

22nd Annual Report
2013-2014



CORAL NEWSPRINTS LTD.

BOARD OF DIRECTORS

Shri Chetandra Pratap Singh Chauhan	-	Chairman
Shri Pushendra 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
Shri Parth Chauhan	-	Director
Shri Pururaj Singh Rathore	-	Director

FACTORY :

4 K.M. Stone,
Delhi Road
Gajraula - 244 235
Distt. Amroha (U.P.)
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
Website : <http://www.coralnewsprintslimited.com>

BANKERS :

1. **Punjab National Bank**
Preet Vihar, Delhi - 110 092
2. **Oriental Bank of Commerce**
Laxmi Nagar, Main Vikas Marg
Delhi-110 092
3. **Oriental Bank of Commerce**
NH-24, Gajraula
Distt. Amroha (U.P.)
4. **ICICI Bank**
Preet Vihar,
Delhi-110 092

NOTICE

Notice is hereby given that the 22nd Annual General Meeting (AGM) of the members of Coral Newsprints Ltd. will be held on Monday 29th of September 2014, at 10.00 A.M., Arya Samaj Mandir, Bank Enclave, Delhi-110092 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited accounts for the financial year ending as on 31st March, 2014 along with report of the Director's and Auditor's thereon.
2. To appoint a Director in place of Pushpendra Pratap Singh Chauhan, (Din No. 01871760) who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Atul Kumar Jain, (Din No. 02069421) who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Mahesh Kumar Sodhani, (Din No. 02293060) who retires by rotation, and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Ram Avtar Bansal, (Din No. 02864100) who retires by rotation, and being eligible, offers himself for re-appointment.
6. To appoint a Director in place of Shri Pururaj Singh Rathore, (Din No. 01315933) who retires by rotation, and being eligible, offers himself for re-appointment.
7. To appoint a Director in place of Shri Parth Chauhan, (Din No. 05264826) who retires by rotation, and being eligible, offers himself for re-appointment.
8. To appoint Statutory Auditors and fix their remuneration and in this regard 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 (Firm's Registration No: 015992N) 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".

SPECIAL BUSINESS:

9. To adopt new articles of association of the company containing regulations in conformity with the companies Act, 2013 and in this regard to consider and if thought fit, to pass with or without on(s) the following resolution as special resolution:-

"RESOLVED THAT pursuant to the provisions of section 14 and all other applicable provisions of the companies Act, 2013 read with companies (Incorporation) Rules, 2014, including any statutory modifications or reenactment thereof, for the time being in force, the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the company".

"RESOLVED FURTHER, that the Board of Directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution"

Regd. Office:

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

Place : Delhi

Date : 02.09.2014

By The Order of The Board,
For **Coral Newsprints Limited**

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

NOTES

1. A member entitled to vote at the Annual General meeting (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 u/s 91 of the Companies Act, 2013 will remain closed from 25th to 29th Sept., 2014 (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 2013 - 2014 is yet to be paid to Bombay Stock Exchange, wherein shares of the company are listed, however for the time being listing is under suspension due to certain observation in BSE filing. Management is on the job for relisting of shares & soon same will be listed & trading in shares will be operational.
7. No gifts/cash payment will be made to the shareholders/proxies for attending the meeting.
8. A brief resume of Directors of the company, seeking appointment / reappointment at this annual general meeting, and their expertise in specific functional areas, is given as part of the explanatory statement.
9. Inspections 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:

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

For Coral Newsprints Limited

Place : Delhi

Date : 02.09.2014

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

EXPLANATORY STATEMENT U/S 102 OF COMPANIES ACT, 2013.

ANNEXURE TO NOTICE:-

ITEM NO: 5

Mr. Mahesh Kumar Sodhani was appointed as Additional Director on the Board of company in its Board meeting held on 27th of July 2008. As his tenure as additional Director will expire in the ensuing Annual General meeting and company has received notice from shareholder u/s 160 of the companies Act,2013 with a deposit of Rs. 500/- and board recommends his appointment as a Director liable to retire by rotation u/s 152 of the Companies Act,2013.

None of the Director of the company is interested in the said resolution Except Mr. Mahesh Sodhani.

ITEM NO: 6

Mr. Atul Kumar Jain was appointed as Additional Director on the Board of company in its Board meeting held on 27th of July 2008. As his tenure as additional Director will expire in the ensuing Annual General meeting and company has received notice from shareholder u/s 160 of the companies Act,2013 with a deposit of Rs. 500/- and board recommends his appointment as a Director liable to retire by rotation u/s 152 of the Companies Act, 2013.

None of the Director of the company Except Mr. Atul Kumar Jain are interested in the said resolution.

ANNEXURE TO THE NOTICE

Details of the Directors Seeking Re-appointment

Name of the Director(s)	Shri P.P.S Chauhan	Shri Ram Avtar Bansal
Date of Birth	28/05/1955	15/10/1946
Date of Appointment	21/04/1992	23/06/1992
Din no	01871760	02864100
Qualification	B.A	Under Graduate
Experience	Vast Experience of 25 Years of Manufacturing New Prints & Absorbent Kraft	41 years of rich business Experience
List of Companies in which Outside Directorship held	NIL	NIL
Chairman of the Committee of the Board of Director of the Company	NIL	Member Share Transfer Committee
Chairman / member of the committee of Director Other companies in which a Director	NIL	NIL

ANNEXURE TO THE NOTICE

Details of the Directors Seeking Re-appointment

Name of the Director(s)	Shri Parth Chauhan	Shri Pururaj Singh Rathore
Date of Birth	12/02/1986	27/12/1979
Date of Appointment	12/04/2012	12/04/2012
Din no	05264826	01315933
Qualification	B.E	CPA
Experience	Vast experience in Electric & Electronics	Rich experience in finance & Marketing
List of Companies in which Outside Directorship held	NIL	NIL
Chairman of the Committee of the Board of Director of the Company	NIL	NIL
Chairman / member of the committee of Director Other companies in which a Director	NIL	NIL

ANNEXURE TO THE NOTICE

Details of the Directors Seeking Re-appointment

Name of the Director(s)	Shri Atul Kumar Jain	Mahesh Kumar Sodhani
Date of Birth	07/07/1957	10/03/1962
Date of Appointment	18/07/2008	18/07/2008
Din no	02069421	02293060
Qualification	High School	B .COM
Experience	Vast experience in the field of Trading	Having Vast experience in the field of finance & shares
List of Companies in which Outside Directorship held	NIL	NIL
Chairman of the Committee of the Board of Director of the Company	NIL	NIL
Chairman / member of the committee of Director Other companies in which a Director	NIL	Member Share Transfer Committee as well as Audit Committee

DIRECTOR'S REPORT

To The Members,
Coral Newsprints Limited.
Delhi 110092

Your Directors take pleasure in presenting herewith 22nd Annual Report on the working results of the Company together with the Audited Statement of Accounts for the financial year ended 31st March, 2014.

1. FINANCIAL RESULTS

(Rs. in Lakhs)

PARTICULARS	Year Ended 31.03.2014	Year Ended 31.03.2013
Gross Revenue Net of Excise	1544.02	1208.06
Increase/ (Decrease) in Stock	(17.09)	18.24
Gross operating profit	109.57	120.65
Interest / financial Charges	0.32	3.75
Depreciation	44.43	44.76
Profit Before tax (PBT)	(22.66)	(24.45)
Profit after tax (PAT)	(17.27)	(18.24)
Earnings per Share	(0.34)	(0.36)

- i) Loss for the current financial year ending 31.03.2014 after depreciation from continuing operations after tax is Rs.17.27 Lakhs as against loss of Rs. 18.24 Lakhs last year after depreciation, however during in year under review Company earned cash profit of Rs.21.77 Lakhs for the financial year ending 31.03.2014 & Rs. 20.31 Lakhs for the financial year ending 31.03.2013.
- ii) During the financial year ended 31st of March 2014, company really suffered on account of major power cuts & irregular supply of electricity by UPSEB apart from increase in tariff rates by 35%, due to which there is increase in power & fuel expenses at last effecting profitability, still company could manage higher production for the financial year ending 31.03.2014 & earned cash profits.
- iii) During the year under review Directors take pleasure to inform all esteemed shareholders of company, that company paid entire liability of PICUP as OTS amounting to Rs. 200 Lakhs. As on date there is no liability of PICUP and company is in the process of filing application for NOC from PICUP.
- iv) As the company is still with BIFR since 2000 & during the year BIFR also directed by its order dated 23.05.2014 to UPFC to accept 50% of DADP amount and now company is required to pay a sum of Rs. 25.92 Lakhs out of which company already paid a sum of Rs. 14.81 Lakhs.
- v) During the year under review company paid only a sum of Rs.12.00 Lakhs to Jalan Group with the order of Arbitrator, High Court dated 15.12.2010 due to financial Crunch, however company is making rigorous efforts to pay the balance amount of Jalan Group as early as possible.

1. FUTURE PLANS & OPERATIONS:

Management of the Company have already taken various steps to modernize its plant at Gajraula, District Amroha U.P. by adopting new technology such as hot dispersion in pulp mill section and addition of slotted screen, dryers and up gradation in Machine Section & addition of slotted screen in pulp mill section, dyers & purgation in Machine section. During the year under review certain old machinery was also replaced by Company. Management also intends to upgrade the quality of newsprint for better penetration for the possibilities of Export in the local market. With additional equipments, Company also intend to increase production capacity for the next financial year. Management of the company wish to invest a sum of Rs. 75 Lakhs towards up-gradation of plant & machinery.

2. DIRECTORS

Shri P.P.S Chauhan, Shri Atul Kumar Jain, Shri Mahesh Kumar Sodhani, Shri Ram Avtar Bansal, Shri Parth Chauhan & Shri Pururaj Singh Rathore Directors of the company who retire by rotation u/s 152 of the companies Act, 2013 from the board at the 22nd Annual General Meeting and being eligible offers themselves for re-appointment.

3. AUDITORS

M/S. L.N. Malik & Co., (Firm's Registration No: 015992N) Statutory Auditors of Your Company retires at this Annual General Meeting and are eligible for re-appointment. Members are requested to re-appointment 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 reappointment, if made, would be within the limits prescribed under section 139, 142 of the companies Act, 2013.

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.

4. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to section 134 of the Companies Act, 2013, 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 aspects.
- 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, 2014 and of the Loss 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, 2013, 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

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 & even declare a dividend.

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. 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, finally DRS submitted to BIFR is duly accepted. Directors are hopeful that DRS submitted by company will be accepted this time.

8. PARTICULARS OF EMPLOYEES & DISCLOSURE OF INFORMATION

During the year under review, there is no director or employee in respect of whom the particulars are required to be disclosed under section 134 of the Companies Act, 2013 read with the Companies (Particulars of Employees) Rule 1975, accordingly same is not applicable.

9. 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).

10. 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 operations, compliance with internal policies and applicable laws and regulations as well as protection of resources.

11. 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 180 employees at present. The Industrial relations continued to remain cordial during the year under review with entire force of the company.

13. DISCLOSURE

Related party transactions-The Company did not enter into any materiality significant related transactions, which has potential effect with 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(IV)(F) of the listing Agreement with the Stock Exchanges forms part of this report.

16. FINANCIAL ACCOUNTING & ACCOUNTING STANDARDS:-

The Financial statements have been prepared in accordance with Generally accepted accounting principles (GAAP) and in compliance with all applicable accounting standards and as per the guidance note on accounting