

18th Annual Report
2009-2010



CORAL

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
Shri Mahesh Kumar Sodhani	-	Addl. Director
Shri Atul Kumar Jain	-	Addl. 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
Ganga Plaza, 18/13, WEA
Pusa Lane, Karol Bagh
New Delhi - 110 005
Ph.No. : 28755911, 45091677
E-mail : allenmalik@hotmail.com

REGISTERED OFFICE :

A-138, First Floor
Vikas Marg, Shakarpur
Delhi - 110 092
Phone : 22010998
Fax : 22429586
E-mail : cnpl_5000@rediffmail.com

BANKERS :

1. **Punjab National Bank**
Preet Vihar, Delhi - 110 092
2. **Standard Chartered Bank**
H. L. Wing, Pocket-4
Plot No.-2, Sector-11 (MLQ)
Dwarka, New Delhi-110 075
3. **Vijaya Bank**
No.-18, Rajdhani Enclave
New Delhi-110 092
4. **ICICI Bank**
Preet Vihar
Delhi-110 092

NOTICE

Notice is hereby given that the 18th Annual General Meeting (AGM) of the Members of Coral Newsprints Ltd., will be held on Wednesday the 29th September, 2010 at 10.30 A.M. at Arya Samaj Mandir, 310, Bank Enclave, Delhi - 110 092 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Accounts as at 31st March, 2010 alongwith report of the Directors and Auditors therein.
2. To appoint a Director in place of Shri P.P.S. Chauhan, Shri Mahesh Sodhani and Shri Atul Kumar Jain who retires by rotation, and being eligible, offers themselves for re-appointment.
3. To appoint a Director in place of Shri Yogesh Alawadi, 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 Body 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"

Regd. Office :
A-138, First Floor, Vikas Marg,
Shakarpur, Delhi-110092
Place : Delhi
Date : 04.09.2010

For Coral Newsprints Limited

P.P.S. Chauhan
(Director-WTD)

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 the registered office of the company not less than 48 hours before the commencement of the meeting.

CORAL NEWSPRINTS LTD.



3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th to 28th September, 2010 (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 2010-2011 has been paid to Bombay Stock Exchange, wherein shares of the Company are listed.
7. No gifts/cash payment will be made to Shareholders/Proxies for attending the meeting.
8. A brief resume of Directors of the Company, seeking appointment/ re-appointment at this annual general meeting, and their expertise in specific functional areas, is given as part of the explanatory statement.
9. Documents are available for inspection by the members at the Registered Office of the Company at any time during the working hours till the date of the meeting.

Regd. Office :

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

Place : Delhi

Date : 04.09.2010

For Coral Newsprints Limited

P.P.S. Chauhan
(Director-WTD)

DIRECTORS' REPORT

To The Members,
Coral Newspapers Limited, Delhi

Your Directors take pleasure in presenting before you the 18th Annual Report on the working results of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2010.

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

	Year Ended 31.03.2010	Year Ended 31.03.2009
Gross Revenue Net of Excise	1001.65	941.22
Increase/ (Decrease) in Stock	3.01	(10.89)
Gross Operating Profit	116.72	78.21
Less Interest / Finance Charges	0.64	1.57
Less Depreciation	43.01	43.11
Profit after Tax	39.83	33.53
Key Ratios (EAD/DTA)	4.05%	3.56%
Earning per Share	0.79	0.66

The Gross operating profit for current financial year is Rs. 116.72 lacs as against Rs. 78.21 lacs last year, an increase of 33% on the basis of last year. Net profit for the current year is Rs. 39.83 lakhs as against profit of Rs. 33.53 lakhs last year.

2. FUTURE PLANS & OPERATIONS

Management of the Company has already taken steps to modernize its plant at Gajraula, Distt. J.P. Nagar, (U.P.) by end of next financial year adopting new technology such as hot dispersion & addition of other equipments in pulp mill. Company also intends to upgrade the quality of newprint for better penetration for the possibilities of Export & in the local market. Also intends to increase production capacity for the next financial year.

3. DIRECTORS

Shri P.P.S. Chauhan, Whole-time Director, Shri Mahesh Sodhani and Shri Atul Kumar Jain Additional Directors of your Company retire from the board by rotation at the 18th Annual General Meeting and being eligible offer themselves for re-appointment.

4. REAPPOINTMENT OF SHRI P.P.S. CHAUHAN AS WHOLE TIME DIRECTOR

The tenure of re-appointment of Shri P.P.S. Chauhan, whole time Director is expiring on 30th of September, 2010. Board of the Company approved that Shri P.P.S. Chauhan, whole time Director, should be re-appointed for the next five years w.e.f. 01.10.2010. Following resolution is being passed in the board meeting held on 21st July, 2010 subject to approval by the Shareholders in the next Annual General Meeting.

"Resolved that subject to approval from the shareholders under the provisions of the Companies Act, 1956 consent of all the directors present in the meeting is hereby accorded for appointment of Shri P.P.S. Chauhan as whole time Director for another 5

years w.e.f. 01.10.2010 on remuneration & perquisites as follows :-

- a. Salary - Basic in the scale of Rs. 50,000/- - Rs. 10,000/- - Rs. 1,00,000/- P.A.
- b. House Rent Allowance - 60% of Basic Salary.
- c. Medical Expenses subject to maximum of one Months Salary.
- d. LTC once in a year incurred in accordance with any rules specified by Company.
- e. Personal accident Insurance-premium not to exceed Rs. 15,000/- P.A.
- f. Gratuity : shall not exceed half month's salary subject to maximum as prescribed under Gratuity Act.
- g. Provision of Car : For use of Company's business & personal along with driver facility.
- h. Telephone : For use of business & personal subject to maximum of Rs. 5,000/- P.M.

In case of inadequacy of profit in any financial year the remuneration & perquisites as mentioned herein above will be restricted to the permissible levels prescribed under schedule XII of the Companies Act, 1956.

Other Terms & Conditions

- a. Mr. P.P.S. Chauhan will be entitled for leave as per the policy of the Company from time to time.
- b. Mr. P.P.S. Chauhan will not receive sitting fee for attending meeting of the Board of Directors of the Company.
- c. If at any time the appointee ceases to be a Director of the Company for any cause whatsoever he shall cease to be Whole Time Director of the Company.
- d. In the event of any relaxation made by the Government in the guidelines or ceiling on managerial remuneration during the proposed tenure of his appointment, the remuneration payable to Shri P.P.S. Chauhan will be revised as the board may deem fit, in accordance with new guidelines.
- e. The appointment may be terminated by three months notice or the Company paying three month's salary in lieu thereof.
- f. Mr. 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.

5. AUDITORS

M/s. L.N. Malik & Company, Statutory Auditors of your Company retire at this Annual General Meeting and are eligible for re-appointment. Members are requested to re-appoint Auditors until the conclusion of next Annual General Meeting and authorize directors to fix their remuneration. Certificate from the Auditors has been received to the effect that their re-appointment, if made, would be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

The notes on accounts and observations of the Auditors in their report on the accounts of the Company are self explanatory and therefore, in the opinion of Directors, do not call for any further explanation.

6. 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 with proper explanation relating to Material department.

- 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, 2010 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.

7. DIVIDEND

Though for the year under review Company did earn cash profit, however, due to huge previous year losses, Directors of the Company did not declare any dividend for the Shareholders of the Company for this year as well. Directors of the Company are hopeful that for next year company will be able to declare much better results.

8. 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.

9. BOARD OF INDUSTRIAL & FINANCIAL RECONSTRUCTION (BIFR)

The Company was declared sick by BIFR way back in 2000. Board of Industrial & Financial Reconstruction (BIFR) has appointed Punjab National Bank as operating agency. The Company has submitted Revised rehabilitation scheme several times to BIFR. One time settlement proposal is given to Pradeshia Industrial Financial Corpn. of U.P., however so far nothing concrete has come up from PICUP. Next date for BIFR hearing is yet to be fixed by BIFR.

So far No Bail able financial package is approved by BIFR. For the financial year ending 31.03.2010 Company's loan from financial institutions are outstanding. OTS amount of UPFC is duly paid, however, after clearing OTS amount, UPFC has now demanded DADP interest to the tune of Rs. 59 lacs & Management is making rigorous efforts for waiver of interest. OTS with PICUP is under process & management is quite hopeful that they will be able to get through OTS of PICUP & revised rehabilitation package will be accepted in Toto & Company will be out of BIFR in a short time. Next date for BIFR hearing is yet to be fixed by BIFR.

10. 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.

11. CORPORATE GOVERNANCE

Your Company has taken adequate steps to ensure legal compliance with the requirements of corporate governance as prescribed under the Listing Agreement with the Stock Exchange (BSE).

12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a system of internal controls in place to ensure that all of the Company's transactions are properly recorded and authorised.

13. HUMAN RESOURCES

The Company is of firm belief that the Human Resources are the driving force that propels a company towards the progress and success. The Company has strength of 200 employees directly-indirectly at present. The Industrial relations continued to remain cordial during the year under review.

14. ARBITRATION

Company is having dispute with Jalan Group since May, 2004 and matter is pending with quasi judicial bodies, Arbitrator is appointed by Honorable High Court of Delhi.

15. WHOLE TIME COMPANY SECRETARY

During the year under review, company has duly appointed a Whole time Company Secretary, as required to be appointed under section 383-A of the Companies Act, 1956.

16. MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion & Analysis Report as required under clause 49 of the listing Agreement with the Stock Exchanges forms part of this report.

17. CORPORATE GOVERNANCE REPORT

The Company is committed to maintain highest standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities & Exchange Board of India's Corporate Governance practices and has implemented all the stipulations prescribed. The Company has implemented several best Corporate Governance practices as prevalent in India.

18. ACKNOWLEDGEMENTS

Your Directors place on record its sincere appreciation towards the Company's valued customers in India for the support and confidence reposed by them in the organisation and looks forward to the continuance of this mutually supportive relationship in future as well. The Board also places on record cooperation extended by Financial Institutions PICUP & UPFC, business associates of the Company, and confidence reposed by the Shareholders and invaluable staff & workers of the Company.

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

For Coral Newsprints Limited

(P. P.S. CHAUHAN)
DIRECTOR (WTD)

Place : Delhi
Date : 04.09.2010

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 include improved utilization 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 of 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 is not precisely ascertainable.
- d. **TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER PRESCRIBED FORM 'A' OF THE ANNEXURE.**

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	3206790	3186850
Total Amt. (Rs.)	1,50,91,324/-	1,46,86,193/-
Rate/Unit (Rs.)	4.70	4.60
b) Own Generation		
Unit	43931	22782
Unit per Ltr. of Diesel	3.65	3.60
Cost/Unit (Rs.)	9.33	7.95
Total Cost (Rs.)	4,10,206/-	1,81,118/-
2. Paddy Husk		
Quantity (Tonnes)	61,13,178	5,222.021
Total Cost (Rs.)	84,01,180/-	62,78,553/-
Average Rates (Rs.)	1,374/-	1,202/-
3. Bagasse		
Quantity (Tonnes)	Nil	Nil
Total Cost (Rs.)	Nil	Nil
Average Rate (Rs.)	Nil	Nil
5. Other/Internal Generation	Nil	Nil
b) Consumption per unit of Production		
Cream Wove Paper	Current Year	Previous Year
Unit	Nil	Nil
Electricity & Diesel	Nil	Nil
Furnace Oil	Nil	Nil
Paddy Husk (M.T.)	Nil	Nil
Baggase (M.T.)	Nil	Nil
Others	Nil	Nil

C. TECHNOLOGY ABSORPTION

FORM - 'B'

(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, adaptation 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 the 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 : Nil Nil
 - 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.

D. Foreign exchange earnings and outgo

Import of Waste Paper

Quantity	Nil	44.300 Tons
Amount in US \$	Nil	\$ 11199.59
Amount in Indian Rs. (Including Freight)	Nil	6,29,115/-