list-style-type: none"> 2 modern paper machines in wood based mills

7. CONCLUSION:

The rising focus of the Indian government authorities on banning the use of plastics is also creating a positive outlook for the Kraft paper market across the country. For instance, in June 2022, the Central Pollution Control Board (CPCB), a federal agency under the Ministry of Environment, issued a list of steps to be taken to prohibit the use of specific single-use plastic products. Numerous other factors, such as the inflating popularity of Kraft paper in the printing and publication sectors and the introduction of advanced packaging solutions, including stand-up pouches, zipper pouches, etc., are anticipated to stimulate the Indian

Kraft paper market over the forecasted period. The paper Industry holds immense potential for growth in India as the per capita consumption globally is one of the lowest. Around 15 per cent of the world population stays in India but consumes only 5 per cent of the total paper produced in the world.

The technology modernisation & upgradation should lead to emergence of core competencies in critical areas including quantifiable increase in productivity, quality improvement with reduced cost, improvement in energy efficiency norms and better compliance with environmental protection legislations, safeguards for Eco sustainability of products as well as also compliance with legislation relating to patent as per the WTO regime. Issues faced by paper industry such as raw material upgradation, Resource conservation, Product quality, Process improvement, Energy conservation, Environmental compliance, Research & Development.

Paper industry is bracing for consolidation and now time is ripe for another round of consolidation and co-operation among various players in the next few years. The move will help leverage fast changing manufacturing technologies and smoothen backward integration for raw materials. At the end of this decade, we may see only 10 players dominating the industry like cement.

Despite the continued focus on digitization, India's demand for paper is expected to rise 53 per cent in the next six years, primarily due to a sustained increase in thrust in rural education, growing ecommerce consumerism, increase in organized modern retailing, increasing use of documentation are expected to positively affect paper consumption and demand in India.

Indian paper industry is expected to grow at a CAGR of 7% over the next five years to about 20 MN tones. The growth will be largely driven by printing & writing and packaging & paper board segment. The India Kraft paper market size reached 9.4 Million Tons in 2022. Looking forward, it is expected that the market to reach 15.6 Million Tons by 2028, exhibiting a growth rate (CAGR) of 8.9% during 2023-2028.



PART H

SWOT ANALYSIS

SWOT ANALYSIS OF KRAFT PAPER INDUSTRY

STRENGTH

1. M/S ARAMCO PAPER MILL IS PROPOSED TO BE LOCATED IN MUZAFFARNAGAR, WHICH IS FAMOUS FOR PAPER MILLS BECAUSE IT HAS FAVIOURABLE GEOGRAPHICAL CONDITIONS FOR PAPER MILLS.
2. PRODUCTION OF WIDE VARIETY OF PAPER
3. HIGH EMPLOYABILITY
4. RECYCLABILITY OF WASTE PAPER
5. USE OF IMPORTED MODERN/LATEST TECHNOLOGY
6. STRONG MARKETING TEAM AND DISTRIBUTORS
7. HISTORY OF SUCCESSFUL INNOVATIONS OF NEW PRODUCTS IN THE INDUSTRY

WEAKNESS

1. MORE WATER REQUIREMENT
2. HIGHLY POLLUTE
3. DECREMENTS IN FOREST LANDS
4. HIGHLY CAPITAL INTENSIVE
5. INDUSTRIAL SICKNESS
6. THERE ARE GAPS IN THE PRODUCT RANGE SOLD BY THE COMPANY. THIS LACK OF CHOICE CAN GIVE A NEW COMPETITOR A FOOTHOLD IN THE MARKET.

SWOT ANALYSIS

OPPORTUNITY

1. HUGE GROWTH POTENTIAL
2. LEAD TO SOCIO ECONOMIC DEVELOPMENT
3. OUTPUT RECYCLABILITY
4. HUGE PRODUCT DEMAND
5. INNOVATIVE NEW PRODUCT CREATIONS
6. EMERGENCE OF ANCILLARY INDUSTRIES i.e. PACKAGING
7. GROWING INDUSTRY WITH A HIGHER CAGR
8. ORGANIZATION'S CORE COMPETENCIES CAN BE A SUCCESS IN SIMILAR OTHER PRODUCTS FIELD.
9. LOOK FOR MORE VALUE-ORIENTED PROPOSITIONS BY DEVELOPING A LOYAL CUSTOMER BASE.

THREATS

1. INCREASED RAW MATERIAL COSTS/FOREX TRANSACTION
2. COMPETITION
3. CHANGING GOVERNMENTAL POLICIES
4. TECHNOLOGICAL OBSOLESCENCE
5. DEGRADATION OF ENVIRONMENT
6. ENTRY OF SUBSTITUTES LIKE E-PAPER, PLASTIC AND OTHER PRODUCTS
7. SHORTFALL OF SKILLED WORKERS
8. INTENSE COMPETITION
9. GROWING STRENGTHS OF LOCAL DISTRIBUTORS ALSO PRESENTS A THREAT IN SOME MARKETS AS THE COMPETITION IS PAYING HIGHER MARGINS TO THE LOCAL DISTRIBUTORS.



PART I

PROJECT COST AND MEANS OF FINANCE

As per data/information shared by the client, below are the details of Total project Cost (TPC) and means of finance for the same. Category wise proposed project cost is shown in the below table:

INR (Crores)

PROJECT COST	
PARTICULARS	Amount
HARD COST	
Land & Site Development	0.00
Building & Civil Works	0.45
Plant & Machinery	12.11
Plant & Machinery- Additional	6.30
Misc. Fixed Assets	0.12
SOFT COST	
Interest During Construction Period	0.49
Escalation & Contingencies	0.57
Pre-Operative Expenses	0.07
Security Deposit	0.33
Margin Money For W/C	1.22
Total Project Cost	21.66

Note: Cost projections have been provided by the company.

MEANS OF FINANCE	
PARTICULARS	Proposed
Promoters Contribution	6.60
Unsecured Loans	3.06
Bank Finance (Term Loan) Existing	8.00
Bank Finance (Term Loan) Additional	4.00
Total	21.66

Notes:

1. Since the Land has been procured on the lease basis for 30 years for a nominal charge of INR 60,000 per year, which is not a capitalised charge and will be expensed out on a yearly basis. Hence, we have not considered it as a part of TPC.



2. Civil construction cost is borne by the promoters from their own contributions which is costing approximately INR 45 lakhs including GST, plumbing, electrification, supervision charges.
3. Plant & Machinery cost has been taken as per the details provided by the client and as per the break-up, the total cost of INR 18.41 Crores has been considered including GST & transportation cost, which is found to be reasonable based on the tertiary research and verbal communication with random vendors and players in this Industry and information available in the public domain and quotations/invoices shared by the client/company.
4. Miscellaneous Fixed Assets cost is being considered as per information provided by the client and industry benchmark which is found reasonable during our tertiary research.
5. Preliminary & Pre-Operative Expenses has been taken as lump sum based on the time period of construction and estimate of company's resources involvement during this time in supervision & monitoring of the construction.
6. Contingency cost of INR 57.00 Lakhs has been considered as a part of app. 3% of PP&E and building based on general assumption and professional experience.



PART J

PROJECT SCHEDULE

Below is the tabulated presentation of the status of the project showing expected duration shared by the project manager of the company. Trial run has been done successfully.

S. No.	Particulars	Activity	Expected completion date	Status
1.	Acquisition of Land	Land Procurement	February 2022	Allotment Done.
		Land Development	March 2022	Already developed
2.	Sanction of Rupee Term Loan	Sanction of Rupee Term Loan	31 th March 2023	Achieve till March 2023
3.	Building & Civil Works	Appointment of Architect	April 2022	Already Done
		Building Plan Preparation	April 2022	Already Done
		Building Plan Sanction	April 2022	Already Done
		Appointment of Civil contractor/ developer	May 2022	Already Done
		Building & Civil Works completion	December, 2022	Already Done
4.	Plant & Machinery	Finalization of P&M suppliers	January, 2022	Achieved in January 2022
		Orders to P&M suppliers	January, 2022	Achieved in January 2022
		Arrival of P&M	January 2023	Achieved in January 2023
		Installation of P&M	March 2023	Achieved in March 2023
		Utility Installation	March 2023	Achieved in March 2023
5.	Furniture and Fixtures	Purchase of other Fixed Assets/ Furniture &	November 2022	Achieved in November 2022



TECHNO-ECONOMIC VIABILITY REPORT
M/S ARAMCO PAPERS PRIVATE LIMITED

		Fixtures		
6.	Statutory Approvals, registrations & NOCs	Most of the approvals are taken from the respective authorities.	March 2023	Achieved Before Trial Run
7.	Trail Run	Done	March 2023	Achieve in March 2023
8.	Commercial Operation Date		April 2023	Achieve in April 2023

Notes:

1. Schedule has been made as per feasibility to achieve different milestones.
2. Achievement of Milestone will depend on sanction of term loan as per proposed timeline.

PART K

STATUTORY APPROVALS | LICENCES | NOC

As per the information provided by the client below is the list of Approvals required for the proposed project:

S.No.	REQUIRED APPROVALS	REFERENCE NO./ DATE	STATUS (Approved/ Applied For/ Pending)
1.	Lease Deeds of the Land	February, 2022	Already Achieved
2.	Land conversion to Industrial/Non agriculture	September, 2019	Already Achieved
3.	Building sanction Plan Approval <i>Concerned local development authority</i>	January, 2022	Already Achieved
4.	Certificate of Incorporation	January, 2019	Already Achieved
5.	GST Registration Certificate	February, 2021	Already Achieved
6.	Fire NOC (on completion) <i>Fire Services Department</i>	Pending	To be applied in due course
7.	Power Load Sanction <i>Electric Supply Corporation</i>	February, 2023	Already Achieved
8.	Consent to establish (under Water Act & Air Act) <i>Utter Pradesh Pollution Control Board</i>	March 2023	Already Achieved
9.	Permission for extraction of ground water	March 2021	Already Achieved
10.	Boiler Certificate	January, 2023	Already Achieved
11.	MSME Registration Certificate	May, 2022	Already Achieved
12.	Trade License	Pending	To be applied in due course

Observation Note: Fire NOC and Trade Licence pending and will be applied in due course.

PART L

COMPANY'S FINANCIAL FEASIBILITY

- 1. PROJECTIONS OF THE FIRM:** The projections of the firm are prepared as per the expected COD, from FY 2023-24 to FY 2031-32 based on the revenue generation capacity of the project and total expected expenses.

Projections has been prepared for next 9 years as per the best practice in industry for a Greenfield project to assess the financial feasibility of the project considering the proposed installed capacity of 39,600 MTPA.

- A. PROJECTED PROFIT & LOSS ACCOUNT (FROM FY 2023-24 TO FY 2031-32):** Below table shows the Projected Profit & Loss Account of M/s Aramco Papers Private Limited from the period FY 2023-24 to FY 2031-32.

(INR Crore)

Particulars	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Installed Capacity (MT)	39600	39600	39600	39600	39600	39600	39600	39600	39600
Capacity Utilisation%	60%	65%	70%	75%	80%	85%	90%	95%	100%
Production in M.T.	23760	25740	27720	29700	31680	33660	35640	37620	39600
Sales in M.T.	23256	25698	27678	29658	31638	33618	35598	37578	39558
Total Sales	89.86	99.30	106.95	114.60	122.25	129.90	137.55	145.20	152.85
Less: GST	9.63	10.64	11.46	12.28	13.10	13.92	14.74	15.56	16.38
Net Sales	80.23	88.66	95.49	102.32	109.15	115.98	122.81	129.64	136.48
Cost of Sales	82.18	88.85	95.63	102.47	109.31	116.14	122.96	129.80	136.63
Raw Materials	65.05	70.47	75.89	81.31	86.73	92.15	97.58	103.00	108.42
Chemicals	2.63	2.85	3.07	3.29	3.51	3.73	3.95	4.17	4.39
Power	4.30	4.66	5.01	5.37	5.73	6.09	6.45	6.80	7.16
Fuel	0.41	0.44	0.48	0.51	0.55	0.58	0.62	0.65	0.68
Consumable Stores	1.19	1.29	1.39	1.49	1.58	1.68	1.78	1.88	1.98
Repair & Maintenance	0.18	0.20	0.22	0.24	0.27	0.29	0.32	0.35	0.39
Factory Insurance	0.15	0.13	0.11	0.10	0.08	0.07	0.06	0.05	0.05
Production	0.77	0.81	0.85	0.89	0.94	0.98	1.03	1.08	1.14



TECHNO-ECONOMIC VIABILITY REPORT

M/S ARAMCO PAPERS PRIVATE LIMITED

Salaries									
Depreciation	2.77	2.39	2.06	1.77	1.53	1.31	1.13	0.98	0.84
Sub Total	77.45	83.24	89.08	94.97	100.91	106.90	112.91	118.96	125.04
Add: Op.Stock of WIP	0.00	0.35	0.38	0.40	0.43	0.46	0.49	0.51	0.54
Sub Total	77.45	83.59	89.46	95.37	101.34	107.36	113.40	119.47	125.58
Less: Cl.Stock of WIP	0.35	0.38	0.40	0.43	0.46	0.49	0.51	0.54	0.57
Sub Total	77.10	83.21	89.06	94.94	100.88	106.87	112.89	118.93	125.01
Add: Op.Stock of FG	0.00	1.60	1.76	1.89	2.01	2.14	2.26	2.39	2.52
Sub Total	77.10	84.81	90.82	96.83	102.90	109.00	115.16	121.33	127.53
Ded.: Cl.Stock of FG	1.60	1.76	1.89	2.01	2.14	2.26	2.39	2.52	2.65
Subtotal (Total Cost of Sales)	75.50	83.05	88.93	94.82	100.76	106.74	112.77	118.81	124.88
Administrative Expenses									
- Admin Salaries	0.39	0.41	0.43	0.45	0.47	0.50	0.52	0.55	0.58
- Office & General Expenses	0.05	0.05	0.06	0.06	0.06	0.06	0.07	0.07	0.07
Selling & Distribution Exp.	1.60	1.77	1.91	2.05	2.18	2.32	2.46	2.59	2.73
Sub Total	77.55	85.28	91.33	97.37	103.48	109.62	115.81	122.02	128.26
Operating Profit before interest	2.69	3.38	4.16	4.95	5.67	6.36	7.00	7.63	8.21
(a) Interest on T/L	1.07	1.02	0.93	0.84	0.72	0.58	0.40	0.21	0.03
(b) Interest on W/C	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
(c) Other Finance & Bank Charges	0.05	0.05	0.06	0.06	0.06	0.06	0.07	0.07	0.07
Operating Profit after interest	1.39	2.13	2.99	3.87	4.71	5.54	6.35	7.17	7.93
Preliminary Exp. w/o	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00
Profit Before Tax	1.37	2.12	2.98	3.86	4.70	5.54	6.35	7.17	7.93
Provision for Taxes	0.28	0.48	0.70	0.93	1.14	1.35	1.56	1.76	1.95
Net Profit	1.09	1.63	2.27	2.93	3.56	4.19	4.80	5.41	5.98

B. PROJECTED BALANCE SHEET: Below table shows the Projected Balance Sheet of M/s Aramco Papers Private Limited from the period FY 2023-24 to FY 2031-32.

(INR Crore)

Liabilities	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Equity Share Capital	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60
Profit & Loss Account	1.09	2.72	5.00	7.92	11.48	15.67	20.46	25.87	31.86
Term Loan	10.92	9.84	8.76	7.32	5.52	3.36	1.20	0.00	0.00
Current Maturity of Term Loan	0.72	1.08	1.08	1.44	1.80	2.16	2.16	1.20	0.00
Cash Credit	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Unsecured Loans	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06	3.06
Sundry Creditors	3.95	4.13	4.44	4.76	5.07	5.39	5.71	6.02	6.34
Provision for Taxation	0.28	0.48	0.70	0.93	1.14	1.35	1.56	1.76	1.95
Other Current Liabilities	1.51	1.66	1.78	1.90	2.02	2.13	2.26	2.38	2.50
Shareholder's Equity and liabilities	30.13	31.57	33.42	35.93	38.69	41.73	45.01	48.90	54.31
Fixed Assets	20.05	20.05	20.05	20.05	20.05	20.05	20.05	20.05	20.05
Depreciation	2.77	5.16	7.22	8.99	10.52	11.83	12.96	13.94	14.78
Net Block	17.27	14.89	12.83	11.06	9.53	8.22	7.08	6.11	5.27
Long Term Investment	0.00	0.00	2.00	4.00	7.00	10.00	14.00	20.00	25.00
CURRENT ASSETS									
Raw Material	2.28	2.47	2.66	2.85	3.04	3.22	3.41	3.60	3.79
Chemicals	0.24	0.26	0.28	0.30	0.32	0.34	0.36	0.38	0.40
Fuel	0.02	0.02	0.02	0.02	0.02	0.03	0.03	0.03	0.03
Finished Goods	1.60	1.76	1.89	2.01	2.14	2.26	2.39	2.52	2.65
Stock in Process	0.35	0.38	0.40	0.43	0.46	0.49	0.51	0.54	0.57
Consumable Stores	0.22	0.23	0.25	0.27	0.29	0.31	0.32	0.34	0.36
Sundry Debtors	2.46	2.72	2.93	3.14	3.35	3.56	3.77	3.98	4.19
Cash & Bank Balances	0.42	1.22	1.20	1.54	0.90	1.30	0.78	1.72	1.04
Advance to Suppliers	3.00	5.00	6.00	7.00	8.00	8.00	8.00	5.00	6.00
Advance Tax	0.28	0.48	0.70	0.93	1.14	1.35	1.56	1.76	1.95
Other Current Assets	1.60	1.77	1.91	2.05	2.18	2.32	2.46	2.59	2.73



Misc. Expenditure	0.06	0.04	0.03	0.01	0.00	0.00	0.00	0.00	0.00
Security Deposit	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33	0.33
Total Assets	30.13	31.57	33.42	35.93	38.69	41.73	45.01	48.90	54.31

C. PROJECTED CASH FLOW STATEMENT: Below table shows the Projected Cash flow of M/s Aramco Papers Private Limited from the period FY 2023-24 to FY 2031-32.

(INR Crore)

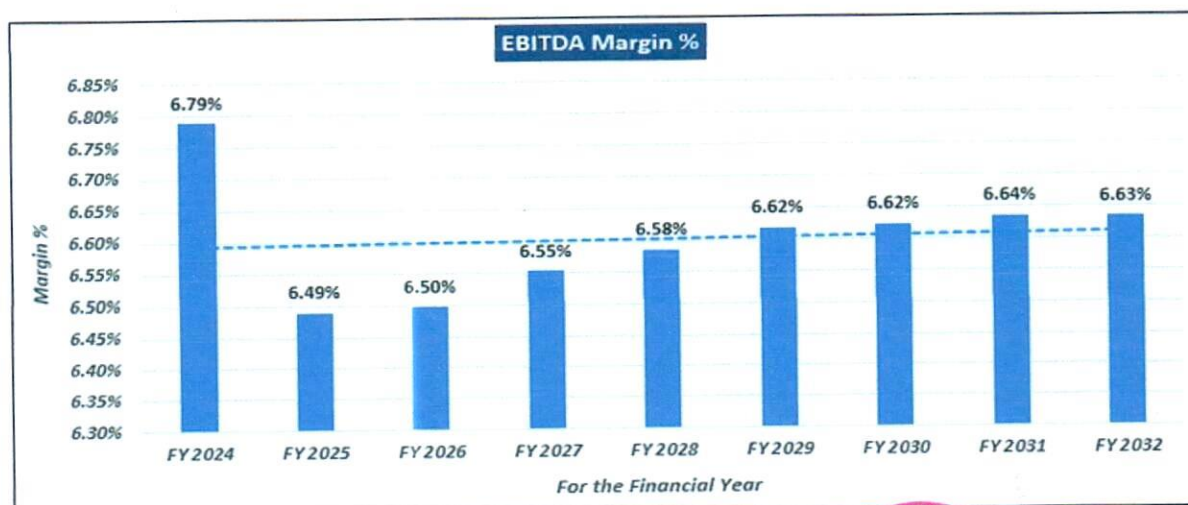
Particulars	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Sources Of Funds									
Term Loan	12.00	-	-	-	-	-	-	-	0.00
Share Capital	6.60	-	-	-	-	-	-	-	-
Cash Accruals	3.87	4.04	4.34	4.71	5.10	5.50	5.93	6.39	6.82
Unsecured Loans	3.06	-	-	-	-	-	-	-	-
Cash Credit Limit	2.00	-	-	-	-	-	-	-	-
Total	27.54	4.04	4.34	4.71	5.10	5.50	5.93	6.39	6.82
Use Of Funds									
Capital Expenditure	20.05	-	-	-	-	-	-	-	-
Long Term Investment	-	-	2.00	2.00	3.00	3.00	4.00	6.00	5.00
Working Capital	1.71	0.35	0.15	0.16	0.16	0.16	0.15	0.16	0.16
Repayment of T/L	0.36	0.72	1.08	1.08	1.44	1.80	2.16	2.16	1.20
Advance to Suppliers etc.	3.00	2.00	1.00	1.00	1.00	-	-	(3.00)	1.00
Other Current Assets	1.60	0.17	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Other non-current assets	0.07	-	-	-	-	-	-	-	-
Security Deposit	0.33	-	-	-	-	-	-	-	-
TOTAL	27.12	3.24	4.37	4.38	5.74	5.10	6.45	5.46	7.50
Surplus/(Deficit)	0.42	0.80	(0.02)	0.34	(0.64)	0.41	(0.52)	0.93	(0.67)
Opening Balance	-	0.42	1.22	1.20	1.54	0.90	1.30	0.78	1.72
Closing Balance	0.42	1.22	1.20	1.54	0.90	1.30	0.78	1.72	1.04

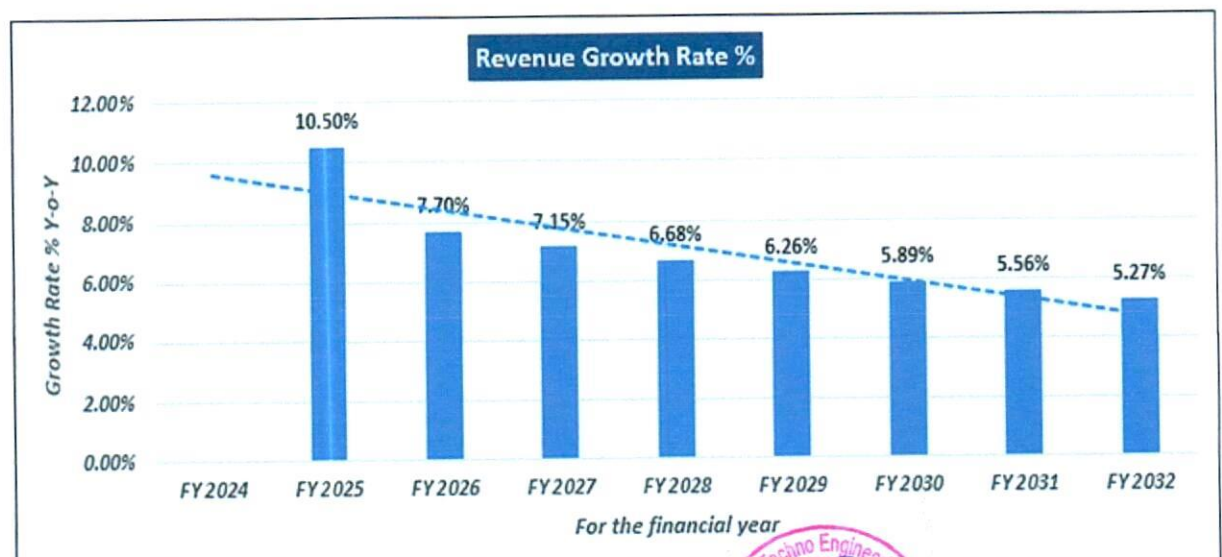
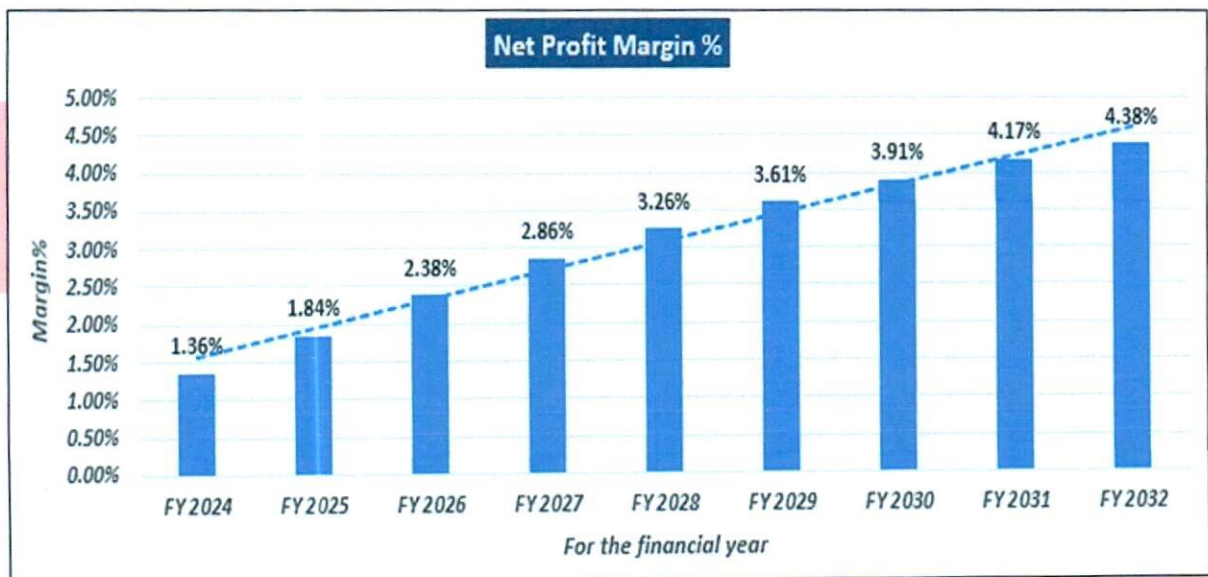
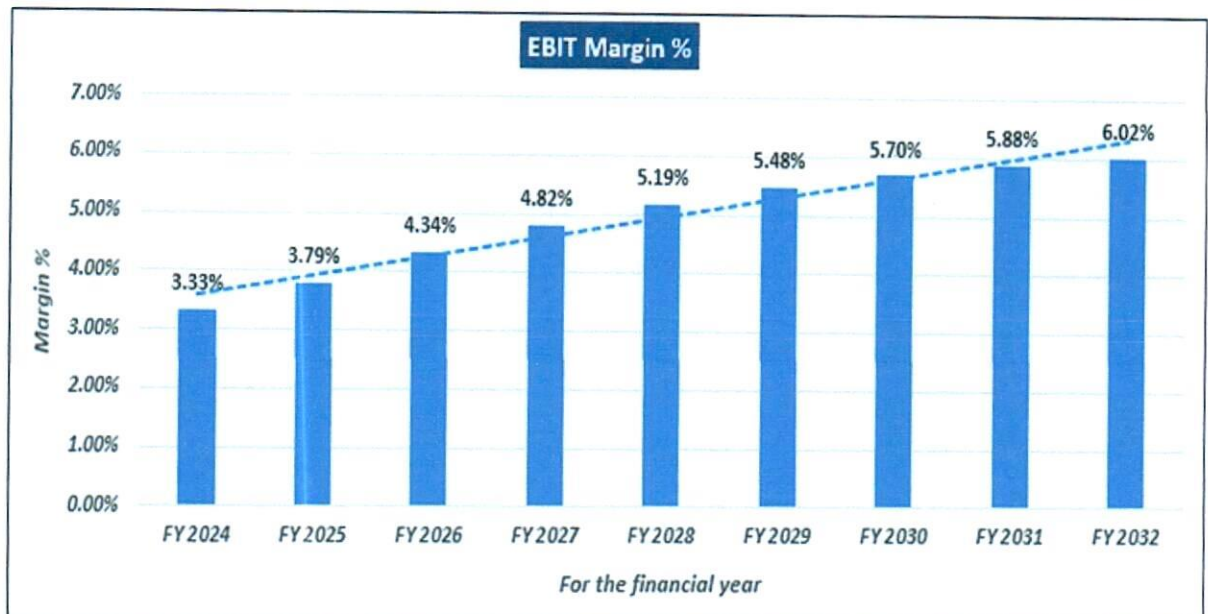
D. KEY FINANCIAL RATIO:

Particular	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Revenue	80.23	88.66	95.49	102.32	109.15	115.98	122.81	129.64	136.48
EBITDA	5.45	5.75	6.20	6.70	7.19	7.68	8.13	8.60	9.05
EBITDA Margin %	6.79%	6.49%	6.50%	6.55%	6.58%	6.62%	6.62%	6.64%	6.63%
Average EBITDA Margin	6.60%								
EBIT	2.67	3.36	4.15	4.93	5.66	6.36	7.00	7.63	8.21
EBIT Margin %	3.33%	3.79%	4.34%	4.82%	5.19%	5.48%	5.70%	5.88%	6.02%
Average EBIT Margin	4.95%								
Net profit	1.09	1.63	2.27	2.93	3.56	4.19	4.80	5.41	5.98
Net Profit Margin %	1.36%	1.84%	2.38%	2.86%	3.26%	3.61%	3.91%	4.17%	4.38%
Average Net Profit Margin	3.09%								
Revenue	80.23	88.66	95.49	102.32	109.15	115.98	122.81	129.64	136.48
Revenue Growth Rate %		10.50%	7.70%	7.15%	6.68%	6.26%	5.89%	5.56%	5.27%
Average Revenue Growth Rate	6.88%								

Note: EBITDA Margins are positive and increasing fairly during the estimated period. Net profit margins have increased from 1.36% in FY 2023-24 to 4.38% in FY 2031-32. Revenue growth rate is also ranging from 5% to 11% during the forecasted period.

E. GRAPHICAL REPRESENTATION OF KEY RATIOS: Below is the graphical representation of the key financial metrics of the company, showing the efficiency and financial performance of the company throughout the forecasted period:





F. REVENUE BUILD-UP: Production has been considered based on the capacity utilization of 60% as a base case and escalated by 5% during forecasted period.

Particulars	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Capacity Utilisation %	60%	65%	70%	75%	80%	85%	90%	95%	100%
Opening Balance	0	504	546	588	630	672	714	756	798
Add: Production	23760	25740	27720	29700	31680	33660	35640	37620	39600
Less: Closing Stock (7 days)	504	546	588	630	672	714	756	798	840
Saleable Quantity	23256	25698	27678	29658	31638	33618	35598	37578	39558
Sales (INR Crores)	80.23	88.66	95.49	102.32	109.15	115.98	122.81	129.64	136.48
GST @12%	9.63	10.64	11.46	12.28	13.10	13.92	14.74	15.56	16.38
Total Sales (INR Crores)	89.86	99.30	106.95	114.60	122.25	129.90	137.55	145.20	152.85

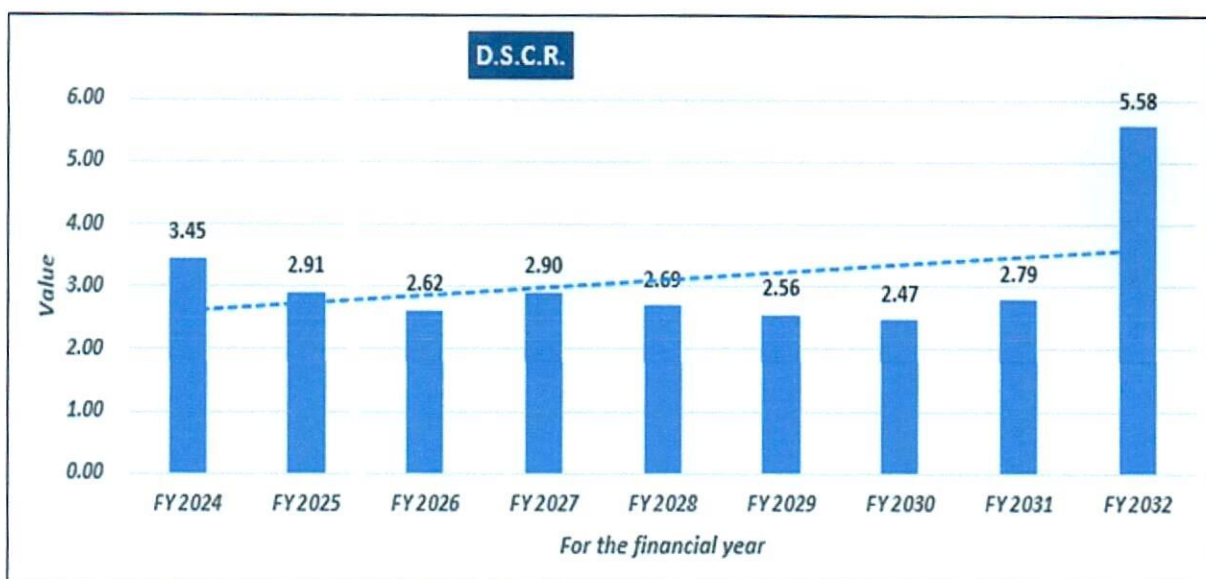
SALES REALIZATION AT 100% CAPACITY UTILIZATION

Production (MT)	Proportion	Sales Price/MT (INR)	INR Crore
39600	1.00	34500	136.62
@ 100% Utilization	-	-	136.62
Total	1.00	34500	136.62

G. ESTIMATED KEY FINANCIAL METRICS:

DEBT SERVICE COVERAGE RATIO (DSCR)

Particular	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Cash Accruals	3.87	4.04	4.34	4.71	5.10	5.50	5.93	6.39	6.82
Intt. on Term Loan	1.07	1.02	0.93	0.84	0.72	0.58	0.40	0.21	0.03
Total "A"	4.95	5.05	5.28	5.55	5.82	6.08	6.33	6.59	6.85
Instalment of T/L	0.36	0.72	1.08	1.08	1.44	1.80	2.16	2.16	1.20
Intt. on Term Loan	1.07	1.02	0.93	0.84	0.72	0.58	0.40	0.21	0.03
Total "B"	1.43	1.74	2.01	1.92	2.16	2.38	2.56	2.37	1.23
D.S.C.R. (A/B)	3.45	2.91	2.62	2.90	2.69	2.56	2.47	2.79	5.58
Average D.S.C.R.	2.95								



OTHER FINANCIAL RATIOS TO ASSESS THE PROJECT

Particulars	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Net Sales	80.23	88.66	95.49	102.32	109.15	115.98	122.81	129.64	136.48
PBT	1.37	2.12	2.98	3.86	4.70	5.54	6.35	7.17	7.93
PAT	1.09	1.63	2.27	2.93	3.56	4.19	4.80	5.41	5.98
Paid-up Capital	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60	6.60
Tangible Net Worth	7.63	9.28	11.57	14.51	18.08	22.27	27.06	32.47	38.46
TOL/TNW	2.94	2.40	1.89	1.48	1.14	0.87	0.66	0.51	0.41
PBT/Total Tangible Assets (%)	4.56%	6.71%	8.92%	10.74%	12.14%	13.28%	14.12%	14.66%	14.60%
Net Sales/TTA (times)	2.67	2.81	2.86	2.85	2.82	2.78	2.73	2.65	2.51
Bank Borrowings/TTA (%)	6.65%	6.34%	5.99%	5.57%	5.17%	4.79%	4.44%	4.09%	3.68%
Total Tangible Assets	30.08	31.53	33.40	35.92	38.69	41.73	45.01	48.90	54.31
Bank Borrowings	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Liquidity Ratios									
Current Assets	12.47	16.32	18.24	20.53	21.83	23.18	23.59	22.46	23.71



Current Liabilities	8.46	9.35	10.00	11.02	12.03	13.04	13.68	13.36	12.78
Current Ratio	1.47	1.75	1.82	1.86	1.81	1.78	1.72	1.68	1.85
Quick Ratio	0.92	1.20	1.27	1.33	1.29	1.27	1.21	1.13	1.24

H. NPV, IRR AND PAY BACK PERIOD OF THE PROJECT:

Particular	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
EBIT		2.69	3.38	4.16	4.95	5.67	6.36	7.00	7.63	8.21
NOPAT		2.03	2.55	3.14	3.74	4.29	4.80	5.29	5.76	6.20
Depreciation		2.77	2.39	2.06	1.77	1.53	1.31	1.13	0.98	0.84
CAPEX	21.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Investment in WC		4.01	2.96	1.26	1.27	0.30	0.34	-0.23	-0.81	1.82
FCFF	(21.66)	0.79	1.98	3.93	4.23	5.52	5.78	6.65	7.55	5.22
IRR	12.10%									
Discount rate	13% (10-year average return of Nifty-50)									
Expected growth rate(Terminal)	1%									
Period	0.00	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00	9.00
Discount Factor	1.00	0.88	0.78	0.69	0.61	0.54	0.48	0.43	0.38	0.33
PV of FCF	-21.66	0.70	1.55	2.73	2.60	2.99	2.77	2.83	2.84	1.74
Terminal Value										43.92
PV of Terminal Value										14.62
FCF+Terminal Value	-21.66	0.70	1.55	2.73	2.60	2.99	2.77	2.83	2.84	16.36
NPV	INR 13.70 Crore									
Cash Accrual		3.87	4.04	4.34	4.71	5.10	5.50	5.93	6.39	6.82
Accumulated CA		3.87	7.91	12.26	16.97	22.07	27.57	33.50	39.89	46.71
Project Cost	INR 21.66 Crore									
Pay Back Period	4 Years 11 Months									

I. BREAK-EVEN ANALYSIS:

Particulars	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Fixed									

TECHNO-ECONOMIC VIABILITY REPORT

M/S ARAMCO PAPERS PRIVATE LIMITED

Overheads									
Administrative Salaries	0.39	0.41	0.43	0.45	0.47	0.50	0.52	0.55	0.58
Other Admn. Expenses	0.05	0.05	0.06	0.06	0.06	0.06	0.07	0.07	0.07
Factory Insurance	0.15	0.13	0.11	0.10	0.08	0.07	0.06	0.05	0.05
Repair & Maintenance	0.05	0.05	0.05	0.06	0.07	0.07	0.08	0.09	0.10
Interest On Term Loan	1.07	1.02	0.93	0.84	0.72	0.58	0.40	0.21	0.03
Other Finance Charges	0.05	0.05	0.06	0.06	0.06	0.06	0.07	0.07	0.07
Depreciation	2.77	2.39	2.06	1.77	1.53	1.31	1.13	0.98	0.84
Preliminary Expenses	0.01	0.01	0.01	0.01	0.01	0.00	0.00	0.00	0.00
Total Fixed Overheads	4.54	4.11	3.71	3.35	3.01	2.66	2.33	2.01	1.74
Net Sales	82.18	88.85	95.63	102.47	109.31	116.14	122.96	129.80	136.63
Variable Overheads									
Raw Materials	65.05	70.47	75.89	81.31	86.73	92.15	97.58	103.00	108.42
Chemicals	2.63	2.85	3.07	3.29	3.51	3.73	3.95	4.17	4.39
Power & Fuel	4.71	5.10	5.49	5.88	6.28	6.67	7.06	7.45	7.85
Consumable Stores	1.19	1.29	1.39	1.49	1.58	1.68	1.78	1.88	1.98
Direct Factory Wages	0.77	0.81	0.85	0.89	0.94	0.98	1.03	1.08	1.14
Selling & Distribution Expenses	1.60	1.77	1.91	2.05	2.18	2.32	2.46	2.59	2.73
Interest on Working Capital	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18	0.18
Repair & Maintenance	0.14	0.15	0.16	0.18	0.20	0.22	0.24	0.27	0.29
Variable heads	76.27	82.62	88.94	95.27	101.60	107.94	114.28	120.62	126.97
Contribution	5.92	6.23	6.69	7.20	7.71	8.20	8.69	9.18	9.67
Break Even Point	46.09%	42.91%	38.84%	34.84%	31.24%	27.59%	24.16%	20.82%	17.95%



CASH B.E.P.	17.83%	17.84%	17.17%	16.25%	15.25%	13.97%	12.42%	10.72%	9.25%
-------------	--------	--------	--------	--------	--------	--------	--------	--------	-------

J. SENSITIVITY ANALYSIS: The project is found to be highly sensitive with respect to the fluctuation in the sales price decided by the company as per below assessment:

WHEN THERE IS A DECREASE IN PRICE BY 5%

Particulars	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Income									
Net Sales(With stock Adjustment)	78.17	84.42	90.86	97.36	103.85	110.34	116.82	123.32	129.81
Expenditure									
Running Expenses	76.72	83.08	89.42	95.76	102.11	108.46	114.83	121.20	127.58
Finance Expenses	1.30	1.25	1.17	1.07	0.96	0.82	0.65	0.46	0.28
Depreciation	2.77	2.39	2.06	1.77	1.53	1.31	1.13	0.98	0.84
Preliminary Expenses	0.01	0.01	0.01	0.01	0.01	-	-	-	-
Total Expenditure	80.81	86.73	92.66	98.62	104.61	110.60	116.61	122.63	128.70
Income before Tax	(2.64)	(2.32)	(1.80)	(1.26)	(0.76)	(0.26)	0.21	0.69	1.11
Taxation	-	-	-	-	-	-	0.05	0.17	0.27
Income after Tax	(2.64)	(2.32)	(1.80)	(1.26)	(0.76)	(0.26)	0.16	0.52	0.84
Cash Accruals	0.13	0.07	0.26	0.51	0.77	1.06	1.29	1.50	1.68
Interest on T/L	1.07	1.02	0.93	0.84	0.72	0.58	0.40	0.21	0.03
Instalments of T/L	0.36	0.72	1.08	1.08	1.44	1.80	2.16	2.16	1.20
DSCR	0.84	0.63	0.59	0.70	0.69	0.69	0.66	0.72	1.39

COST OF RAW MATERIAL INCREASED BY 5%

Particulars	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Income									
Net Sales(With stock Adjustment)	82.18	88.85	95.63	102.47	109.31	116.14	122.96	129.80	136.63
Expenditure									



TECHNO-ECONOMIC VIABILITY REPORT

M/S ARAMCO PAPERS PRIVATE LIMITED

Running Expenses	79.98	86.61	93.21	99.82	106.44	113.07	119.71	126.35	133.00
Finance Expenses	1.30	1.25	1.17	1.07	0.96	0.82	0.65	0.46	0.28
Depreciation	2.77	2.39	2.06	1.77	1.53	1.31	1.13	0.98	0.84
Preliminary Expenses	0.01	0.01	0.01	0.01	0.01	-	-	-	-
Total Expenditure	84.07	90.26	96.45	102.68	108.95	115.21	121.49	127.78	134.13
Income before Tax	(1.88)	(1.41)	(0.82)	(0.21)	0.36	0.93	1.47	2.02	2.51
Taxation	-	-	-	-	0.09	0.23	0.36	0.49	0.61
Income after Tax	(1.88)	(1.41)	(0.82)	(0.21)	0.27	0.70	1.11	1.53	1.89
Cash Accruals	0.91	0.99	1.25	1.58	1.81	2.02	2.25	2.50	2.74
Interest on T/L	1.07	1.02	0.93	0.84	0.72	0.58	0.40	0.21	0.03
Instalments of T/L	0.36	0.72	1.08	1.08	1.44	1.80	2.16	2.16	1.20
DSCR	1.38	1.16	1.09	1.26	1.17	1.09	1.03	1.14	2.25

K. LOAN AMORTIZATION SCHEDULE: As per Loan disbursement and amortization schedule shared by the client, according to the project costs incurred during the estimated period below table shows the closing balance of principle and interest during the forecasted period.

Repayment Schedule										
TERM LOAN -1						TERM LOAN -2				
YEAR	% PAYMENT	NO. OF INSTALLMENTS	TOTAL PAYMENT	INSTALLMENT	BALANCE	% PAYMENT	NO. OF INSTALLMENTS	TOTAL PAYMENT	INSTALLMENT	BALANCE
2023-24	3.00 %	6	0.24	0.04	7.76	3.00%	6	0.12	0.02	3.88
2024-25	6.00 %	12	0.48	0.04	7.28	6.00%	12	0.24	0.02	3.64
2025-26	9.00 %	12	0.72	0.06	6.56	9.00%	12	0.36	0.03	3.28
2026-27	9.00 %	12	0.72	0.06	5.84	9.00%	12	0.36	0.03	2.92
2027-28	12.00 %	12	0.96	0.08	4.88	12.00 %	12	0.48	0.04	2.44
2028-29	15.00 %	12	1.20	0.10	3.68	15.00 %	12	0.60	0.05	1.84
2029-30	18.00 %	12	1.44	0.12	2.24	18.00 %	12	0.72	0.06	1.12



2030-31	18.00%	12	1.44	0.12	0.80	18.00%	12	0.72	0.06	0.40
2031-32	10.00%	6	0.80	0.13	-	10.00%	6	0.40	0.07	-
Total	100.00%	96	8.00			100.00%	96	4.00		

SUMMARY OF TERM LOAN

Particulars	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032	FY 2024
Term Loan (O/S)	12.00	11.64	10.92	9.84	8.76	7.32	5.52	3.36	1.20	0.00
Instalments	-	0.36	0.72	1.08	1.08	1.44	1.80	2.16	2.16	1.20
CM Of Term Loan	0.36	0.72	1.08	1.08	1.44	1.80	2.16	2.16	1.20	-
Rest Of Term Loan	11.64	10.92	9.84	8.76	7.32	5.52	3.36	1.20	0.00	0.00
Interest	0.49	1.07	1.02	0.93	0.84	0.72	0.58	0.40	0.21	0.03

CALCULATION OF INTEREST CUM REPAYMENT SCHEDULE OF TERM LOAN

Particulars	TL-I	TL-II
Amount Of Term Loan	8.00	4.00
Rate Of Interest	9.00%	9.00%
Scheduled Commercial Operation Date	Apr-23	Apr-23
Disbursal Start Date	Jun-22	Jan-23
Repayment Start Date	Oct-23	Oct-23
Repayment Period (Years)	8	8
Total Monthly Installments	96	96
Moratorium From First Drawl (Months)	16	7 Months
Moratorium Period (Excluding Disbursement Period)Months	10	7 Months
Door To Door Tenure (Months)	112	103

L. TERM LOAN ADMISSIBILITY :

Term Loan Admissibility Schedule					
S. No.	Item	Basic Cost	Margin %	Amount	PBF
1	Land & Site Development	0.00	100%	-	-
2	Building & Civil Work	0.45	100%	0.45	-
3	Plant & Machinery	18.41	30%	5.52	12.89
4	Miscellaneous Fixed Assets	0.12	25%	0.03	0.09
5	Interest During Const. Period	0.49	100%	0.49	-

6	Escalation & Contingencies	0.57	100%	0.57	-
7	Pre-Operative Expenses	0.07	100%	0.07	-
8	Security Deposits	0.33	100%	0.33	-
9	Margin Money For Working Cap.	1.22	100%	1.22	-
Total		21.66		8.68	12.98
Term Loan Requested		12.00 Crores			

M. WORKING CAPITAL REQUIREMENT:

S. No.	Particulars	Days	Amount
1	Raw Materials		
	-Indian Waste Paper	10	2.28
	-Imported Waste Paper	20	
2	Chemicals	30	0.24
3	Stores & Spares	60	0.22
4	Work in Progress (% of Completion = 75 %)	2	0.35
5	Finished Goods	7	1.60
6	Fuels	15	0.02
7	Sundry Debtors	10	2.46
			7.16
8	Less: Sundry Creditors	20	3.95
TOTAL (A)			3.22
PERMISSIBLE BANK FINANCE:			
(a)	75.00% of item (1+2+3+4+5+6-8)		2.05
(b)	60.00% of item (7)		
TOTAL (B)			2.05
MARGIN MONEY FOR WORKING CAPITAL:			
TOTAL (A)			3.22
LESS : Working Capital Facility Required			2.00
Margin Money Required			1.22

N. DEPRECIATION SCHEDULE: Depreciation schedule is prepared based on the Companies Act, 2013 and Written Down Value Method (WDV) is used to determine it. Below table shows the Depreciation Schedule along with applicable rate and allocated pre-operational and contingent expenses:

Particulars	Amount	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Building	0.47	0.05	0.04	0.04	0.03	0.03	0.03	0.02	0.02	0.02
Plant & Machinery	19.45	2.71	2.33	2.01	1.73	1.49	1.28	1.10	0.95	0.82
Misc. Fixed Assets	0.12	0.02	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.00



Total	20.05	2.77	2.39	2.06	1.77	1.53	1.31	1.13	0.98	0.84
-------	-------	------	------	------	------	------	------	------	------	------

Particulars	Rate	Use Full Life
Building	9.50%	30
Plant & Machinery	13.91%	20
Misc. Fixed Assets	18.10%	15

2. KEY ASSUMPTIONS & BASIS:

Sl. No.	Item	Assumptions and Basis
1.	General	<p>a. The projections of the firm are done for the period from FY 2023-24 to FY 2031-32, 9 years, to cover the term loan period as per the industry best practices.</p> <p>b. Revenue and expense modelling has been done based on the capacity utilization during the respective year.</p>
2.	Revenue Build up	<p>a. Total income for the respective financial years during the forecasted period will be generating from selling of different category of Kraft papers.</p> <p>b. To calculate the operating revenue at 100% capacity utilization, Sales price has been considered as INR 34500 per MT based on the data/information provided by the client and based on our tertiary research and information available in the public domain.</p> <p>c. Sales Value of the production has been calculated by multiplying the average price to the total production at the respective year capacity.</p> <p>d. Thus the company is generating INR 89.86 Crore in the initial year, further it has increased up to INR 152.85 Crore till FY 2031-32.</p> <p>e. Therefor the company is achieving a revenue growth</p>

Sl. No.	Item	Assumptions and Basis
		rate Y-o-Y basis between 5% to 11%, which is also in the line with industrial & economic trends and on conservative side.
3.	Pricing (Average Price Per Metric Ton)	<p>a. As per data/information shared by the client, company will be selling its finished (Kraft paper) product through distributors at a pre decided price of INR 34500 per MT.</p> <p>b. Also as per secondary and tertiary research, industry trend and pricing offered by other companies and vendors in this line and data/information available in public domain, we found that the price per MT ranges from INR 26000 per MT to INR 56000 Per MT for 18 BF & more than 100 GSM paper and INR 25000-55000 Per MT for 20 BF & more than 100 GSM depending on the quality and specification of the product.</p> <p>c. Thus, justifiably average price has been considered as INR 34500 per MT, which is reasonable and on conservative side and is in the line with industry trends.</p>
4.	Capacity Utilization	<p>a. For the proposed facility, the company is planning to install new plant & machinery of total capacity of 39600 TPA.</p> <p>b. We have considered the capacity utilisation at 60% in the first year, which has been escalated by 5% for the projected years up to 100% in FY 2031-32.</p> <p>c. Thus to start the capacity utilization from 60% is in the line with industry and it is reasonable and on conservative side to keep a mark-up for future market & economic risks in the Project.</p> <p>d. As per the Kraft paper manufacturing sectoral trends, it is assumed that the project will be achieving a 100%</p>



Sl. No.	Item	Assumptions and Basis
		capacity utilization in 9 th year of the forecasted period.
5.	Capital Expenditure	<p>a. The Land has been procured on the lease basis for 30 years for a nominal charge of INR 60,000 per year, which is not a capitalised charge and will be expensed out on a yearly basis. Hence, we have not considered it as a part of TPC.</p> <p>b. Civil construction cost is borne by the promoters from their own contributions which is costing approximately INR 45 lakhs including GST, plumbing, electrification, supervision charges.</p> <p>c. Plant & Machinery cost has been taken as per the details provided by the client and as per the break-up, the total cost of INR 18.41 Crores has been considered including GST & transportation cost, which is found to be reasonable based on the tertiary research and verbal communication with random vendors and players in this Industry and information available in the public domain and quotations/invoices shared by the client/company.</p> <p>d. Miscellaneous Fixed Assets cost is being considered as per information provided by the client and industry benchmark which is found reasonable during our tertiary research.</p> <p>e. Preliminary & Pre-Operative Expenses has been taken as lump sum based on the time period of construction and estimate of company's resources involvement during this time in supervision & monitoring of the construction.</p> <p>f. Contingency cost of INR 57.00 Lakhs has been considered as a part of app. 3% of PP&E and building based on general assumption and professional experience.</p>



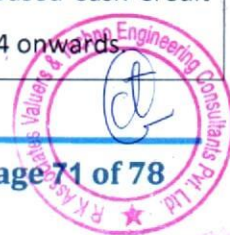
Sl. No.	Item	Assumptions and Basis
6.	Expenses	<p>a. Major expenses includes raw material, power and fuel, salaries and wages, Repair and maintenance, SG&A, pre-operative expenses etc.</p> <p>b. For the proposed plant and machinery, quantity of raw material will be from both indigenous and imported waste paper in the ratio of 85%:15% which will be yielding at 90% and 92% respectively. The rate of indigenous waste paper is considered as INR 24500 and imported waste paper is considered as INR 26000 per MT at 100% capacity utilization.</p> <p>c. ARAMCO Paper Mill Ltd. will get the synergies from the parent group (Balaji Group) in regard to the raw material supply and one of the director Mr. Yameen is also having two operational firms which are already supplying waste paper on a large scale. Hence, this forward integration will be beneficial for the group as a whole.</p> <p>d. Since, Muzaffarnagar area is well-known for the paper industry and the easy availability of the raw material will be an added advantage for the company. However, we can't avoid the risk of forex fluctuations.</p> <p>e. As per our independent research and information available on public domain raw material price ranging from Rs. 22000/- to Rs 28000/- per MT. The cost estimated by the company was also verified by the invoices/quotations shared by the client.</p> <p>f. Thus we considered the average price as INR 24500 and INR 26000 per MT for indigenous and imported waste paper respectively which is reasonable and in the line with industrial trends and multiplied it by raw material</p>



Sl. No.	Item	Assumptions and Basis
		<p>quantity used, to calculate total cost of raw material used.</p> <p>g. A power connection of 1700 KVA is sufficient to run the plant smoothly, which is already installed for to run the current plant. Also company has proposed to install a 0.50 MW power plant to meet their electricity demands.</p> <p>h. Hence the total annual charges at 100% capacity level will be INR 7.16 crores. Total units consumed in different years would be calculated by multiplying the total power consumed per year with the % of capacity utilisation for that year.</p> <p>i. To calculate total power cost we have considered demand charges on 1700 KVA @ Rs. 7/- per unit, with a load factor of 0.80 and power factor of 0.95.</p> <p>j. In estimating the manpower requirement, salary and wages, a proper ratio between the administrative, managerial, supervisory and shop floor staff has been maintained with a view to affording proper industrial and professional management at various levels. The fringe benefits has been taken 10% of the basic salary. Also we have considered 5% escalation rate in every year.</p> <p>k. Pre-operative and preliminary expenses include Authorised capital increase expenses, Processing, Legal & Professional Fees and engineering & consultancy fees, which in total, comes out INR 7 lakh.</p> <p>l. Selling & Administrative Expenses has been estimated at 2% of sales realisation for each respective projected year.</p>

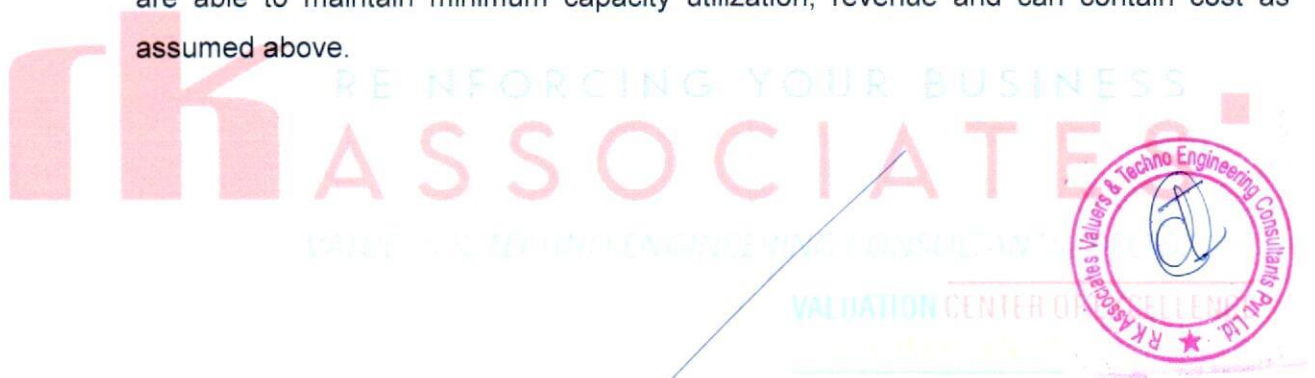


Sl. No.	Item	Assumptions and Basis
		<p>m. Factory insurance has been considered at 0.75% of the opening balance of Net Block of Fixed Asset of the respective projected year.</p> <p>n. Annual cost of consumables and stores at 100% capacity is estimated at INR 1.98 Crore. The cost of per MT production is assumed to be INR 500.</p> <p>o. The fuel consumption is estimated at 0.40 MT/hour with an average rate of INR 2000 and Turbine running & maintenance charge of INR 5 lakhs per annum, which makes an annual cost of fuel to be INR 0.68 Crores at 100% capacity.</p> <p>p. In the total operating cost at 100% capacity utilization, approximately 80% of revenue is the cost contribution of raw material.</p>
7.	Term Loan	<p>a. The company is planning to fund the project through term loan to setup the manufacturing unit and SBI has sanctioned INR 8.00 Crores and the company is approaching the financial institutions to provide the remaining required capital of INR 4.00 Crores.</p> <p>b. As per the discussion with the client, company will apply for the loan to procure plant and machinery which is estimated to be costing around INR 18.41 Crores.</p> <p>c. The tenure of the loan will be 8 years and Interest rate has been considered as 9%.</p> <p>d. Also the loan repayment period will be from FY 2023-24 to FY 2031-32.</p> <p>e. The company will be required a Fund Based Cash Credit Limit of INR 2.00 crores from FY 2023-24 onwards.</p>



Conclusion:

1. DSCR, EBITDA and EBIT margins are positive in all years starting from initial year on 60% capacity utilization which has assumed maximum up to 100% till the end of 9th year with 5% escalation rate in later years.
2. DSCR, has achieved more than 1 during the loan repayment period. Average DSCR, EBITDA margin, EBIT margin is 2.95, 6.60%, and 4.95% respectively during the estimated period.
3. The company is having a positive NPV and IRR of INR 13.70 Crore and 12.10% respectively at the base cases while it may vary with changes in the assumptions & micro and macro-economic trends considered as on date.
4. Based on the above key financial ratios of the proposed Project during the forecast period shows that the project looks financially viable if the Project Company & promoters are able to maintain minimum capacity utilization, revenue and can contain cost as assumed above.



PART M

CONCLUSION

Based on the technological, economical and market analysis done above, various assumptions of sectoral trends taken, product pricing to be adopted by the company, the Project appears to be Techno-commercially viable subject to the risks, threats, weaknesses, limitations of the product as detailed previously.

As per financial projections for the estimated period, **Average DSCR, EBITDA Margin and EBIT Margin** of the project are **2.95, 6.60% and 4.95%** respectively, where higher DSCR is the indicator of the project capability to pay out its outstanding debt and EBITDA margin shows the capability of the project to generate the operating profits over the forecasted period.


The expanded manufacturing facility is having a positive **NPV and IRR** as **INR 13.70 Crore positive** and **12.10%** respectively at a 60% capacity (base case) utilization initially and 1.0% expected terminal growth rate as the industry is expectedly growing at a CAGR of 3-5.5% during the forecasted period. While it is not avoidable that the future projections may change in the upcoming years due to various factors impacting the operation, managerial, financial efficiency and economies of scale of the project.

While it would be depending on the management's capability in future that how efficiently company adopts marketing and advertisement strategy, supply chain and carry out inventory & resource management to achieve higher profitability. Company is yet to identify its key customers and to form strategic planning for tie-up & product promotion with overseas and domestic customers for selling & distribution of its product which remains a major concern. Bank/ Financial Institution is advised to take firm plan from the company in this regard before taking any decision.

After considering the foreseen demand of the plastic and by-products domestically and globally, various initiatives taken by government, financial analysis of the project based on the assumptions taken over the projected period, it appears reasonable to comment that the proposed project is "**Technically and Economically**" Viable subject to current assumptions considered and occurring the same in the upcoming years same as the forecasted period which is dependent on the sincerity and efforts of the management and various micro and macroeconomic & industry situation.

We have tried our level best to analyse the Project techno-economic feasibility of the Project based on the Industry research, Project information and various futuristic assumption taken. However achieving the financial milestones depends on the ability, sincerity and efforts of the company, promoters and its key managerial performance.



Declaration	i. The undersigned does not have any direct/indirect interest in the above property. ii. The information furnished herein is true and correct to the best of our knowledge, logical and scientific assumptions. iii. This TEV Report is carried out by our Financial Analyst team on the request from State Bank of India, SME, Muzaffarnagar . iv. Meeting of Financial projections will be subject to subject to the market & economy stability factors, judicious business operations and proper & timely implementation of its process & product re-engineering & improvements plans for achieving high productivity, efficiency and achieving cost saving benefits. v. We have submitted TEV report to the Client.	
	Name & Address of consultant company M/s. R.K. Associates Valuer & Techno Engineering Consultants Pvt. Ltd. D-39, 2 nd Floor. Sector-2, Noida- 201301	Signature of the authorized person 
Enclosed Documents	Disclaimer & Remarks 75-78	
Number of Pages in the Report	78	
Financial Analyst Team worked on the report	PREPARED BY: Mr. Rachit Gupta & Mrs. Chhavi Toshan	
	REVIEWED BY: Mr. Gaurav Kumar	

For R.K Associates Valuer & Techno

Place: Noida

Engineering Consultants (P) Ltd.

Date: 25/03/2023

(Authorized Signatory)



PART N

DISCLAIMER | REMARKS

1. No employee or member of R.K Associates has any direct/ indirect interest in the Project.
2. This report is prepared based on the copies of the documents/ information which the Bank/ Company has provided to us out of the standard checklist of documents sought from them and further based on our assumptions and limiting conditions. The client/owner and its management/representatives warranted to us that the information they supplied was complete, accurate and true and correct to the best of their knowledge. All such information provided to us has been relied upon in good faith and we have assumed that it is true and correct in all respect. I/We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the owner, company, its directors, employee, representative or agents. Verification or cross checking of the documents provided to us from the originals or from any Govt. departments/ Record of Registrar has not been done at our end since this is beyond the scope of our work. If at any time in future, it is found or came to our knowledge that misrepresentation of facts or incomplete or distorted information has been provided to us then this report shall automatically become null & void.
3. Legal aspects for e.g. investigation of title, ownership rights, lien, charge, mortgage, lease, sanctioned maps, verification of documents, etc. have not been done at our end and same has to be taken care by legal expert/ Advocate. It is assumed that the concerned Lender/ Financial Institution has satisfied them with the authenticity of the documents, information given to us and for which the legal verification has been already taken and cleared by the competent Advocate before requesting for this report. I/ We assume no responsibility for the legal matters including, but not limited to, legal or title concerns.
4. This report is a general analysis of the project based on the scope mentioned in the report. This is not an Audit report, Design document, DPR or Techno feasibility study. All the information gathered is based on the facts seen on the site during survey, verbal discussion & documentary evidence provided by the client and is believed that information given by the company is true best of their knowledge.
5. This Techno Economic-Viability study is prepared based on certain futuristic assumption which are intra dependent on economic, market and sectorial growth condition in future and socio-economic, socio-political condition at macro and micro level.



6. Meeting of assumption and financial ratio will entirely depend on the sincerity and efforts of the company, promoters and its key managerial performance.
7. All observations mentioned in the report is only based on the visual observation and the documents/ data/ information provided by the client. No mechanical/ technical tests, measurements or any design review have been performed or carried out from our side during Project assessment.
8. Bank/FII should **ONLY** take this report as an Advisory document from the Financial/ Chartered Engineering firm and its specifically advised to the creditor to cross verifies the original documents for the facts mentioned in the report which can be availed from the borrowing company directly.
9. In case of any default in loans or the credit facility extended to the borrowing company, R.K Associates shall not be held responsible for whatsoever reason may be and any request for seeking any explanation from the employee/s of R.K Associates will not be entertained at any instance or situation.
10. The documents, information, data provided to us during the course of this assessment by the client are reviewed only up to the extent required in relation to the scope of the work. No document has been reviewed beyond the scope of the work.
11. This report only contains general assessment & opinion as per the scope of work evaluated as per the information given in the copy of documents, information, data provided to us and/ and confirmed by the owner/ owner representative to us at site which has been relied upon in good faith. It doesn't contain any other recommendations of any sort including but not limited to express of any opinion on the suitability or otherwise of entering into any transaction with the borrower.
12. We have relied on data from third party, external sources & information available on public domain also to conclude this report. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and /or reproduced in its proper form and context, however still we can't vouch its authenticity, correctness or accuracy.
13. This Report is prepared by our competent technical team which includes Engineers and financial experts & analysts.



14. This is just an opinion report and doesn't hold any binding on anyone. It is requested from the concerned Financial Institution which is using this report for taking financial decision on the project that they should consider all the different associated relevant & related factors also before taking any business decision based on the content of this report.
15. All Pages of the report including annexure are signed and stamped from our office. In case any paper in the report is without stamp & signature then this should not be considered a valid paper issued from this office.
16. Though adequate care has been taken while preparing this report as per its scope, but still we can't rule out typing, human errors, over sightedness of any information or any other mistakes. Therefore, the concerned organization is advised to satisfy themselves that the report is complete & satisfactory in all respect. Intimation regarding any discrepancy shall be brought into our notice immediately. If no intimation is received within **15 (Fifteen) days** in writing from the date of issuance of the report, to rectify these timely, then it shall be considered that the report is complete in all respect and has been accepted by the client up to their satisfaction & use and further to which R.K Associates shall not be held responsible in any manner.
17. Defect Liability Period is **15 DAYS**. We request the concerned authorized reader of this report to check the contents, data and calculations in the report within this period and intimate us in writing if any corrections are required or in case of any other concern with the contents or opinion mentioned in the report. Corrections only related to typographical, calculation, spelling mistakes, incorrect data/ figures/ statement will be entertained within the defect liability period. Any new changes for any additional information in already approved report will be regarded as additional work for which additional fees may be charged. No request for any illegitimate change in regard to any facts & figures will be entertained.
18. R.K Associates encourages its customers to give feedback or inform concerns over its services through proper channel at valuers@rkassociates.org in writing within **15 days** of report delivery. After this period no concern/ complaint/ proceedings in connection with the Techno- Economic Viability Study Services will be entertained due to possible change in situation and condition of the subject Project.
19. Our Data retention policy is of **ONE YEAR**. After this period, we remove all the concerned records related to the assignment from our repository. No clarification or query can be answered after this period due to unavailability of the data.



20. This Techno Economic Viability Study report is governed by our (1) Internal Policies, Processes & Standard Operating Procedures, (2) Information/ Data/ Inputs given to us by the client and (3) Information/ Data/ Facts given to us by our field/ office technical team. Management of R.K Associates never gives acceptance to any unethical or unprofessional practice which may affect fair, correct & impartial assessment and which is against any prevailing law. In case of any indication of any negligence, default, incorrect, misleading, misrepresentation or distortion of facts in the report then it is the responsibility of the user of this report to immediately or at least within the defect liability period bring all such act into notice of R.K Associates management so that corrective measures can be taken instantly.
21. R.K Associates never releases any report doing alterations or modifications from pen. In case any information/ figure of this report is found altered with pen then this report will automatically become **null & void**.
22. If this report is prepared for the matter under litigation in any Indian court, no official or employee of R.K Associates will be under any obligation to give in person appearance in the court as a testimony. For any explanation or clarification, only written reply can be submitted on payment of charges by the plaintiff or respondent which will be 10% of the original fees charged where minimum charges will be Rs. 15,000/.

