

19th Annual Report
2010-2011



CORAL

CORAL NEWSPRINTS LTD.

BOARD OF DIRECTORS

Shri Chetan P.S. Chauhan	-	Chairman
Shri Pushpendra P.S. Chauhan	-	Whole-time-Director
Shri Yogesh Alawadi	-	Director
Shri Ram Avtar Bansal	-	Director
Shri Mahesh Kumar Sodhani	-	Director
Shri Atul Kumar Jain	-	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 19th Annual General Meeting (AGM) of the Members of Coral Newsprints Ltd., will be held on Friday the 30th September, 2011 at 10.00 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, 2011 alongwith report of the Directors and Auditors therein.
2. To appoint a Director in place of Shri Ram Avtar Bansal who retires by rotation, and being eligible, offers himself 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 : 06.09.2011

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.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th to 29th September, 2011 (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 2011-2012 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. Inspection of 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 :
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Shakarpur, Delhi-110092
Place : Delhi
Date : 06.09.2011

For Coral Newsprints Limited

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

DIRECTORS' REPORT

To The Members,
Coral Newsprints Limited, Delhi

Your Directors take pleasure in presenting before you the 19th Annual Report on the working results of the Company together with the Audited Statement of Accounts for the year ended 31st March, 2011.

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

	Year Ended 31.03.2011	Year Ended 31.03.2010
Gross Revenue Net of Excise	1387.16	1001.65
Increase/ (Decrease) in Stock	9.50	3.01
Gross Operating Profit	213.47	116.72
Less Interest / Finance Charges	0.33	0.64
Less Depreciation	38.72	43.01
Profit before Tax (EBT)	(28.94)	39.83
Profit after Tax (EAT)	(47.59)	76.51
Earning per Share	(0.94)	1.51

The Gross operating profit for current financial year is Rs. 213.47 lacs as against Rs. 116.72 lacs last year, an increase of 83% on the basis of last year. Net profit for the current year is Rs. (47.59) lakhs as against profit of Rs. 76.51 lakhs last year.

Management is of the view that loss for the current financial year is mainly due to extraordinary item as additional liability of Rs. 108 Lakhs ordered by Arbitrator duly appointed by Hon'ble High Court of Delhi in dispute matter with Jalans.

As per arbitration award ordered in December, 2010 in regard to dispute with Jalan which was going on since 2004, finally settled now and Company is required to pay additional sum of Rs. 108 Lakhs in addition to their existing liability of Rs. 132 Lakhs which is booked under administrative & other expenses as Arbitration award. During the year under review Company has already paid Rs. 48 Lakhs to Jalan's Group for the financial year ending 31.03.2011.

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 slotted screen in pulp mill. Company also intends to upgrade the quality of newprint for better penetration for the possibilities of Export & in the local market. With additional equipment Company intends to increase production capacity for the next financial year.

3. DIRECTORS

Shri Yogesh Alawadi, Director, Shri Ram Avtar Bansai, Additional Director of your Company who retire by rotation u/s 254 of the Companies Act, 1956 from the Board at the 19th Annual General Meeting and being eligible offer themselves for re-appointment.

4. 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.

5. 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, 2011 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.

6. 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, however so far nothing concrete has come up from PICUP. Next date for BIFR meeting is 7th of September, 2011.

Management states that so far no bailable financial package is approved by BIFR till date. Company's loan from financial institutions are still 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 meeting is 7th of September, 2011.

9. PARTICULARS OF EMPLOYEES & DISCLOSURE OF INFORMATION

During the year under report, there is no director or 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, accordingly same is not applicable.

10. 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).

11. 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. Company's well defined organisational structure, documented policy guidelines, defined authority matrix and internal controls ensure efficiency of operation, compliance with internal policies and applicable laws and regulations as well as protection of resources.

12. HUMAN RESOURCES

The Company is of firm belief that the Human Resources are the driving force that propels a company towards progress and success. The Company has a strength of 150 employees at present. The Industrial relations continued to remain cordial during the year under review.

13. DISCLOSURE

Related party transaction-The Company did not enter into any materiality significant related transactions, which have potential effect on the interest of the Company at large.

14. WHOLE TIME COMPANY SECRETARY

During the year under review, Company is already availing services of whole time Company Secretary as required to be appointed under section 383-A of the Companies Act, 1956.

15. MANAGEMENT DISCUSSION & ANALYSIS REPORT

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

16. ACCOUNTING STANDARDS

The Company has followed accounting treatment as prescribed in accounting standards applicable to the Company.

17. WEBSITE

Company's Website is under preparation and will be launched soon by the Management of the Company.

18. DEPOSITS

The Company has not accepted any fixed deposits during the year under review.

19. 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.

20. ACKNOWLEDGEMENTS

Your Directors place on record their sincere appreciation towards the Company's valued customers in India for the support and confidence reposed by them in the organisation and look forward to the continuance of this mutually supportive relationship in future as well. The Board also places on record co-operation 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 : 06.09.2011

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SHAKARPUR, DELHI-110092
PLACE : DELHI

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 MEASURES 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 TO CONSERVATION OF ENERGY

	Current Year	Previous Year
a) Power & Fuel Consumption		
1. Electricity		
a) Purchased		
Units	3748620	3206790
Total Amt. (Rs.)	Rs. 197.95 Lakhs	Rs. 150.99 Lakhs
Rate/Unit (Rs.)	5.28	4.70
b) Own Generation		
Unit	51211	43931
Unit per Ltr. of Diesel	—	3.65
Cost/Unit (Rs.)	5.28	9.33
Total Cost (Rs.)	2,70,395/-	4,10,206/-
2. Paddy Husk		
Quantity (Tonnes)	77,11,319	61,13,178
Total Cost (Rs.)	1,17,35,430/-	84,01,180/-
Average Rates (Rs.)	1.52	1.37
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	Nil
Amount in US \$	Nil	Nil
Amount in Indian Rs. (Including Freight)	Nil	Nil