

8th Annual Report

TL 1999-2000



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CORAL NEWSPRINTS LTD.

CORAL NEWSPRINTS LTD.**Board of Directors :**

Shri Chetan P.S. Chauhan	---	Chairman
Shri Pushpendra P.S. Chauhan	---	Whole-time-Director
Shri Ajai Vir Singh	---	Whole-time-Director
Shri Yogesh Alawadi	---	Whole-time-Director
Shri Subash Chand Jain	---	Director
Shri G.K. Tandon	---	Director
Shri Ram Avtar Bansal	---	Director
Shri Atul Kumar Jain	---	Director
Shri T. C. Gupta	---	Director

Factory :

4 K.M. Stone,
Delhi Road,
Gajraula-244235 (U.P.)
Phones : (05924) 53170, 53313

Auditors :

L.N. Malik & Co.
5625, Qutab Road
New Delhi-110 055
Ph. : 352 7232

Registered Office :

A-138, First Floor
Vikas Marg, Shakarpur
Delhi - 110 092
Ph. : 2213870

Bankers :

- (1) **Punjab National Bank**
Preet Vihar, Delhi - 110 092
- (2) **Punjab National Bank**
Gajraula Industrial Area,
Gajraula - 244 235 (U.P.)

CORAL NEWSPRINTS LTD.



NOTICE

NOTICE is hereby given that the **EIGHTH ANNUAL GENERAL MEETING** of Shareholders of **CORAL NEWSPRINTS LIMITED** will be held on **FRIDAY, 29th September, 2000 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, 2000, Profit & Loss A/C for the year ended on that date and the Reports of the 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 reappointment.
3. To appoint a director in place of Shri Atul Kumar Jain who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors who shall hold office from conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and 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 the provisions of Section 198, 269 and 309 and other applicable provisions, of the Companies Act 1956, the Company be and is hereby approves the re-appointment of **Shri P.P.S. Chauhan** as a Whole-Time Director of the Company w.e.f. 1st October, 2000 for a period of five years, on the terms and conditions including remuneration mentioned hereinafter, as are set out in the letter of appointment/agreement to be entered into between the Company and Shri P.P.S. Chauhan, a draft whereof is placed before this meeting and specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board of Directors and Shri P.P.S. Chauhan.

The terms & conditions/agreement are set out hereunder :

CORAL NEWSPRINTS LTD.



- a. Shri P.P.S. Chauhan shall carry out such duties as may be, from time to time, entrusted to him by the Board or a Committee of the Board of Directors.

I. Salary

In the scale of Rs. 5000-4000-20000.

II. Perquisites and Allowances

1. **Housing** : House rent allowance equivalent to 60% of the salary.
2. **Medical Reimbursement** : Expenses incurred for Mr. Chauhan and the family subject to a ceiling of one month's salary in a year or three month's salary over a period of three years.
3. **Leave Travel Concession** : For Mr. Chauhan and his family, once in a year incurred in accordance with any rules specified by the Company.
4. **Personal Accident Insurance** : Premium not to exceed Rs. 4,000/- per annum.
5. **Provident Fund** : Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
6. **Gratuity** : Shall not exceed half a month's salary for each completed year of service.
7. **Encashment of Leave** : At the end of the tenure will not be included in the computation of the ceiling on perquisites.
8. **Provision of Car** : For use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the individual appointee concerned.
9. **Inadequacy of Profits** : In case of inadequacy of profits in any financial year the remuneration and perquisites as mentioned hereinabove will be restricted to the permissible levels as per prescribed under Schedule XIII of the Companies Act, 1956.

Other Terms and Conditions

1. Mr. Chauhan will be entitled for the leave as per the policy of the Company from time to time.
2. Mr. P.P.S. Chauhan will not receive sitting fees for attending meetings of the Board of Directors of the Company.

CORAL NEWSPRINTS LTD.



3. If at any time the appointee ceases to be a Director of the Company for any cause whatsoever he shall cease to be the Whole Time Director.
4. In the event of any relaxation made by the Government in the guidelines or ceilings on managerial remuneration during the proposed tenure his appointment, the remuneration payable to Mr. Chauhan can be re-fixed as the Board may deem fit, in accordance with such guidelines.
5. The appointment may be terminated by three months notice or the Company paying three months salary in lieu thereof.
6. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Section 198, 269 and 309 and other applicable provisions, of the Companies Act 1956, the Company be and is hereby approves the re-appointment of **Shri Ajay Vir Singh** as a Whole-Time Director of the Company w.e.f. 1st Oct., 2000 for a period of five years, on the terms and conditions including remuneration mentioned for hereinafter, as are set out in the letter of appointment/agreement to be entered into between the Company and Shri Ajay Vir Singh, a draft whereof is placed before this meeting and specifically sanctioned with liberty to the Board of Directors to alter and vary the terms and conditions of the said appointment and/or agreement so as not to exceed the limits specified in Schedule XIII to the Companies Act, 1956 including any statutory modification or re-enactment thereof, for the time being in force or any amendments and/or modifications that may hereafter be made thereto by the Central Government in that behalf from time to time or any amendments thereto as may be agreed to between the Board of Directors and Shri Ajay Vir Singh.

The Terms & Conditions agreement are set out hereunder :

- a. Shri Ajay Vir Singh shall carry out such duties as may be, from time to time, entrusted to him by the Board or a committee of the Board of Directors.

I. Salary

In the scale of Rs. 5000-4000-20000.

II. Perquisites and Allowances

1. **Housing** : House rent allowance equivalent to 60% of the salary.
2. **Medical Reimbursement** : Expenses incurred for Mr. Ajay Vir Singh and the family subject to a ceiling of one month's salary in a year or ~~three~~ month's salary over a period of three years.
3. **Leave Travel Concession** : For Mr. Ajay Vir Singh and his family, once in a year incurred in accordance with any rules specified by the Company.

CORAL NEWSPRINTS LTD.



4. **Personal Accident Insurance** : Premium not to exceed Rs. 4,000/- per annum.
5. **Provident Fund** : Contribution to provident fund, superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income-tax Act.
6. **Gratuity** : Shall not exceed half a month's salary for each completed year of service.
7. **Encashment of leave** : At the end of the tenure will not be included in the computation of the ceiling on perquisites.
8. **Provision of Car** : For use on company's business and telephone at residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the company to the individual appointee concerned.
9. **Inadequacy of Profits** : In case of inadequacy of profits in any financial year the remuneration and perquisites as mentioned hereinabove will be restricted to the permissible levels as prescribed under Schedule XIII of the Companies Act, 1956.

Other Terms and Conditions

1. Mr. Ajay Vir Singh will be entitled for the leave as per the policy of the Company from time to time.
2. Shri Ajay Vir Singh will not receive sitting fees for attending meetings of the Board of Directors of the Company.
3. If at any time the appointee ceases to be a Director of the Company for any cause whatsoever he shall cease to be the Whole Time Director.
4. In the event of any relaxation made by the Government in the guidelines or ceilings on managerial remuneration during the proposed tenure his appointment, the remuneration payable to Shri Ajay Vir Singh can be re-fixed as the Board may deem fit, in accordance with such guidelines.
5. The appointment may be terminated by three months notice or the Company paying three months salary in lieu thereof.
6. To consider, and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution :

"RESOLVED THAT subject to the Section 314, and other applicable provisions, of the Companies Act, 1956, Shri Chetan P. S. Chauhan, Chairman, be and is hereby appointed as the Advisor to the Company from 1-4-2000 for a period of

CORAL NEWSPRINTS LTD.



period of three years, for rendering managerial services including boundary management to the Company at the consolidated remuneration of Rs. 75,000/- per annum plus other out of pocket expenses incurred for this purpose.

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 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 25th September, 2000 to 29th September, 2000 (both days inclusive). The relevant records of the Company will be opened 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 are requested to bring their copies of the annual report to the Meeting.
5. No gifts or cash payment will be made to Share holders/proxies for attending the A.G.M.

By Order of the Board of Directors

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(Pushpendra P. S. Chauhan)
Whole Time Director

Dated : 2nd September, 2000
Regd. Office : A-138, Vikas Marg,
Shakarpur, Delhi - 110 092

CORAL NEWSPRINTS LTD.**DIRECTORS' REPORT**

To

The Members

Your Directors have immense pleasure in presenting the 8th Annual Report on the working results of the Company, together with the Audited Statement of Accounts for the year ended March 31, 2000.

1. FINANCIAL RESULTS

The summarised Financial Results for the year ended 31 March, 2000 are given below :

(Rs. in lakhs)

	Year Ended 31st March '00	Year Ended 31st March '99
Gross Revenue	68.88	125.96
Gross Operating Profit/(Loss)	(13.58)	(217.36)
Less Interest & Financial Charges	125.42	104.35
Less Depreciation	38.49	38.61
	(177.49)	(360.32)
Less Preliminary Exp. Written Off	3.57	3.57
Profit (Loss) after tax	(181.06)	(363.89)

In view of the losses the directors do not recommend any dividend for this year

- During Financial Year 1999-2000, the Company was running the plant on D.G. Sets as U.P. State Electricity Board (UPSEB) had disconnected the Power supply w.e.f. 31-03-1999.
- With effect from October, 1999, the Company has discontinued the production of Writing & Printing Paper and has started production of News Print Paper.

1. DIRECTORS

Shri Chetan P. S. Chauhan and Shri Atul Jain, Directors of your Company retire from the Board by rotation at the 8th Annual General meeting and being eligible, offer themselves for re-appoint.

Shri P.P.S. Chauhan and Shri Ajai Vir Singh have been reappointed as Whole Time Directors w.e.f. 01-10-2000 for the next five years.

Shri C.P.S. Chauhan, Chairman of the Company has been recommended for appointment as Advisor also of the Company for the next 3 years.



CORAL NEWSPRINTS LTD.

2. FUTURE PLAN

The Company was earlier manufacturing writing & printing paper which has been discontinued for the time being. Due to good market conditions the company has shifted to manufacture of news prints required for news papers & magazines. The Company further intends to produce better quality of newsprints namely prime quality which will be substitute for imported newsprint for major newspapers of the country. The Company will keep the option to manufacture, cream Wove paper if market becomes attractive.

3. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, R & D CELL AND FOREIGN EXCHANGE EARNING AND OUTGO

The details required under the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1998 are annexed to this report as **Annexure-I**

4. AUDITORS

M/s. Ajay Jain & Company, Chartered Accountants submitted their resignation during the year and M/s. L N Malik & Company, Chartered Accountants are appointed in their place who will hold office till the conclusion of the ensuing Annual General Meeting and eligible, for reappointment. You are requested to appoint auditors until the conclusion of next Annual General Meeting and authorise directors to fix their remuneration.

5. STOCK EXCHANGE LISTING

Equity Shares of your Company are listed on the Delhi Stock Exchange Association Ltd., New Delhi-110002 and the Stock Exchange Mumbai, Mumbai 400 001. The listing fees of Delhi Stock Exchange for 1999-2000 and 2000-2001 and nominal part of listing fees of Mumbai Stock Exchange for 2000-2001 have not been paid. The efforts are being made to clear these fees very soon.

6. BIFR

The reference filed by the Company U/s 15(1) of Sick Industrial Companies (Special provisions) Act, 1985 (SICA) on the basis of its Accounts for the year ended 31-03-1999, has been dismissed by the Hon'ble BIFR vide order dated 22-05-2000 as non-maintainable. The Company has filed an Appeal against the said order before the Hon'ble Appellate Authority for Industrial & Financial Reconstruction (AAIFR) which is still pending for final decision. During the Financial Year 1999-2000, the Company has incurred further losses to the extent of Rs. 185.09 lacs and there remains no doubt as to the erosion of the networth of the Company. The Company is under a legal obligation to file a reference before the Hon'ble BIFR on its accounts for the Financial year 1999-2000, therefore, a reference will be filed before the Hon'ble BIFR on the basis of accounts for the Financial year 1999-2000.

CORAL NEWSPRINTS LTD.



7. 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.

8. APPRECIATION

Your Directors place on record their gratitude to the Punjab National Bank, PICUP & U.P.F.C. Your Directors also wish to place on record the appreciation of the sustained efforts, cooperation and assistance of all employee and workers of the Company.

By Order of the Board of Directors -

(Chetan P. S. Chauhan)
Chairman

Place : Delhi
Dated : 2nd September, 2000

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