



# From The Chairman

**Cmde A.N. Sonsale**  
**CMD**

I on my behalf and on behalf of Board of Directors, extend a hearty welcome to all of you to the 71<sup>st</sup> Annual General Meeting of the Company.

The Directors' Report on the working of the Company, Financial Statement for the year 2017-18, 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**

During the year the resources and personnel of the company remained engaged with activities related to RMDP.

The plant was handed over to the contractors with effect from 25<sup>th</sup> July 2016 for modernization work. As such the production was Nil for the year under consideration as compared to 4493 MT in the previous year and the sale was also Nil as compared to 8043 MT in the previous year. As such, the company was kept out of the MoU (Memorandum of Understanding) mechanism for the financial year 2017-18 on account of the factory being under modernization.

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

Significant progress has been achieved in the ongoing modernization project of the mill. Out of the major components, De-inking plant equipment has been received on site. The civil works for the new building is near completion. Both the paper machines have been dismantled and majority of consignments for their refurbishment have arrived at site. The power plant has been dismantled and partial consignments have arrived at site. Renovation of existing 132 KV substation has been completed and the same is being exploited for drawing power from the Grid.

However, with the progressing of balance tenders and price discovery the cost estimates have gone upto Rs. 434 Crores as compared to Rs. 399 Crores reported in the 70<sup>th</sup> Annual report. A cabinet proposal for sanction of these funds alongwith salary support and other assistance is being progressed at Govt. of India and is expected to be sanctioned shortly. In the interim, the project activities have been put on hold as decided by Board of Directors to conserve resources and restrict the liability.

On receipt of Govt. sanction, the project activities would be restarted and RMDP is expected to be completed within one year of release of funds.

## **Transfer of Civic Amenities , Social Welfare Functions And Surplus Land:**

As per direction received from the PMO, the Civic amenities such as drinking water supply distribution, street light and sanitation services have been transferred to Nepa Nagar Parishad. Social welfare functions such as School and Hospital are also being transferred to Govt. of M.P. On transfer of these services, it is expected that corresponding revenue load will be reduced from your Company and will help in regaining its competitiveness in future.

## **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 in every possible way.

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 in this very difficult phase of the company's life.

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

**Best Regards,**

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