



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 72nd Annual General Meeting of the Company.

The Directors' Report on the working of the Company, Financial Statement for the year 2018-19, 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 25th July 2016 for modernization work. As such the production was Nil for the year under consideration and the sale was also Nil.

The company has requested DHI to keep our company out of the MoU (Memorandum of Understanding) mechanism for the financial year 2018-19 on account of the factory being under modernization. Same is under consideration by DHI

Revival & Mill Development Plan (RMDP):

A revised support package for your company was sanctioned by the GoI on 3rd October, 2018 with a total value of Rs. 469.41 Cr. that include Rs. 277 Cr towards revised cost of RMDP, Rs, 101.58 Cr. towards salary support and statutory dues and Rs. 90.83 Cr. towards Voluntary retirement of 400 employees.

The RMDP has since been reactivated and Significant progress has been achieved in the ongoing modernization project of the mill. Out of the major components, De-inking plant, both the paper machines and power plant erection is in progress Work for new effluent treatment plant has commenced. This would ensure meeting of higher environmental standards promulgated by pollution control board including zero liquid discharge. Real time online monitoring system for boiler emission is being installed and chimney height is being doubled that would ensure that Nepanagar environment remains protected.

The progress of RMDP is being monitored by regular visits of a technical committee appointed by DHI and high level monitoring committee under the Chairmanship of Additional Secretary and Financial Advisor of the Dept of Heavy Industries.

On completion of the RMDP, company will be able to manufacture 100000 TPA of Newsprint of higher brightness and also the Writing & Printing Paper and expects to become self sustaining. Management of your company is making all efforts to complete RMDP and to commence production at the earliest.

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. As a part of this ongoing restructuring exercise Nepa Higher Secondary School has been closed. Process of closing down the Nepa hospital has been initiated.

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 during over 3 decades of loss making operations. 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, Suppliers and all the national and international companies that are participating in ongoing modernization project of your company.

I wish to place on record my thanks and appreciation for the dedicated hard work put in by all our employees in whatever positions they are engaged, in keeping the Company operative and progressing our project work despite various constraints.

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 pride and self sustaining status.

Best Regards,

Cmde A N Sonsale
Chairman-cum-Managing Director