

**11th Annual Report  
2002-2003**

C O R A L



**CORAL NEWSPRINTS LTD.**

# CORAL NEWSPRINTS LTD.



## BOARD OF DIRECTORS

Shri Chetan P.S. Chauhan	-	Chairman
Shri Pushpendra P.S. Chauhan	-	Whole-time-Director
Shri Ajay Vir Singh	-	Whole-time-Director
Shri Yogesh Alawadi	-	Whole-time-Director
Shri Subhash 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 - 244 235  
Distt. J.P. Nagar  
Phone : (05924) 253313

## AUDITORS :

L.N. Malik & Co.  
Chartered Accountants  
5625, Qutab Road,  
Delhi - 110 055  
Ph.No. : 23527232

Report Junction.com

## REGISTERED OFFICE :

A-138, First Floor  
Vikas Marg, Shakarpur  
Delhi - 110 092  
Phone : 22513870  
Fax : 22429586

## BANKERS :

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

## CORAL NEWSPRINTS LTD.



### NOTICE

Notice is hereby given that the 11th Annual General Meeting of the Members of the Company will be held on Tuesday, 30th September, 2003 at 9.30 A.M. at the Lion Bhawan, B-122-C, Vivek Vihar, Delhi - 110 095 to transact the following business.

#### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March, 2003 and the Profit & Loss Account for the year ended on that date and the Report of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Atul Kumar Jain, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Ram Avtar Bansal, 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 conclusion of the next Annual General Meeting and to fix their remuneration.

#### NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. PROXIES IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED, AND MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September, 2003 to 30th September, 2003 (both days inclusive).
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their queries to the Director at least seven days before the date of the meeting, so that the information required may be made available at the meeting.
5. No gifts/cash payment will be made to Share Holders/Proxies for attending the meeting.

*Regd. Office :*  
A-138, Vikas Marg,  
Shakarpur, Delhi-110092

For and on behalf of the Board

COMPANY SECRETARY

Place : Delhi  
Date : 30.08.2003

**CORAL NEWSPRINTS LTD.****DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in placing before you the 11th Annual Report on the working results of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2003.

**1. FINANCIAL RESULTS***(Rs. in lakhs)*

	<b>Year Ended 31st March' 03</b>	<b>Year Ended 31st March '02</b>
Gross Revenue	636.98	1239.68
Gross Operating Profit/ (Loss)	32.82	188.35
Less Interest/Financial Charges	157.85	122.96
Less Depreciation	40.34	39.27
Profit after tax	(165.37)	26.12
Less Preliminary Exp. Written Off	3.57	3.57
Profit/(Loss) after tax	(168.94)	22.55

**FUTURE PLANS & OPERATIONS :** Various improvements are being in the plant & machinery to increase the capacity and thereby increasing production. Some equipment like dryers are being increased and the orders for the same have been given and the same will be installed.

**2. DIRECTORS**

Shri Atul Kumar Jain and Shri Ram Avtar Bansal, Directors of your Company retire from the Board by rotation at the 11th Annual General Meeting and being eligible, offer themselves for re-appointment.

**3. AUDITORS**

M/s. L.N. Malik & Company, the Auditors of your company retire at this Annual General Meeting and are eligible for re-appointment. You are requested to re-appoint Auditors until the conclusion of next Annual General Meeting and authorise directors to fix their remuneration.

**4. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 217(2AA) of the Companies (Amendment) Act, 2000, your Directors' state that;

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed;

**CORAL NEWSPRINTS LTD.**

- ii. appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2003 and of the Profit of the Company for that period;
- iii. proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the annual accounts have been prepared on a going concern basis.

**5. DIVIDEND**

Due to losses the Company did not declare dividend to the shareholders of the Company.

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

The details required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed to this report as **Annexure-I**.

**7. BIFR**

The Company has been declared sick. Punjab National Bank has been appointed as operating agency by BIFR. The rehabilitation scheme has been submitted by the Company.

**8. 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.

**9. CORPORATE GOVERNANCE**

Your Company has taken adequate steps to ensure compliance with the requirement of Corporate Governance as prescribed under the Listing Agreement with the Stock Exchange.

A separate report on Corporate Governance along with the report on Management Discussion and Analysis is enclosed as part of the Annual Report. Your Company is committed to improve the quality of Corporate Governance where the focus is on creating value for shareholders.

**10. APPRECIATION**

Your Directors thank the Punjab National Bank and U.P. Financial Corporation Ltd. Your

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Directors also wish to place on record the appreciation of the sustained efforts, cooperation and assistance of all employees and workers of the Company.

Regd. Office :  
A-138, Vikas Marg,  
Shakarpur, Delhi-110092

For and on behalf of the Board of Directors

(CHETAN P.S. CHAUHAN)  
CHAIRMAN

Place : Delhi  
Date : 30.08.2003

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### ANNEXURE-I

#### INFORMATION AS PER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

##### A. Conservation of Energy

###### a. ENERGY CONSERVATION MEASURE TAKEN

The company's efforts at energy conservation continued during the year. These efforts included improved utilisation of energy saving machines and technology.

###### b. ADDITIONAL INVESTMENTS AND PROPOSALS BEING IMPLEMENTED FOR REDUCTION OF CONSUMPTION OF ENERGY.

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

###### c. IMPACT OF THE MEASURES AT (A) AND (B) ABOVE.

efficiency has been achieved in consumption of power. The impact of above measures on the cost production of goods are not precisely ascertainable.

###### d. TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER PRESCRIBED FORM 'A' OF THE ANNEXURE.



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## FORM - A

### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF CONSERVATION OF ENERGY

	Current Year	Previous Year
<b>a) Power &amp; Fuel Consumption</b>		
<b>1. Electricity</b>		
a) Purchased		
Units	Nil	Nil
Total Amt. (Rs.)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil
b) Own Generation		
Unit	26,67,510.00	48,16,674.00
Unit per Ltr. of Diesel	3.00	3.60
Cost/Unit (Rs.)	4.86	5.19
Total Cost (Rs.)	1,29,65,372.00	2,08,28,954.50
c) Through Steam Turbine/Generator		
Unit	Nil	Nil
Unit per Ltr. of Diesel	Nil	Nil
Cost/Unit (Rs.)	Nil	Nil
<b>2. Paddy Husk</b>		
Quantity (Tonnes)	3,494.70	6,030.761
Total Cost (Rs.)	47,39,853.00	72,77,476.00
Average Rates (Rs.)	1,356.30	1,206.72
<b>3. Baggage</b>		
Quantity (Tonnes)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Average Rate (Rs.)	Nil	Nil
<b>4. Furnace Oil</b>	Nil	Nil
<b>5. Other/Internal Generation</b>	Nil	Nil

#### b) Consumption per unit of Production

Cream Wave Paper	Current Year	Previous Year
Unit		
Electricity & Diesel	636.92	680.45
Furnace Oil	Nil	Nil
Paddy Husk (M.T.)	0.899	0.852
Baggage (M.T.)	Nil	Nil
Others	Nil	Nil



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## B. TECHNOLOGY ABSORPTION

### FORM - 'B'

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

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

1. Specified areas in which R & D carried out by the Company. No R&D carried out during the year.
2. Benefits derived as a result of the above R & D. Nil
3. Future plan of action. Nil

	(Rs. in lacs)	
4. Expenditure on R & D :	Current Year	Previous Year
a. Capital	Nil	Nil
b. Recurring	Nil	Nil
c. Total	Nil	Nil
d. Total R & D expenditure as a percentage of total turnover	Nil	Nil

#### Technology absorption, adoption and innovation

1. Efforts, in brief, made towards technology absorption, adoption and innovation : Nil
2. benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. : Nil
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished
  - a) Technology imported : No
  - b) Year of import : N.A.
  - c) Has technology been fully absorbed : N.A.
  - d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action. : N.A.

C. Foreign exchange earnings and outgo : Nil



**CORAL NEWSPRINTS LTD.****CORPORATE GOVERNANCE REPORT**

The detailed report on Corporate Governance as incorporated in Clause 49 of the listing Agreement is set out below :

**1. COMPANY PHILOSOPHY ON CODE OF GOVERNANCE**

The Company believes in and has consistently followed good corporate governance process consists of various business practices, which not only results in enhanced shareholders value in the long run but also enables the Company to fulfill its obligations towards its customers, employees, lenders and to the society in general. The Company firmly believes that good governance is founded upon the principles of transparency, accountability, independent monitoring and environmental consciousness. Thus the basic corporate encompassing all the Company's function at different levels.

**2. BOARD OF DIRECTORS**

NAME OF DIRECTOR	CATEGORY OF DIRECTORSHIP	NO. OF OTHER DIRECTORSHIP	NO. OF COMMITTEE MEMBERSHIP	
			MEMBER	CHAIRMAN
1. MR. CHETAN P.S. CHAUHAN	CHAIRMAN	NIL	NIL	NIL
2. MR. PUSPENDRA P.S. CHAUHAN	WHOLE-TIME DIRECTOR	NIL	NIL	1
3. MR. AJAY VIR SINGH	WHOLE-TIME DIRECTOR	NIL	NIL	NIL
4. MR. YOGESH ALAWADI	WHOLE-TIME DIRECTOR	NIL	1	NIL
5. MR. SUBHASH CHAND JAIN	DIRECTOR	NIL	1	NIL
6. DR. G.K. TANDON	DIRECTOR	NIL	NIL	NIL
7. MR. RAM AVTAR BANSAL	DIRECTOR	NIL	NIL	1
8. MR. ATUL KUMAR JAIN	DIRECTOR	NIL	NIL	NIL
9. MR. T.C. GUPTA	DIRECTOR	NIL	1	NIL

The ratio between executive and non-executive directors is 1:2. The Company is taking steps to restruct the Board in a gradual manner in accordance with the Clause 49 of the Listing Agreement.

**CORAL NEWSPRINTS LTD.****BOARD MEETING AND ATTENDANCE**

DATE OF BOARD MEETING	BOARD STRENGTH	NO OF DIRECTORS PRESENT
1. 26TH APRIL, 2002	9	6
2. 29TH JULY, 2002	9	6
3. 29TH AUGUST, 2002	9	6
4. 28TH OCTOBER, 2002	9	6
5. 29TH JANUARY, 2003	9	6

S.NO. NAME OF DIRECTOR	NUMBER OF BOARD MEETING ATTENDED	ATTENDED AT THE LAST AGM HELD ON 30.09.2002
1. MR. CHETAN P.S. CHAUHAN	5	YES
2. MR. PUSHPENDRA P.S. CHAUHAN	5	YES
3. MR. AJAY VIR SING	4	YES
4. MR. YOGESH ALAWADI	2	YES
5. MR. SUBHASH CHAND JAIN	3	NO
6. DR. G.K. TANDON	1	NO
7. MR. RAM AVTAR BANSAL	3	NO
8. MR. ATUL KUMAR JAIN	4	NO
9. MR. T.C. GUPTA	3	NO

**BOARD PEOCEDURE**

It has always been the company's policy and practices that apart from matters requiring the Board's approval by law, all major decisions including half yearly/ yearly results of the Company and its divisions, financial restructuring, capital expenditure proposals, sale and acquisition of material; nature of assets, mortgage, guarantee etc. are regularly placed before the Board. This is in addition to information with regard to detailed analysis of operations major, litigations, feed back reports and minutes of all committee meetings.

**3. BOARD COMMITTEES**

The Board of Directors has constituted two committees

1. Audit Committee
2. Share Transfer Committee