



# NEPA LTD : NEPANAGAR

## FROM THE CHAIRMAN

I on my behalf and on behalf of Board of Directors, extend a hearty welcome to all of you to the 69<sup>th</sup> Annual General Meeting of the Company.

The Directors' Report on the working of the Company, Financial Statement for the year 2015-16, Statutory Auditor's Report and C&AG comments are already before you and with your permission, I presume these having been read.

### **Highlights of the Operations**

Global economy is passing through a difficult phase and remained on a weak & uncertain footing throughout the year. Let me begin by sharing with you the highlights of the performance during the year. Due to ageing plant, production of newsprint during the year was 21825 MT only as compared to 30035 MT in the previous year showing a decrease of 27.34% and the sale was 22676 MT as compared to 30111 MT in the previous year, showing a decrease of 24.69%. Sales prices also remained depressed during the year. Average sales realization was Rs. 25291/- PMT only as compared to Rs. 27802/- PMT in the previous year.

All out efforts were made to run both the paper machines on sustained basis, to ensure maximum capacity utilization. However, due to ageing plant, normal efficiency could not be achieved and capacity utilization was 24.80% only against 34.13% during the previous year. Total revenue during the year was Rs. 8006.48 lakhs against Rs. 11490.09 lakhs during the previous year.

Some of the other activities undertaken during the year are:-

### **MoU Signed With DHI**

MoU (Memorandum of Understanding) for the financial year 2015-16 was signed with the Department of Heavy Industry on 31.03.2015. MoU targets however could not be achieved due to lower performance of the ageing plant. MoU for the financial year 2016-17 is to be signed soon.

### **RMDP (Revival & Mill Development Plan):**

The RMDP consisted of the following major activities:

- (a) Installation of 300 TPD De-inking Plant (DIP)
- (b) Refurbishment of both Paper Machines

- (c) Renovation of 12.27 MW Power Plant
- (d) Installation of New 9 MW Plant

**Present status of RMDP:**

As per the sanctioned scheme, the plant & machinery was to be commissioned within 24 months i.e. upto 04.03.2016. The work on site is progressing with regular monitoring by the PMC, Company Management and the Deptt. of Heavy Industry. But due to certain unavoidable circumstances, the Revival & Mill Development Plant (RMDP) is now expected to complete by March 2017.

**Environment Clearance**

- Environment clearance (CTE-expansion) from MPPCB, Bhopal was received on 06.02.2016.

**De-inking Plant (DIP):**

- Supplies of the equipment have already been received at site.
- Civil & PEB (Pre-engineered Building) works of DIP & RMS (Raw Material Storage) building are likely to be completed by December 2016.
- DIP would be commissioned by Mar 2017.

**Refurbishment of Paper Machines:**

- Both the machines have already been handed over for refurbishment work. Refurbished Paper Machines would be commissioned by December 2016.

**Renovation of 12.27 MW Captive Power Plant:**

- Works have been awarded on 30.06.2016.
- All out efforts are being made to commission the renovated Captive Power Plant by 31<sup>st</sup> March 2017.

**Installation of new 9 MW Captive Power Plant**

- Decision was taken to refurbish existing 132 KV Sub-station instead of installing new 9 MW CPP, to draw balance power from the Grid.

**Refurbishment of 132/6.9 KV Sub-Station:-**

- Existing 132/6.9 KV Sub-station has been revamped and connection for 2 MW power has been taken. Sub-station has been energized on 26.08.2016. This is first of the project to be Completed under RMDP and would result in a saving of Rs. 30 lakhs per month approx during the execution stage of RMDP.

**Corporate Governance:**

Your Company is ensuring compliance with the guidelines of Corporate Governance as applicable to the Company.

**Social Responsibility**

Your Company is committed to maintain highest standard of safety and social responsibility in its business activities. To cater to important needs of the society and to contribute to the development of the Community, we endeavor to make a positive contribution to the Communities in the nearby areas by providing, water, health and education facilities.

Before I conclude, I would like to express my gratitude to the shareholders, who have remained with the company without receipt of any dividend due to continuous losses suffered by the Company. I am also thankful for the support and co-operation received from the Government of India, Government of MP, Office of Comptroller and Auditor General of India, Statutory Auditors, Cost Auditors, Consortium of Banks, District Administration, Customers and Suppliers.

I wish to place on record my thanks and appreciation for the hard work put in through dedication by all our employees in whatever positions they are engaged, in order to keep the Company operative and for the implementation of on goings Revival & Mill Development Plan.

I am confident that with the continued support and co-operation from all of you in the near future, the Company will regain its past profitable status..

Best Regards,

**Cmde A N Sonsale**  
**Chairman-cum-Managing Director**