

14th Annual Report
2005-2006

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CORAL

CORAL NEWSPRINTS LTD.

CORAL NEWSPRINTS LTD.



BOARD OF DIRECTORS

Shri Chetan P.S. Chauhan	-	Chairman
Shri Pushpendra P.S. Chauhan	-	Whole-time-Director
Shri Yogesh Alawadi	-	Whole-time-Director
Shri Ram Avtar Bansal	-	Director

FACTORY :

4 K.M. Stone,
Delhi Road,
Gajraula - 244 235
Distt. J.P. Nagar
Phone : (05927) 253313

AUDITORS :

L.N. Malik & Co.
Chartered Accountants
Ganga Plaza, 18/13, WEA
Pusa Lane, Karol Bagh
Delhi - 110 005
Ph.No. : 25739911

REGISTERED OFFICE :

A-138, First Floor
Vikas Marg, Shakarpur
Delhi - 110 092
Phone : 22010998
Fax : 22429586

BANKERS :

1. **Punjab National Bank**
Preet Vihar, Delhi - 110 092
2. **Standard Chartered Bank**
Connaught Place,
New Delhi - 110 001
3. **Vijaya Bank**
Shastri Park
New Delhi-110 058



CORAL NEWSPRINTS LTD.

NOTICE

Notice is hereby given that the 14th Annual General Meeting of the Company will be held on Friday, 30th of March, 2007, at 10.30 A.M. at Community Centre, AGCR Enclave, Delhi - 110 092 to transact the following ordinary business :-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006, the Profit & Loss Account for the year ended as on that date and the report of the Director's and Auditors thereon.
2. To appoint a Director in place of Shri Yogesh Alawadi, 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 consider and, if thought fit, to pass, with or without modification, the following resolution, as an Ordinary Resolution.

"RESOLVED that M/s. L.N. Malik & Co. Chartered Accountants be and are hereby appointed as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting upon such remuneration and other out of pocket expenses incurred incidental to their functions, as may be agreed to between the Board of Directors/ Audit Committee of the Company and the respective Auditors"

NOTES

1. A member entitled to 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 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 28th of March, 2007 to 30th of March, 2007 (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. Members holding shares in different portfolios in Physical mode are requested to apply to the company or its Registrar & Transfer Agent for consolidation and send relevant Share Certificate for consolidation.
6. Annual listing fee for the year 2006-2007 has been paid to Bombay Stock Exchange, wherein shares of the company are listed.
7. No gifts/cash payment will be made to the shareholders/ proxies for attending the meeting.

Regd. Office :

A-138, First Floor, Vikas Marg,
Shakarpur, Delhi-110092

For Coral Newsprints Limited

P. P. S. CHAUHAN
(Director-WT)

Place : Delhi

Date : 03.03.2007

CORAL NEWSPRINTS LTD.**DIRECTORS' REPORT**

To The Members,

Your Directors have pleasure in placing before you the 14th Annual Report on the working results of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2006.

1. FINANCIAL RESULTS

(Rs. in lakhs)

	Year Ended 31st March' 06	Year Ended 31st March '05
Gross Revenue	374.35	483.46
Increase/(Decrease) in Stock	(12.97)	(11.79)
Gross Operating Profit/ (Loss)	(19.32)	36.15
Less Interest/Financial Charges	36.71	45.04
Less Depreciation	41.34	41.52
Profit/ Loss after tax	(97.37)	(50.41)

FUTURE PLANS & OPERATIONS :**2. DIRECTORS**

Shri Yogesh Alawadi, and Shri Ram Avtar Bansal, Directors of your Company retire from the Board by rotation at the 14th 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;

- in the preparation of the annual accounts, the applicable accounting standards have been followed;
- appropriate accounting policies have been selected and applied consistently and have made judgment and estimates that are reasonable and prudent so as to give

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a true and fair view of the state of affairs of the Company as at March 31, 2005 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. ARBITRATION

Your company is having dispute with Jalan Group since May, 2004 and matter is pending with Arbitrator duly appointed by Hon'ble High Court of Delhi.

10. WHOLE TIME COMPANY SECRETARY

As company is under BIFR & is a sick company vide the provisions of sick company (special provision) Act, 1985. Company could not find suitable whole time company secretary u/s 383 A of the Companies Act, 1956.

11. BALANCE CONFIRMATION

Objections raised by Auditors regarding non-confirmation of Bank Statement of ICICI Bank & Standard Chartered Bank (2nd A/c), the said accounts are inoperative.

12. 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

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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.

13. APPRECIATION

Your Directors thank the Punjab National Bank, PICUP and U.P. Financial Corporation Ltd. Your 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, First Floor, Vikas Marg,
Shakarpur, Delhi-110092

For and on behalf of the Board of Directors

(CHETAN P.S. CHAUHAN)
CHAIRMAN

Place : Delhi

Date : 03.03.2007

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.

CORAL NEWSPRINTS LTD.**FORM - A****FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT OF
CONSERVATION OF ENERGY**

	Current Year	Previous Year
a) Power & Fuel Consumption		
1. Electricity		
a) Purchased		
Units	Nil	Nil
Total Amt. (Rs.)	Nil	Nil
Rate/Unit (Rs.)	Nil	Nil
b) Own Generation		
Unit	1125799.00	1964214.00
Unit per Ltr. of Diesel	3.60	3.60
Cost/Unit (Rs.)	7.55	6.15
Total Cost (Rs.)	8508518.00	12087422.35
c) Through Steam Turbine/Generator		
Unit	Nil	Nil
Unit per Ltr. of Diesel	Nil	Nil
Cost/Unit (Rs.)	Nil	Nil
2. Paddy Husk		
Quantity (Tonnes)	757.66	2250.00
Total Cost (Rs.)	1094561.00	2512763.00
Average Rates (Rs.)	1444.65	1116.78
3. Baggage		
Quantity (Tonnes)	1278.89	Nil
Total Cost (Rs.)	987545.00	Nil
Average Rate (Rs.)	772.19	Nil
4. Wood		
Quantity (Tonnes)	82.66	Nil
Total Cost (Rs.)	76602.00	Nil
Average Rate (Rs.)	926.71	Nil
5. Other/Internal Generation	Nil	Nil
b) Consumption per unit of Production		
Cream Wove Paper	Current Year	Previous Year
Unit		
Electricity & Diesel	Nil	748.00
Furnace Oil	Nil	Nil
Paddy Husk (M.T.)	Nil	0.857
Baggage (M.T.)	Nil	Nil
Others	Nil	Nil

CORAL NEWSPRINTS LTD.**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 Nil
2. benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc. : Nil 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 No
 - b) Year of import : N.A. N.A.
 - c) Has technology been fully absorbed : N.A. N.A.
 - d) If not fully absorbed, areas where this has not taken place, reasons thereof and future plans of action. : N.A. N.A.

C. Foreign exchange earnings and outgo : Nil Nil

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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 (PROMOTER)	NIL	NIL	NIL
2. MR. PUSPENDRA P.S. CHAUHAN	WHOLE-TIME DIRECTOR (PROMOTER)	NIL	NIL	1
3. MR. YOGESH ALAWADI	WHOLE-TIME DIRECTOR (PROMOTER)	1	1	NIL
4. MR. RAM AVTAR BANSAL	DIRECTOR (PROMOTER)	NIL	NIL	1

* Excluding Private Limited and Foreign Companies

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
02.03.2007	4	4

S.NO. NAME OF DIRECTOR	NUMBER OF BOARD MEETING ATTENDED	ATTENDED AT THE LAST AGM HELD ON 30.09.2006
1. MR. CHETAN P.S. CHAUHAN	NIL	YES
2. MR. PUSHPENDRA P.S. CHAUHAN	NIL	YES
3. MR. YOGESH ALAWADI	NIL	YES
4. MR. RAM AVTAR BANSAL	NIL	YES

BOARD PROCEDURE

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

3.1 Audit Committee

The Audit Committees of the Company comprises of three non-executive directors, of which an non-executive directors is the Chairman. The Executive Directors, statutory and internal auditors of the Company are permanent invitees at the meeting of the committee.