

Nation-wide
Lockdown.
Paper Mills
to bear
heavy losses
P28



Supply Chain
derailed,
Machines
Stop
Production
P28

Ghaziabad | March-April 2020 | Volume 4, Issue 2 | Pages 56+6 (Cover)

Annual Subscription: INR 500

THE PULP AND PAPER TIMES

A Bi-Monthly Magazine on Paper, Allied and Converting Industry www.thepulpandpapertimes.com

**SRNL:
The
New
BOSS**

**In
Writing &
Printing
Paper
Segment**



Paper Quality
Decides the Future
Business -
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Covid-19: Approx INR
4,000 Cr. loss in the
Packaging Industry... **36**

India Mirror

“Our target is to become a leading player in writing & printing paper segment in the western part of India”

- Siddharth Chowdhary

“We are planning to launch our own A4 size paper and our target is to build a good brand image in the copier segment also”

Shree Rama Newsprint Ltd. (SRNL) is one of India's largest recycled paper based writing & printing paper and newsprint manufacturer. The manufacturing plant of the company is located at Barbodhan [District-Surat] in Gujarat. The Pulp and Paper Times got the opportunity to interact with Mr. Siddharth Chowdhary, Whole-Time Director at Shree Rama Newsprint Limited. Here are the excerpts of his face to face conversation:

Q. Please share the details of your upcoming Expansion Plan?

We are one of the largest newsprint paper mill of India. Nevertheless, we have decided to shift from newsprint to writing and printing (W&P) paper. It has been a year since we shifted one of the machines to W&P production, and we had taken shutdown of the PM 2 in January 2020 for revamp and it was fully erected prior to lock down on March 25, 2020. We will commence production on it once the COVID-19 situation improves and suppliers are in a position to visit plant for commissioning. Our target is to become a leading player in W&P in the western part of India and we like to cater to the export market as well because SRNL is only 20 kilometres from the Hazira port.

Post revamp/modernisation we will be one of the largest recycled paper-based paper mill producing writing & printing paper and will thus be among few large players in India.

Q: You have converted your whole production capacity from newsprint to writing and printing paper. What difficulty did you see in the market, which compel you to shift from newsprint to W&P?

Demand for newsprint has been declining. The price fluctuation in the industry has been so volatile that SRNL and newsprint players in India have suffered huge losses. Even after the 5 % import duty from 2020 budget [reduced from 10 % imposed in 2019 budget] , the prevailing prices are still not viable so we opted to shift our focus on W&P and this is our compulsion. We are very happy to be a recognized player in the W&P market; it is a larger market, provides opportunity to develop different product mixes, the customer profile is diverse, and there are export opportunities as well. We want to export our paper to various countries in Africa and to the Middle East. We are not restricting ourselves to any GSM range. We want to be a customer centric player. We are manufacturing writing & printing paper from 48 to 90 GSM with brightness level of 75% to 90%. In the future, we are planning to launch our own A4 size paper and our target is to build a good brand image in the 'copier segment' also.

Q: What is your export market Target?

We will be exporting approximately 50 percent of our production because there has been a great demand in overseas markets. Buyers have appreciated our quality in lower GSMs. Our aim is to target the textbooks markets in Europe and America. We manufacture from recycled paper

and these markets demand environment-friendly paper and the customer is willing to pay a premium for the same. We have changed our brand – logo and tagline- to signify environment-friendly products.

Q: Are you planning to set up any new plant anywhere in India?

The existing plant is fairly large and we are situated at a strategic location in Gujarat. We will expand in the future at the existing location because we have 230 acres of land in the premises and we have just utilized part of the land only. There is enough land available to become the largest paper facility in western India.

Q: Packaging & Tissue Paper segments are growing very well, are you planning to come into these segments also in coming time?

As a group, we are very keen to invest in manufacturing facilities and we are fairly large player in starch. We are keen to invest in Shree Rama and launch new product lines in future but our primary target for the next six months is to stabilize and focus on writing and printing segment. We will surely look at different grade of paper like packaging and tissue eventually.

Q: There has been an anti-dumping duty levied on the copier paper if anybody imports the paper in A4 sheet below of the bench mark price that is 855 USD /MT set up by the Government, Is this duty proving beneficial for the paper industry?

It is beneficial for the paper industry because after 70 years of gaining independence, if we are not able to produce enough commodities like paper. The government is taking the right steps by forcing the Indian paper manufacturers to improve their quality.

Q: Cheap imports are also creating hurdle for writing & printing paper manufacturers. Industry has been continuously requesting government to impose duty, now you are expanding, don't you think in future, you may face the competition from International paper suppliers?

I don't think so; if the international paper prices are falling so are the pulp prices. Yes, our trade associations have been urging the government to protect the interest of Indian paper mills as they are giving jobs to thousands of people and we want to support the government's Make-in-India initiative.

Q : How much investment you are going to invest in this machine rebuild?

We are close to an investment value of INR 150 crores for the entire rebuild. We have already undergone the rebuild process and our initial aim is to produce good quality of W&P paper from the lowest to the highest GSMs. The PM I revamp is done by various reputed machinery supplier including Voith, Valmet, ABB, Siemens, DNB, Saloni, Globe etc.

Q: Post Covid19, how do you predict writing and printing paper market?, and do you think paper consumption will be affected due to digital platforms?

Much will depend on resolution of COVID -19 problem and it will be difficult to predict the same. We hope normalcy is restored at the earliest without loss of lives and further disruption in trade and industry. The consumption of newsprint has been affected by digital platforms abroad as young people prefer to read news online but the same is not the case in our country. But in the case of writing & printing paper, the consumption will increase, taking a holistic view, as there is a huge demand for educational material in a young country like ours, where 65% of the population is below age of 25, however it will be impacted in FY 2020-21 due to COVID-19.

Q: Shree Rama Newsprint is making paper out of recycling paper, under COVID-19 pandemic, import of high-grade recovered paper hampered and waste paper collection system also affected due lockdown worldwide, Waste Paper price already get hiked by

almost 10 to 15%, Due you think that the INPUT cost of the paper manufacturers will get a hike and the price of finish paper will be increased? if yes then how much price hike do you expect?

There will be impact on collection of waste paper globally including our country but it would be a short-term phenomenon as situation will soon become normal. It is difficult to predict pricing of inputs and finished goods at this time. Migration of labor will impact all segments including integrated mills also as paper industry is labor intensive.

Q: If We evaluate the post-Covid-19 situation, Paper Mills are running short of cash or finding difficulty to manage the operational expenses. What sort of support do you expect from the government and traders community to put the operation back on the track?

We hope the government will come out with massive relief package to kick start the economy other than some reliefs in rescheduling of loans announced by RBI. We also expect government to trust the trade and industry and pro-revenue approach has to be replaced with trade / industry friendly approach in wider public interest. There is no point in forcing trade and industry to pay wages during close down when there is no revenue / generation of cash. Payment of taxes has to be deferred without interest till normalcy returns.

Another Paper mill in Hosur : A 100 TPD production started



Hosur | 13th March 2020 | The Pulp and Paper Times:

Owing to the rising population, increasing income levels, changing lifestyles, and growing economy, the demand for e-commerce packaging is growing in India. The country is focusing more on sustainable solutions, which is increasingly becoming a business imperative. "Rising demand of safe and cushioned packaging of the product along with the rise in FMCG, home & personal care goods, electronic goods industries has driven the growth of corrugated boxes in the country". says Mr. Dilip Kumar, Director at VVG Paper Industry Pvt. Ltd., a newly started paper mill.

VVG paper Industry is having 100 tpd double wire kraft paper machine situated at Hosur, Tamilnadu. "We are very excited to have become the member of Indian Paper industry. In January, we started our Production of 100 TPD manufacturing fluting media and packaging paper for combating the local demand" Mr Kumar said.

VVG has sourced all plants and machinery from JMC Papertech from Ahmedabad. "The framing of machine has also been done by JMC and we are very much satisfied with their professional approach of handling a project," Mr. Kumar Explained.

VVG Paper is producing 120 to 240 GSM paper on 3.2 meter finished deckle machine, which has speed between 250 to 300 m/min.