



Suryatara Cement Udhyogh Pvt. Ltd.



Background

Suryatara Cement Udhog is the sole cement industry in Karnali and Sudurpashchim province of Nepal with robust production capacity of 2995 tons per day (TPD) for cement and clinker. Strategically located near major hydropower projects such as Betan Hydroelectricity Project (BKHEP), West Seti Hydroelectric Project (Paschim Seti), and Phukot Karnali Hydroelectric Project, the industry anticipates significant growth. Its output will facilitate large-scale infrastructure development in Karnali and Sudurpashchim regions of Nepal, leveraging locally sourced limestone to offer competitively priced cement. The project has recently completed land acquisition, boundary fencing, and electricity connections with plans to finish construction over the next three years.



Sector
Industry



Location
Chaukune Rural Municipality
Surkhet District, Karnali Province



Area
30.48 hectares

Salient Features

- Robust production capacity of 2995 TPD
- Strategically located near major hydropower projects providing a locational monopolistic market advantage
- Proximity to raw materials (approximately 25 km from mines to factory) lowering production and delivery costs while ensuring financial viability for investors
- Leveraging locally sourced limestone to offer competitively priced cement

Project Components



Fully Automated
Plant



Quality Cement
at the Best Price

Project Outcomes



Employment
Generation



Economic
Growth



Cement supply &
cost reduction



Infrastructure
Development



Technology transfer
and innovation in
local industry



Social welfare
and community
development



Attract other new
investors



Regional economic
diversification

Financial Indicators

Estimated Project Cost

NPR 16.19 billion

\$122.6 million



Project IRR
18.65 %
20 years project life



NPV
9.6 Billion NPR
(\$72.7 Million)



Discounted Pay-back period
8 years & 4 months



Pay-back period
5 years & 8 months



Debt to Equity Ratio
80:20



Debt Service Coverage Ratio
1.94



Loan Interest Rate
12%

Note: 1 USD = NPR 132.08 (2023)

(Information is based on Detail Project Report prepared in 2023)

Project Implementation Modality



Private Investment

Seeking for Project Finance

Project Implementation Timeline



Additional Information

Company possesses two high-grade limestone mines, two red clay mines, and one iron ore mine with drilling work, mining scheme submission and IEE approval completed for one of the limestone mines. As for the second limestone mine, drilling work is completed with mining scheme and IEE approval in progress.

A tentative layout for the factory has been completed with the company planning to finalize financial closure with the bank and commence construction work within a few months.

- Pre-construction activities completed so far:
- land procurement
- boundary fencing
- site office construction
- Initial Environmental Examination (IEE)
- factory site geological investigation,
- crusher plant establishment for civil works

Relevant Agencies

- Investment Board of Nepal
- Department of Mines and Geology
- Department of Industry
- Ministry of Forest and Environment

About the Agency

Company promoters are currently engaged in various sectors such as cement manufacturing, hydroelectric projects, hotels, business complexes, trading, and manufacturing of electronic items in Nepal with a stellar track-record of company management. Additionally, the promoters have a wide network throughout the country, which will help facilitate procurement, marketing, and distribution of the product.

Point of Contact

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