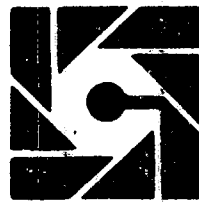


**5th Annual Report  
1996-97**

MD		ERC	
CS		DPY	
RO		DIV	
TRA		AG	
AGM			
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**CORAL**

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**CORAL NEWSPRINTS LTD.**





## CORAL NEWSPRINTS LTD.

### Board of Directors:

Shri Chetan P.S. Chauhan	-	Chairman
Shri P.P.S. Chauhan	-	Whole-time Director
Shri Ajai Vir Singh	-	Whole-time Director
Shri Yogesh Alawadi	-	Whole-time Director
Shri Vivek Agarwal	-	Director (Till 3.9.97)
Shri Subhash Chand Jain	-	Director
Shri T.C. Gupta	-	Director
Shri G.K. Tandon	-	Director
Shri Ram Avtar Bansal	-	Director
Shri Atul Kumar Jain	-	Director

### Auditors :

Ajay Jain & Co.  
Chartered Accountants  
31/46-A, Arya Samaj Road,  
Agarwal Market,  
Muzaffarnagar (U.P.) 251 001

### Corporate Office :

C-190, Madhuban,  
Delhi - 110 092  
Ph. 2208034, 2423480  
Fax : 2213870

### Bankers :

- (1) Punjab National Bank  
Preet Vihar,  
Delhi.
- (2) Punjab National Bank  
Industrial Area Branch,  
Gajraula - 244 235

### Factory :

4 K.M. Stone,  
Delhi Road, Gajraula-244235  
Phone: (05927) 52320, 52526,  
52527

### Registered Office :

A-138, Vikas Marg,  
Shakarpur,  
Delhi - 110 092  
Ph. 2429586

### Registrar & Transfer Agents :

Sun Grow Data Soft (P) Ltd.  
313/71, Anand Nagar, Inderlok  
Delhi-110 035  
Ph. 5436020, 5440959  
Fax : 5436020



## CORAL NEWSPRINTS LTD.

### NOTICE

NOTICE is hereby given that the FIFTH ANNUAL GENERAL MEETING of Shareholders of CORAL NEWSPRINTS LIMITED will be held on TUESDAY, 30th September, 1997 at 9.30 A.M. at the Community Centre A.G.C.R. Enclave, Delhi - 110 092 to transact the following business :

#### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 1997, Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Chetan P.S. Chauhan who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Shri Atul Kumar Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

#### SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to section 293(1)(d) and other applicable provisions of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time any sum or sums of monies on such terms and conditions and with or without security as the Board of Directors may think fit which, together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate for the time being of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any time exceed the limit of Rs. Seven Hundred Fifty (750) lacs.

AND RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds and things as may be necessary desirable or expedient to give effect to this Resolution."

#### NOTES:

1. The Explanatory Statement pursuant to Section 173 (2) is enclosed and form a part of this notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT



## CORAL NEWSPRINTS LTD.

THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

3. The Register of Members and the Share Transfer Books of the company will remain closed from 22nd September to 29th September, 1997 (both days inclusive). The relevant records of the Company will be open for inspection by members as per provisions of the Companies Act, 1956 on any working day between 10.00 A.M. to 12.00 Noon.
4. Members desiring any information on the Accounts are requested to write to the Company atleast 10 days prior to the date of the meeting to enable the Management to keep the information ready.
5. Members are requested to bring their copies of the Annual Report to the Meeting.

By Order of the Board

Regd. Office :  
A-138, Vikas Marg,  
Shakarpur, Delhi-110 092

(P.P.S. CHAUHAN)  
DIRECTOR

Dated: 4th September, 1997.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT 1956

#### ITEM NO. 5

Section 293(1)(d) of the Companies Act, 1956, requires the consent of the Members in the General Meeting for authorising the Board of Directors to borrow monies (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of the paid-up capital and free reserves.

In view of the growing operations the company requires additional funds from time to time. It is therefore recommended to increase the borrowing powers of the Board of Directors to Rs. Seven hundred fifty (750) lacs.

None of the Directors of the Company is concerned or interested in the resolution.

By Order of the Board

Regd. Office:  
A-138, Vikas Marg,  
Shakarpur, Delhi-110 092

(P.P.S. CHAUHAN)  
DIRECTOR

Dated : 4th September, 1997.



## CORAL NEWSPRINTS LTD.

### DIRECTORS' REPORT

To

The Members,

Your Directors have immense pleasure in presenting the 5th Annual Report on the working results of the Company, together with the Audited Statement of Accounts for the year ended March 31, 1997.

#### FINANCIAL RESULTS

The summarised Financial Results for the year ended 31st March, 1997 are given below:-

	(Rs. in lacs)	
	1996-97 year ended 31.3.97	1995-96 year ended 31.3.96
Gross Revenue	<u>919.87</u>	<u>1224.73</u>
Gross operating profit	60.90	129.31
Less Interest & Financial Charges	80.45	68.42
Less Depreciation	<u>32.61</u> (52.16)	<u>21.28</u> 39.61
Less Preliminary Exp. Written off	<u>3.57</u>	<u>3.57</u>
Profit/(Loss) after tax	(55.73)	36.04

#### FUTURE PLANS

The Company has already installed Dandy Roll to complete the U.P. Govt. order vide Notification No. 24/SPS-T-323 (M) dated 12.5.97 with Director of Industries, Store Purchase Section, Kanpur.

By operating Dandy Roll the Company will also be manufacturing Azure Laid paper for better market realisation. Apart from this the Company can also supply the paper to Govt. Departments to curtail competition in the local market.

#### COMPARISON OF PROJECTIONS AND ACTUALS

Pursuant to **Clause 43** of the Listing Agreement, a statement showing the variation of projected and actual profitability statement (made in prospectus for the year under review) is annexed hereto as Annexure-I to the Report.

#### PARTICULARS OF EMPLOYEES & DISCLOSURE OF INFORMATION

During the year under report, there is no employee in respect of whom the particulars are required to be disclosed under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules 1975.

The information as per the Companies (Disclosure of Particulars in the Report of Directors) Rules 1988, is annexed at Annexure -II.



## CORAL NEWSPRINTS LTD.

### DIRECTORS

The following Directors retire from the Board by rotation at the 5th Annual General Meeting and being eligible offer themselves for re-election.

Shri Chetan P.S. Chauhan

Shri Atul Kumar Jain

Shri Vivek Agarwal resigned from the Directorship of the Company w.e.f. 3.9.97. which had been accepted by the Board. Your Directors wish to place on record their appreciation of Shri Vivek Agarwal's contributions to the growth of your Company.

### AUDITORS

The Auditors of the Company M/s Ajay Jain & Company who hold office till the conclusion of the ensuing Annual General Meeting and being eligible, for re-appointment. You are requested to appoint auditors until the conclusion of next Annual General Meeting and fix their remuneration.

### ACKNOWLEDGEMENT

The Board of Directors place on record their gratitude to the Pradeshia Industrial & Investment Corporation of U.P. Ltd. (PICUP), Uttar Pradesh Financial Corporation (UPFC), Punjab National Bank and other Government and Semi-Government authorities. Your Directors also wish to place on record the appreciation of the sustained efforts co-operation and assistance of all employees in the performance of the Company.

For and on behalf of Board of Directors

Place : Delhi

Dated : 4th September, 1997

(CHETAN P.S. CHAUHAN)  
CHAIRMAN

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### ANNEXURE - I (DIRECTORS' REPORT)

#### STATEMENT SHOWING VARIATIONS BETWEEN PROJECTED AND ACTUAL PROFITABILITY FOR THE YEAR 1996-97

			(Rs. in lacs)
	PROJECTION AS PER PROSPECTUS	ACTUALS	VARIATIONS
Sales (Rs.)	1508.18	919.87	588.31
Profit before Intt. & Dep.	247.88	57.33	190.55
Interest	75.95	80.45	(4.50)
Depreciation	30.35	32.61	(2.26)
Profit/(Loss) before/After Tax	141.58	(55.73)	197.31
Profit/(Loss) after Tax	129.97	(55.73)	185.70

**CORAL NEWSPRINTS LTD.**

Operating results have deviated from projections as the paper industry has been under tremendous pressure due to the extreme recessionary conditions that have prevailed throughout 1996-97.

**ANNEXURE - II**

**INFORMATION UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS  
IN THE REPORT OF DIRECTORS) RULES, 1988**

**A. Conservation of energy****(a) ENERGY CONSERVATION MEASURE TAKEN**

The energy conservation measures have been further improved by installing capacitors, devices and converting the boiler into Fluidised bed.

**(b) ADDITIONAL INVESTMENTS AND PROPOSALS BEING IMPLEMENTED**

Additional investments on similar lines, will be made, as and when required for the reduction of consumption of energy.

**(c) IMPACT OF MEASURES (a) and (b) ABOVE**

By adopting the above measures the consumption of fuels and electricity has been reduced.

**(d) TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM-A.****FORM - 'A'**

Form for disclosure of particulars with respect to  
conservation of energy.

	Current Year	Previous Year
<b>A. Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Unit	2955570	2929330
Total Amount (Rs.)	9986977	8910833
Rate/Unit (Rs.)	3.38	3.04
<b>(b) Own generation</b>		
<b>(i) Through diesel generator</b>		
Unit	267210	48069
Unit Per ltr. of Diesel Oil	3	3
Cost/ Unit (Rs.)	2.98	2.53
Total Cost (Rs.)	795121	121454
<b>(ii) Through Steam Turbine/Generator</b>		
Unit	-	-
Unit Per Ltr. of Diesel Oil	-	-
Cost/Unit	-	-
<b>2. Paddy Husk</b>		
Quantity (Tonnes)	1564	4961
Total cost (Rs.)	1739566	5175226
Average Rate (Rs.)	1112	1043





## CORAL NEWSPRINTS LTD.

3. Baggase		
Quantity (Tonnes)	1988	Nil
Total cost (Rs.)	571049	Nil
Average Rate (Rs.)	287	Nil
4. Furnace Oil	-	-
5. Other / Internal Generation	-	-

### B. Consumption per unit of production

Cream Wove Paper	Current Year	Previous Year
Unit	-	-
Electricity	747 unit	585 unit
Furnace Oil	-	-
Paddy Husk	0.395 M.T.	0.991 M.T.
Baggase	0.502 M.T.	-
Other	-	-

### B. Technology absorption

#### FORM 'B'

#### (e) Form for disclosure of particulars with respect to absorption

#### Research and Development (R & D)

1. Specific areas in which R & D carried out by the company.	:	Pulp Mill and Treatment of inferior Fibre areas.
2. Benefits derived as a result of the above R & D	:	Decrease in cost of production & betterment of quality
3. Future plan of action	:	Planning to introduce modern R & D Techniques in testing of raw material and quality of product.
4. Expenditure on R & D	:	<u>Current Year</u> <u>Previous Year</u>
(a) Capital	:	—      —
(b) Recurring	:	Rs.0.40 lacs      Rs.0.60 lacs
(c) Total	:	Rs.0.40 lacs      Rs.0.60 lacs
(d) Total R & D expenditure as a percentage of total turnover	:	0.04%      0.05%