

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 themself 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 Pradeshiya 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/-

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, employee, 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 DIRECTORSHIP	
			MEMBER	CHAIRMAN
1. Mr. Chetan P. S. Chauhan	Chairman (Promoter)	Nil	One	Nil
2. Mr. Pushendra P. S. Chauhan	Whole-time Director (Promoter)	Nil	Nil	One
3. Mr. Yogesh Alawadi	Whole-time Director (Promoter)	Nil	One	Nil
4. Mr. Ram Avtar Bansal	Director (Promoter)	Nil	Nil	One
5. Mr. Mahesh Sodhani	Adl. Director	Nil	Nil	Nil
6. Mr. Atul Kumar Jain	Adl. Director	Nil	Nil	Nil

* Excluding Private Limited and Foreign Companies.

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

BOARD MEETING AND ATTENDANCE

DATE OF BOARD MEETING	BOARD STRENGTH	NO. OF DIRECTORS PRESENT
29.04.2009	6	5
03.06.2009	6	5
10.07.2009	6	5
01.09.2009	6	6
15.10.2009	6	4
16.01.2010	6	5

AGM AND ATTENDANCE

S. NO.	NAME OF DIRECTORS	NO. OF BOARD MEETING ATTENDED	ATTENDED AT THE LAST AGM HELD ON 26.09.2009
1.	Mr. Chetan P. S. Chauhan	6	Yes
2.	Mr. Pushpendra P. S. Chauhan	6	Yes
3.	Mr. Yogesh Alawadi	4	Yes
4.	Mr. Ram Avtar Bansal	6	Yes
5.	Mr. Mahesh Sodhani	4	Yes
6.	Mr. Atul Kumar Jain	4	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 quarterly/ half yearly and 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.

2. BOARD COMMITTEES

The Board of Directors has constituted two committees.

1. Audit Committee
2. Shares Transfer Committee
3. Remuneration Committee

3.1 AUDIT COMMITTEE

The Audit Committees of the Company comprises of three non-executive directors, of which a 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.

3.2 BOARD TERMS OF REFERENCE

The role and terms of reference of Board Audit Sub-Committees covers area mentioned under Clause 49 of the Listing Agreement and Section 292 A of the Companies Act, 1956, besides other terms which may be referred by the Board of Directors.

3.3 MEETING AND ATTENDANCE

During the year ended March 31, 2010 two meeting of Audit Committee took place.

3.4 SHARE TRANSFER COMMITTEE

The Company is having a share transfer Committee. It deals with matters related to share transfer transmission, issue of duplicate share certificate, approving of split and consolidation

requests and redressal of shareholders and investors grievances in relation to transfer of shares, non receipt of annual report, non-receipt of dividend etc.

The member of the committee is as follows :

S.	NAME OF DIRECTORS	STATUS	NO. OF MEETING ATTENDED
1.	Mr. Pushpendra P. S. Chauhan	Chairman	Two
2.	Mr. Yogesh Alawadi	Member	Two

3.5 COMPLIANCE OFFICER

Mr. Jitendra Singh was Compliance Officer of the Company

4. REMUNERATION OF DIRECTORS.

Remuneration to Directors is approved by the Board of Directors and Shareholders of the Company. The Company does not currently have a stock option plan or performance linked incentives for its Directors.

REMUNERATION POLICY AS APPLICABLE TO EXECUTIVE/NON EXECUTIVE DIRECTORS.

The policy inter alia provides for the following

(a) Executive Directors

- Salary and commission not to exceed limits prescribed under the Companies Act, 1956.
- Revised from time to time depending upon the financial performance of Company, individual Director's performance.

(b) Non-Executive Directors

- Sitting fees is being paid to Non-Executive Directors for attending the meeting.

Details of Remuneration to Whole-time Director for the year ended 31st March, 2009.

S. No.	Name of Director	Salary	Benefits	Sitting fees	Total
1.	Mr. P.P.S. Chauhan	4,92,000.00	2,95,200.00	Nil	7,87,200.00
2.	Mr. Yogesh Alawadi	1,44,000.00	36,000.00	Nil	1,80,000.00

1. Provision for incremental gratuity and earned leave for the current year has not been considered, since the provision is based on actual basis of the Company as a whole.
2. Notice period for termination or appointment of whole time director is 3 months on either side.
3. No severance fee is payable on termination of appointment.
4. The Company has not offered any stock option to its executive Directors.

5. DETAILS OF LAST THREE ANNUAL GENERAL MEETINGS

FINANCIAL YEAR	DATE OF AGM	TIME	LOCATION
31.03.2009	26.09.2009	10.30 A.M.	Community Centre AGCR Enclave, Delhi-92
31.03.2008	29.09.2008	10.30 A.M.	Community Centre AGCR Enclave, Delhi-92
31.03.2007	29.09.2007	10.30 A.M.	Community Centre AGCR Enclave, Delhi-92

No special resolution was put through in AGM as well as postal ballot last year.

6. DISCLOSURE

- i. There has been no non-compliance penalties/strictures imposed on the Company by Stock Exchange (s) or SEBI or any statutory authority, on any matter related to capital Market, during the last year.
- ii. There were no transactions of material nature with the Directors or the Management or their subsidiaries or relatives during the year that had potential conflict with the interest of the Company at large.

7. MEANS OF COMMUNICATION

- i. The quarterly results were published in the leading Newspapers viz. The Pioneer.
- ii. Management Discussions and Analysis Report is enclosed as Annexure-I

8. SHARE HOLDERS INFORMATION :

Annual General Meeting :	29.09.2010
Date and Time :	10.30 A.M.
Venue :	Arya Samaj Mandir, 310, Bank Enclave, Delhi-110 092
Book Closure :	25th of September to 28th of September
Financial Year :	2009-2010

Unaudited results for this financial year were duly approved and published.

LISTING OF EQUITY SHARES ON STOCK EXCHANGES

Srl. No.	Stock Exchange
1	The Stock Exchange, Mumbai

Depositories :

1. Central Depository Services (India) Limited (CDSL)
Phiroz Jeejee Bhoy Towers, Dalal Street, Mumbai-400001.

Registrar and Share Transfer Agent :

1. Intime Spectrum Registry Limited
A-31, 3rd Floor, Naraina Industrial Area, Phase-I, Near PVR Cinema,
New Delhi-110 028. Phone : 41410592/3/4

Stock Market data :

Not available

Share Transfer System

Share transfer under physical category are normally affected within a maximum period of 15 days from the date of receipt and demat requests are confirmed within maximum period of 14 days. The Company transfers shares and provides depository services in-house under its secretarial department.

Share Holding Pattern as in March

S.NO.	CATEGORY	NO. OF SHARES	% OF SHARE
1.	Promoters and Associates	1081400	21.41%
2.	Banks, Financial Institutions and Insurance Companies	25200	0.50%
3.	Mutual funds & UTI	40900	0.81%
4.	Private Corporate Bodies	906500	17.94%
5.	Indian Public	1825700	36.13%
6.	NRIs	96800	1.92%
7.	Foreign Corporate Bodies	205000	4.05%

Dematerialisation of Shares

Equity shares equivalent to 24% of the shares have been dematerialized upto March 31, 2010. The trading of the Company's equity shares fall under the category of compulsory delivery in dematerialized mode by all categories of investors.



Plant Location :

4th K.M. Stone, Delhi Road,
Gajraula-244235, Distt. J.P. Nagar (U.P.)
Phone : (05924) 253313

INVESTORS CORRESPONDENCE

Investors Correspondence can be made at Regd. Office of the Company as given under :-
A-138, 1st Floor, Vikas Marg, Shakarpur,
Delhi-110 092
Phone : 011-22010998, Fax : 011-22429586

9. NON MANDATORY REQUIREMENT

Non-Mandatory requirement has presently not been adopted by the Company. However, steps have been taken by the Company to implement the same systematic manner.

10. UNCLAIMED DIVIDEND

Pursuant to Section 250 C of the Companies Act, 1956 all the unclaimed dividends, has already been deposited to the Investors Education and Protection Fund established by the Central Government of India. There is no unclaimed dividend with the Company.

11. NOMINATION FACILITY

Pursuant to Section 109 A of the Companies Act, 1956 a shareholder may nominate a person to whom his shares of the Company shall vest in the event of his/her death.

For and on behalf of the Board of Directors

(CHETAN P.S. CHAUHAN)
CHAIRMAN

Place : Delhi
Date : 04.09.2010

AUDITORS' REPORT

To The Members of
Coral Newsprints Ltd., Delhi-110 092.

1. We have audited the attached Balance Sheet of **CORAL NEWSPRINTS LIMITED** as at 31st March 2010 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) order, 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 of the Companies Act, 1956, ('the Act'), we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :-
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Profit & Loss Account dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the Balance Sheet, profit and loss account & cash flow statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of the Section 211 of the Companies Act, 1956;
 - e) On the basis of the written representation received from the Directors, as on 31 March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on March 31, 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - f) As indicated in note 6, the accounts of the Company have been prepared on the



basis that the Company is a going concern, however having regard to the accumulated losses of the Company which have eroded the paid-up Capital, the ability of the Company to continue as a going concern depends on the adequate finance and future profitability.

g. Reference is invited to :

Note 2. Regarding non confirmation of balance of Unsecured loans, few Debtors & Creditors.

Note 4. Regarding non confirmation of Term Loans from UPFC & PICUP.

Note 16. Regarding the dispute with Arrow Syntex (P) Ltd. which is still pending with Hon'ble Arbitrator.

h) Subject to matters referred in Para g, in our opinion and to the best of our information and according to the explanation given to us, the said accounts read with notes there on give the information required by the Act, in the manner so required to give a true and fair view in conformity with the accounting principles generally accepted in India;

- i) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 20010;
- ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- iii) In the case of Cash Flow Statement, of the cash flow for the year ended on that date.

For L.N. MALIK & CO.
CHARTERED ACCOUNTANTS

Place : New Delhi
Date : 4st September, 2010

(L.N. MALIK)
PARTNER
M. No. 10423
FRN : 015992N

ANNEXURE TO THE AUDITORS' REPORT - MARCH 31, 2010**(Referred to in paragraph 3 of our report of even date)**

- (i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company physically verifies the fixed assets on a rotational basis and accordingly, certain fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
- (c) There was no disposal of fixed assets during the year.
- (ii) (a) As explained to us, inventories were physically verified during the year the management at reasonable intervals.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) The Company has not taken any interest free loans or advances in the nature of loans from any party covered in the register maintained under section 301 of the Act during the year. The closing balance outstanding as on 31.03.2010 in case of Unsecured loan taken from directors was Rs. 18.09 Lacs & from the Company was Rs. 131.95 lacs which are subject to confirmation and the total closing outstanding balance of Unsecured loans as on 31.03.2010 was Rs. 150.04 Lacs.
- The maximum balance outstanding during the year in respect of above loans was Rs. 178.89 Lacs.
- The Company has not given any loan or advance to the companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 during the year.
- The terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interest of the Company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services.
- (v) According to the information and explanations provided by the management, we are of the opinion that there were no contracts or arrangements during the year that need to be entered into the register maintained under section 301 of the Act.
- (vi) The Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 58A of the Act and the rules framed there under apply.
- (vii) In our opinion, the Company has an internal audit system commensurate

- with the size and nature of its business.
- (viii) In respect of maintenance of cost records under clause (d) of sub-section (1) of section 209 of the act for the products of the Company. We based on our examination of the company's records are of the opinion that the Company is not required to maintain the cost records prescribed under section 209(1)(d).
- (ix) (a) According to the records of the company, undisputed statutory dues including Investor Education and Protection Fund, Income-tax, Service Tax, Sales-Tax, Custom Duty, Excise-Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities except the company is irregular in depositing the dues related to provident fund, water cess and TDS with the appropriate authorities. However, there is an arrear of Rs. 7,26,009/- w.r.t. Provident fund, Rs. 7,63,989.73 w.r.t. Water Cess and Rs. 38,092/- w.r.t. TDS as on 31.03.2010 and no other undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date of becoming payable.
- (b) According to the records of the company, there are no dues of Custom duty, Wealth Tax, Excise Duty, Cess which has not been deposited on account of any dispute except :
1. Income tax (Penalty) demand of Rs. 2,16,322/- for the Asst Year 1996-97, the matter for which is pending before Hon'ble Delhi High Court.
 2. Income tax (Penalty) demand of Rs. 2,69,105/- for the Asst Year 1995-96, the matter for which is pending before Hon'ble Delhi High Court.
 3. Water Cess - Rs. 2,29,891/- pending under appeal.
 4. Sales Tax - Rs. 6,46,883/- pending under appeal.
- (x) The accumulated losses of the company have exceeded Fifty percent of its net worth as at 31st March, 2010. The Company has not incurred any cash losses during the financial year covered by our Audit and also not incurred any cash loss in the immediately preceeding F.Y. in arriving at the accumulated losses and the net worth we have considered the qualifications which are quantifiable in the Audit Report of the year which these losses pertain.
- (xi) The Company has defaulted in repayment of dues to financial institutions. The Company had already paid the OTS amount of UPFC loan during the previous year. But in respect of the DADP Interest demanded by UPFC (i.e. Rs. 66.28 lacs) vide its letter dated 15.02.2010, the Company has requested for a waiver of 75% vide its letter dated 17.05.2010 which is still pending before BIFR Board. However, as per the previous DADP demand of Rs. 59.27 Lacs, the Company has already paid Rs. 14.82 lacs till 31.03.2010.

During the previous year, the Company had requested for OTS with PICUP at Rs. 235 lacs which was not approved by them. Though as per the directions given by BIFR, the Company laid down the new OTS proposal on 19.07.2010 for final settlement and reduce the previous OTS to Rs. 175 lacs on the basis

of new OTS Policy of PICUP. The Company has already paid Rs. 37 lacs in the F.Y. 2003-04. Further, after the detail explanation sort by PICUP regarding deduction in amount of OTS, the Company again laid down the detailed proposal with reasons on 05.08.2010 for reconsidering the OTS at Rs. 175 lacs. No confirmation of closing balance was available in respect of above loans. Hence, no provision of interest was made in the books in respect of UPFC & PICUP Loan.

- (xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The nature of activities of the Company does not attract any special statute applicable to chit fund and nidhi/mutual benefit fund/societies.
- (xiv) The Company does not deal or trade in shares, securities, debentures and other investment.
- (xv) According to the information and explanations given to us, the Company has not given a guarantee for a loan taken by a third party from a bank or financial institutions.
- (xvi) According to the record of the company, the company has not obtained any term loans during the year.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we report that no funds raised on short terms basis have been used for long-term investment.
- (xviii) According to the records of the Company and information and explanations provided by the management, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.
- (xix) According to the record of the company, the company has not issued any debentures during the year.
- (xx) The Company has not raised any money by public issue during the period covered by our Audit Report.
- (xxi) Based upon Audit procedures performed and information and explanation given by the management we report that no fraud on or by the Company has been noticed or reported during the course of Audit.

For L.N. Malik & Co.
Chartered Accountants

L.N. Malik
Partner
M. No. 10423
FRN : 015992N

Place : New Delhi
Date : 4th September, 2010

CORAL NEWSPRINTS LIMITED, DELHI BALANCE SHEET AS ON 31ST MARCH, 2010

Particulars	Schedule Number	As at 31st March, 2010	As at 31st March, 2009
I. SOURCES OF FUNDS			
1. SHAREHOLDER FUNDS :			
Share Capital	1	50,527,000	50,527,000
2. LOAN FUNDS :			
a) Secured Loans	2	25,651,729	26,033,729
b) Unsecured Loans	3	15,004,379	18,054,379
Total Rs.		91,183,108	94,615,108
II. APPLICATION OF FUNDS			
1. FIXED ASSETS			
Gross Block	4	89,223,412	87,079,491
Less : Depreciation		58,799,234	54,498,358
NET BLOCK		30,424,178	32,581,132
2. DEFERRED TAX ASSET		3,668,540	-
3. CURRENT ASSETS, LOANS & ADVANCES			
a) Inventories	5	5,016,515	4,989,382
b) Sundry Debtors	6	11,151,037	7,034,181
c) Cash & Bank Balances	7	3,080,327	1,864,820
d) Loans & Advances	8	1,592,161	1,029,655
		20,840,041	14,918,038
Less : Current Liabilities & Provisions	9	18,171,339	14,957,058
Net Current Assets		2,668,702	(39,020)
4. MISCELLANEOUS EXPENDITURE 10			
(To the extent not written off or adjusted)		-	-

CORAL NEWSPRINTS LTD.



5. PROFIT & LOSS ACCOUNT (As per Profit & Loss Account)	54,421,689	62,072,995
	<u>91,183,108</u>	<u>94,615,108</u>
Total Rs.		

III ACCOUNTING POLICIES, AND NOTES TO ACCOUNTS 18

Chetan P. S. Chauhan
Chairman

Pushpendra P. S. Chauhan
Director

Neerja Chhabra
Company Secretary

As per our report of even date attached
for **L.N. MALIK & CO.**
Chartered Accountants

Dated : 4th September, 2010
Place : New Delhi

L.N. MALIK
Partner
M. No. 10423



CORAL NEWSPRINTS LIMITED, DELHI PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31-03-2010

Particulars	Schedule Number	As at 31.03.2010	As at 31.03.2009
INCOME			
Sales		100,165,364	95,122,412
Less : Excise duty recovered on sale		1,975,790	1,000,229
Net Sales		98,189,574	94,122,183
Other Income	11	250,761	99,266
Accretion/ (Decretion) in Stock	12	300,770	(1,088,597)
Total Rs.		98,741,105	93,132,852
EXPENDITURE			
Raw Material Consumed	13	48,926,366	48,695,545
Manufacturing Expenses	14	33,017,483	28,701,908
Payment to and Provisions for Employees	15	4,878,243	4,248,817
Administrative & Selling Expenses	16	3,570,905	3,664,697
Finance Charges	17	64,466	157,112
Depreciation	4	4,300,876	4,311,757
Total Rs.		94,758,339	89,779,836
Profit before tax for the Year		3,982,766	3,353,016
Add : Provision for deferred tax		3,668,540	-
Less : Provision for Taxation of earlier year		-	-
Less : Provision for FBT		-	20,610
Profit / (Loss) after tax for the Year		7,651,306	3,332,406
Less : Previous year expenses		-	-
Less : Loss brought forward from previous year		62,072,995	65,405,401
Profit/ (Loss) carried over to Balance Sheet		(54,421,689)	(62,072,995)
Basic and Diluted Earnings per share (Refer note No. 18 of Schedule -18)		0.79	0.66

Accounting Policies & Notes to Accounts¹⁸

Chetan P. S. Chauhan
Chairman

Pushpendra P. S. Chauhan
Director

Neerja Chhabra
Company Secretary

As per our report of even date attached
for **L.N. MALIK & CO.**
Chartered Accountants

Dated : 4th September, 2010
Place : New Delhi

L.N. MALIK
Partner
M. No. 10423

CORAL NEWSPRINTS LTD.



CORAL NEWSPRINTS LTD.

Schedule Annexed to and Forming part of Balance Sheet and Profit & Loss Account
as at 31-03-2010

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE - 1		
<u>SHARE CAPITAL</u>		
a) Authorised :		
55,00,000 Equity Share of Rs.10/- each	<u>55,000,000</u>	<u>55,000,000</u>
b) Issued, Subscribed & Paid-up		
50,52,700 Equity shares of Rs.10/- each fully paid up	<u>50,527,000</u>	<u>50,527,000</u>
Total Rs.	<u><u>50,527,000</u></u>	<u><u>50,527,000</u></u>
SCHEDULE - 2		
<u>SECURED LOANS</u>		
<u>Term Loan From</u>		
State Financial Institutions	14,800,753	14,800,753
Interest accrued and due	10,850,976	11,232,976
Total Rs.	<u><u>25,651,729</u></u>	<u><u>26,033,729</u></u>
SCHEDULE - 3		
<u>UNSECURED LOANS</u>		
From Companies	13,194,870	13,194,870
Loan from directors	1,809,509	4,859,509
Total Rs.	<u><u>15,004,379</u></u>	<u><u>18,054,379</u></u>

CORAL NEWSPRINTS LTD.

SCHEDULE 4

FIXED ASSETS

Particulars	Rate of Dep.	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As on 01-04-2009	Addition	Ded.	As on 31-03-2010	As on 1-4-2009	During the Year	Adj.	As on 31-3-2010	As on 31-3-2010	As on 31-3-2009
Land	0.00%	1,086,757	78,250	-	1,165,007	-	-	-	-	1,165,007	1,086,757
Building	3.34%	15,074,650	-	-	15,074,650	6,814,365	503,493	-	7,317,859	7,756,791	8,260,285
Plant & Machinery	5.28%	67,545,615	1,992,011	-	69,537,626	45,502,149	3,610,559	-	49,112,709	20,424,917	22,043,466
Furniture & Fixture	6.33%	1,897,112	26,400	-	1,923,512	1,144,903	121,507	-	1,266,409	657,103	752,209
Office Equipment	4.75%	760,187	7,000	-	767,187	434,457	36,279	-	470,736	296,451	325,730
Computer	16.21%	616,440	20,500	-	636,940	595,806	23,903	-	619,708	17,232	20,634
Air Conditioners	4.75%	64,600	-	-	64,600	4,383	3,069	-	7,451	57,149	60,217
Mobile Phones	4.75%	34,130	19,760	-	53,890	2,296	2,066	-	4,362	49,528	31,834
Total		87,079,172	2,143,921	-	89,223,412	54,498,358	4,300,876	-	58,799,234	30,424,178	32,581,132
Previous Years Figures		86,514,172	565,319	-	87,079,491	50,186,601	4,311,757	-	54,498,358	32,581,132	36,327,571

25

CORAL NEWSPRINTS LTD.



CORAL NEWSPRINTS LTD.



PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
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SCHEDULE - 5

INVENTORIES

(As taken, Valued and Certified by the Management)

Raw Material	1,050,390	1,143,275
Chemicals	315,370	385,432
Stores and Spare Parts	1,680,900	1,752,400
Packing Material	132,816	160,130
Fuel (Boiler)	200,850	212,726
Finished Goods	1,526,189	1,245,419
Stock in Process	110,000	90,000
Diesel	-	-
Total Rs.	<u>5,016,515</u>	<u>4,989,382</u>

SCHEDULE - 6

SUNDRY DEBTORS

(Unsecured but considered good by Management)

Less than six month	10,556,562	5,434,882
More than six month	594,475	1,599,299
Total Rs.	<u>11,151,037</u>	<u>7,034,181</u>

SCHEDULE - 7

CASH & BANK BALANCES

Cash in Hand	45,201	271,405
Balance with Schedule Bank		
In Current Accounts	2,888,308	819,951
With Others Bank	146,818	773,464
Total Rs.	<u>3,080,327</u>	<u>1,864,820</u>

CORAL NEWSPRINTS LTD.



PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE - 8		
<u>LOANS AND ADVANCES</u>		
(Un-secured but Considered good by Management)		
Advances recoverable in Cash or in Kind or for value to be received	883,161	344,155
Security with Government Department	709,000	685,500
Total Rs.	1,592,161	1,029,655
SCHEDULE - 9		
<u>CURRENT LIABILITIES & PROVISIONS</u>		
<u>CURRENT LIABILITIES</u>		
Sundry Creditors	12,245,089	9,063,393
Expenses Payable	5,397,989	5,319,794
Security from Dealer	450,000	475,000
Advance from Suppliers	78,261	78,261
Provision for Gratuity	-	-
Provision for C.D.S.L.	-	-
Provision for Fringe Benefit Tax	-	20,610
Total Rs.	18,171,339	14,957,058
SCHEDULE - 10		
<u>MISCELLANEOUS EXPENDITURE</u>		
(To the extent not written off or adjusted)		
Preliminary Expenses	-	-
Public Issue Expenses	-	-
Total :	-	-
Less : Amount Written off	-	-
Total Rs.	-	-
SCHEDULE - 11		
<u>OTHER INCOME</u>		
Miscellaneous Income	50,742	99,266
Interest received	200,019	-
Sundry Balance Return Back	-	-
Total Rs.	250,761	99,266

CORAL NEWSPRINTS LTD.



PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE - 12		
<u>ACCRETION IN STOCK</u>		
Finished Goods	1,526,189	1,245,419
Semi Finished Goods	-	-
Stock in process	110,000	90,000
	1,636,189	1,335,419
Less Opening Stock		
Finished Goods	1,245,419	2,349,016
Semi Finished	-	-
Stock in process	90,000	75,000
	1,335,419	2,424,016
Total Rs.	300,770	(1,088,597)
SCHEDULE - 13		
<u>RAW MATERIAL CONSUMED</u>		
Opening Stock	1,143,275	691,892
Add Purchase	48,833,481	49,146,928
	49,976,756	49,838,820
Less Closing Stock	1,050,390	1,143,275
Total Rs.	48,926,366	48,695,545
SCHEDULE - 14		
<u>MANUFACTURING EXPENSES</u>		
Power & Fuel	8,811,386	6,448,038
Chemicals Consumed	1,772,968	1,145,096
Consumable Stores	3,797,000	3,008,898
Packing Materials	1,710,789	2,114,275
Repair & Maintenance (P&M)	452,463	285,772
Manufacturing Expenses	16,472,877	15,558,752
BED Reversal	-	117,010
Custom Duty	-	24,067
Total Rs.	33,017,483	28,701,908

CORAL NEWSPRINTS LTD.



PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE - 15		
PERSONNEL EXPENSES		
Wages, Salary & Bonus	4,567,628	4,118,785
Earned Leave	38,000	35,000
Gratuity Expenses	11,336	-
Contribution to provident fund & other funds	214,082	95,032
Staff Insurance	47,197	-
Total Rs.	4,878,243	4,248,817
SCHEDULE - 16		
ADMINISTRATIVE AND SELLING EXPENSES		
Printing & Stationery	118,313	191,897
Telephone Expenses	170,207	133,041
Rent, Rate & Taxes	196,563	48,478
Rebate & Discount	185,000	841,350
Conveyance	9,688	36,521
Travelling (Directors)	225,847	109,638
Travelling (Others)	255,658	70,616
Legal & Professional Charges	143,498	344,580
Auditor's Remuneration	41,914	41,914
C.D.S.L. Exp.	-	13,521
Repair & Maintenance	322,708	265,814
Directors' Remuneration	10,42,200	927,000
Directors' Sitting Fee	120,000	10,000
Listing Fee	33,090	15,000
Charity and Donaion	62,541	2,984
Advertisement	32,444	19,210
Miscellaneous Expenses	104,112	93,082
Sales Promotion	48,993	6,530
Interest Exp. (Rates & Taxes)	4,015	2,661
AGM Expenses	7,100	7,100
Watch & Ward Exp.	193,424	195,394
Cost of Form 38	-	2,000
Electricity Exp. (Office)	37,427	39,840
Sales Tax (Old Demand)	-	123,623
Staff Welfare	124,708	76,591
Spoilage & Damage	-	46,311
Festival Expense	85,495	-
Insurance (Stock)	5,960	-
Total Rs.	3,570,905	3,664,697

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
SCHEDULE - 17		
<u>FINANCE CHARGES</u>		
Interest on		
Term Loan	-	-
Working Capital Loan	-	-
Bank Charges	64,466	157,112
Total Rs.	64,466	157,112

Schedule - 18**Accounting Policies and Notes to Accounts****I. Significant Accounting Policies**

- A. BASIS OF ACCOUNTING** : The accounts of the company are prepared under the historical cost convention and in accordance with Applicable accounting standards. For recognition of income and expenditures, Mercantile System is followed.
- B. FIXED ASSETS** : Fixed assets are stated at cost less accumulated Depreciation. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.
- C. DEPRECIATION** : Depreciation on fixed assets has been provided on straight line method at the rate specified in schedule XIV of the Company Act, 1956 on monthly pro-rata basis.
- D. INVENTORY** : Inventories are valued as Cost or Net realisable value whichever is lower.
- E. RETIREMENT BENEFITS** : Provision is made for value of unutilised Leave due to employees at the end of the year also for gratuity. The Company is paying contribution of Employee's pension and provident fund.
- F. SALES** : Sales are exclusive of Cess, CST, VAT & Entry Tax.

G. TAXES ON INCOME :

Current tax is determined as the amount of tax payable in respect of estimated taxable income for the year and in accordance with the provisions as per Income Tax Act 1961. Deferred tax is recognised using the enacted tax rates and laws as on the Balance Sheet date, subject to the consideration of prudence in respect of deferred tax assets, on all timing, differences, between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

H. NOTES TO ACCOUNTS**1. Contingent Liabilities not provided for :**

PARTICULARS	Current Year Rs.	Previous Year Rs.
Water Cess Under Appeal	229,891	229,891
Income Tax Under Appeal (Ay 1995-96)*	269,105	269,105
Income Tax Under Appeal (Ay 1996-97)*	216,322	216,322
Sales Tax Appeal (Ay 2003-2004)*	646,883	-

- Balance of Unsecured loans and advances, Few Sundry Debtors & Sundry Creditors are subject to confirmation.
- Company's counter claim against the creditors (Secured & Unsecured) have not been considered while preparing the accounts.
- Term Loan & Working Capital Terms Loans from State Financial Institution are secured against movable/immovable properties both present & future and personal guarantee of the Directors of the Company. The Company had already paid the OTS amount of UPFC loan during the previous year. But in respect of the DADP interest demanded by UPFC (i.e. Rs. 66.28 Lacs) vide its letter dated 15.02.2010 against which the company has requested for a waiver of 75% vide its letter dated 17.05.2010 which is still pending before BIFR Board. However, as per the previous DADP demanded of Rs. 59.27 lacs the company has already paid Rs. 14.82 lacs till 31.03.2010.

During the previous year, the Company had requested for OTS with PICUP at Rs. 235 Lacs which was not approved. As per the directions by BIFR, the Company laid down the new OTS proposal on 19.07.2010 for final settlement and reduce the previous OTS to Rs. 175 lacs on the basis of new OTS policy of PICUP. The company had already paid Rs. 37 Lacs in the F.Y. 2003-04. Further after the detailed explanation sort by PICUP regarding deduction in amount of OTS, the company again laid down the detailed proposal with



reasons on 05.08.2010 for reconsidering the OTS at Rs. 175 lacs.

No confirmation of closing balance was available in respect of above loans. Hence, no provision of interest was made in the books.

5. The accounts of the Company have been prepared on the basis that the Company is a going concern.
6. Amount due to directors Rs. 18,09,509.00 (Previous year Rs. 48,59,509.00). Maximum Balance during the year Rs. 46,94,509.00 (P.Y. Rs. 65,80,290.00).
7. Bank Balances with Scheduled banks in Current Account Rs. 28,88,308/-.
8. Payment to Auditors' includes :

	Current Year Rs.	Previous Year Rs.
Audit Fees	20,000	20,000
Tax Audit Fees	15,000	15,000
Other matter	3,000	3,000
Service Tax	3,912	3,914
Total Rs.	41,912	41,914

9. Remuneration paid /payable to whole time Directors :

	Current Year Rs.	Previous Year Rs.
Salary	747,000	675,000
HRA	295,200	252,000
Total Rs.	1,042,200	927,000

10. In the opinion of the Board of Directors Current Assets, Loan and advances have been valued on realisable value in the ordinary course of the business at least equal to the amount at which they have been stated in the Balance Sheet as at 31-03-2010 and appropriate provisions for all the known liabilities have been made in the accounts.
11. In view of the multiplicity and identification of accounts relating to small scale industrial undertakings, information for determining the particulars relating to current indebtedness to such undertakings as required under schedule VI Part I to the Companies Act, 1956 is not readily available.
12. The company is primarily engaged in the manufacturing of newsprints and secondarily absorbent kraft paper. Since the Company's entire business is conducted within India, there is no reportable geographical segments for the year.

**13. Related Party Disclosure :**

Key Management Personnel

- | | | |
|--------------------------------|---|---------------------|
| a) Mr. Chetan P.S. Chauhan | : | Chairman |
| b) Mr. Pushpender P.S. Chauhan | : | Whole Time Director |
| c) Mr. Yogesh Alawadi | : | Whole Time Director |
| d) Mr. Ram Avtar Bansal | : | Director |
| e) Mr. Atul Kumar Jain | : | Director |
| f) Mr. Mahesh Sodhani | : | Director |

Based upon the available information, the company is of the opinion that there are no company (fellow subsidiary, joint venture associates) under the same management.

During the year the Company has entered into transactions with related parties. Those transactions along with related balances as at March 31st, 2010 and 2009 are presented in the following table.

	2009 - 10	2008 - 09
1. Managerial Remuneration *	1,042,200	927,000
2. Unsecured Loans Taken during the year	-	1,669,187
* Excluding provisions for gratuity		

14. Earnings Per Share (EPS)

	2009 - 10	2008 - 09
Profit/(Loss) after tax as per Profit and Loss Account	7,651,306	3,332,406
Average number of Equity Shares (Face Value Rs. 10/- each)	5,052,700	5,052,700
Basic and Diluted EPS (in Rupees)	0.79	0.66

15. The Company has recognised deferred tax assets as per AS-22 issued ICAI amounting to Rs. 36,68,540/- on account of timing difference on depreciation and carry forward losses. The deferred tax asset has been recognised since there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.
16. As informed to us, the dispute with Arrow Syntex Pvt. Ltd. is still pending. Arbitrator is duly appointed by Hon'ble High Court.
17. Provision for Income Tax has not been recognised in the absence of taxable income and MAT is not applicable to the Company since it is a sick Company.

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18. Aggregate amount of prior period expenses charged to Profit & Loss a/c-Nil, (previous year - Rs. Nil)
19. Previous year figures have been rearranged and regrouped wherever necessary.

III. Additional information pursuant to the provisions of part II of Schedule VI of Companies Act, 1956.

(a) Licensed, Installed Capacity and Actual Production :

Capacity	Product	
	Newsprint & Absorbent Kraft Paper Capacity	
	Current Year	Previous Year
Installed Capacity : (See note below)	12600 M.T.	12600 M.T.
Licensed Capacity :	6600 M.T.	6600 M.T.
Actual Production :	5133.099 M.T.	4957.906 M.T.

Note : The Installed capacity as shown above has been certified by the management and not verified by the Auditors' being a technical matter.

(b) Opening Stock, Closing Stock and Turn-over

	Opening Stock	Closing Stock	Turn-over
2009-10	74.576 M.T. Rs. 12,45,419.00	90.307 M.T. Rs. 15,26,189.00	5117.368 M.T. Rs. 98,189,574.00
2008-09	133.163 M.T. Rs. 23,49,016.48	74.576M.T. Rs. 12,45,419.00	5016.494 M.T. Rs. 94,122,183.00

(c) Raw Material, Spare Parts and Consumable Stores and components consumed.

Particulars	Current Year		Previous Year	
	Quantity (M.T.)	Amount (Rs.)	Quantity (M.T.)	Amount (Rs.)
Waste Paper (Ind.)	6343.909	48,926,366.00	6200.759	48,066,430.00
Waste Paper (Imp.)	-	-	44.300	629,115.00
Chemicals	-	1,772,968.35	-	1,145,096.00
Store & Spares	-	3,796,999.66	-	3,008,897.82
Packing Material	-	1,710,789.00	-	2,114,274.66

(d) Value of Imports C.I.F. value in respect of :

Particulars	Current Year Figures	Previous Year Figures
Raw Material		
Imported Waste Paper	Nil	629,115
(e) Expenditure in foreign Currency	Nil	Nil
(f) Remittance in Foreign Currency	Nil	Nil
(g) Earning in Foreign Currency	Nil	Nil

(h) Value of imported and Indigenous Raw Material, stores, Spare Parts & Components Consumed and Percentage of the total.

Particulars	Current Year Figures		Previous Year Figures	
	Amount (Rs.)	Percentage	Amount (Rs.)	Percentage
Raw Material				
Indigenous	48,926,366.00	100%	48,066,430.00	99.29%
Imported	-	0.00%	629,115.00	0.71%
Stores & Spares	3,796,999.66	100%	3,008,897.82	100.00%
Chemicals	1,772,968.35	100%	1,145,096.00	100.00%
Packing Material	1,710,789.00	100%	2,114,274.66	100.00%

PART IV

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

(i) Registration No.	:	L22219DL1992PLC048398
(ii) State Code	:	55
(iii) Balance Sheet Date	:	31-03-2010

2. Capital Raised during the year

(Amount Rs. Thousand)

	Current Year	Previous Year
(i) Public Issue	Nil	Nil
(ii) Right Issue	Nil	Nil
(iii) Bonus Issue	Nil	Nil
(iv) Private Placement	Nil	Nil

3. Position of Mobilisation and Deployment of Funds

(Amount Rs. Thousand)

	Current Year	Previous Year
(i) Total Liabilities	91,183	94,615
(ii) Total Assets	91,183	94,615

Sources of Funds

(i) Paid - up - Capital	50,527	50,527
(ii) Reserve & Surplus	-	-
(iii) Secured Loans	25,652	26,034
(iv) Unsecured Loans	15,004	18,054

Application of Funds

(i) Net Fixed Assets	30,424	32,581
(ii) Investment	-	-
(iii) Net current Assets	2,669	(39)
(iv) Misc. Expenses	-	-
(v) Accumulated Losses	54,422	62,073

4. Performance of Company

(Amount Rs. Thousand)

	Current Year	Previous Year
(i) Turnover & Other Income	98,440	94,221

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(ii) Total Expenditure	94,758	89,780
(iii) Profit/(Loss) before Tax	3,983	3,353
(iv) Profit/(Loss) after tax	7,651	3,332
(v) Earning per Share	0.79	0.66

5. Generic Names of Principal Products/Services of Company (As per Monetary Terms)

(i) Item Code No. (ITC Code)	4801 & 4804
Product Description	Newsprint & absorbent kraft paper

Schedule 1 to 18 forms are Integral part of Balance Sheet and Profit & Loss Account.

Chetan P. S. Chauhan
Chairman

Pushendra P. S. Chauhan
Director

Neerja Chhabra
Company Secretary

As per our report of even date
for **L.N. MALIK & CO.**
Chartered Accountants

Dated : 1st September, 2009
Place : New Delhi

L.N. MALIK
Partner
M. No. 10423

CORAL NEWSPRINTS LTD.



CASH FLOW STATEMENT FOR THE YEAR ENDED : 31-03-10

FIGURES (RS.)

PARTICULARS	AS AT 31.03.2010	AS AT 31.03.2009
A. Cash Flow Form Operating Activities		
Net Profit / (Loss) before tax and Extraordinary Items	3,982,766	3,353,016
ADJUSTMENT FOR :		
Depreciation	4,300,876	4,311,757
Finance Charges	64,466	157,112
	<u>4,365,342</u>	<u>4,468,869</u>
ADJUSTMENT FOR :		
Trade & other Receivables	(4,679,362)	(1,176,938)
Inventories	(27,133)	143,626
Trade Payable & other Provision	3,214,281	(1,295,382)
	<u>(1,492,214)</u>	<u>(1,295,382)</u>
Cash Generated from Operation	6,855,894	5,493,191
Finance Charges	(64,466)	(157,112)
Cash Flow Before Extra Ordinary Item	<u>6,791,427</u>	<u>5,336,079</u>
Extra Ordinary & Prior Period Items	-	-
Net Cash from Operating Activities	6,791,427	5,336,079
B. Cash Flow From Investing Activities :		
Purchase of Fixed Assets (Including Capital Work in Progress)	(2,143,921)	(565,319)
Net Cash Used in Investing Activities	(2,143,921)	(565,319)
C. Cash Flow from Financing Activities :		
Proceeds from Short Term Borrowing :	(3,432,000)	(3,259,794)
Net cash from Financing Activities	(3,432,000)	(3,259,794)
Net Increase (Decrease) in cash and Cash Equivalents (A+B+C)	1,215,507	1,510,966
Opening Cash and Cash Equivalents	<u>1,864,820</u>	<u>353,855</u>
Closing Cash and Cash Equivalents	<u>3,080,327</u>	<u>1,864,821</u>

Chetan P. S. Chauhan
Chairman

Pushpendra P. S. Chauhan
Director

Neerja Chhabra
Company Secretary

AUDITOR'S CERTIFICATE

We have examined the attached Cash Flow Statement of Coral Newsprints Ltd., for the year ended on 31.03.2010. The statement has been prepared by the Company in accordance with requirement of Listing Agreement Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of 01.09.2010 to the Members of the Company.

As per our report of even date
for **L.N. MALIK & CO.**
Chartered Accountants

Date : 4th September, 2010
Place : New Delhi

L.N. MALIK
Partner
M. No. 10423
FRN : 015992N

FORM OF PROXY
CORAL NEWSPRINTS LIMITED

REGD. OFFICE : A-138, FIRST FLOOR, VIKAS MARG, SHAKARPUR, DELHI - 110 092

I/We _____ of _____ being
Member(s) of the above named Company, hereby appoint _____ or
failing him _____ of _____ as
my/our proxy to attend and vote for me/us and on my/our behalf at the 18th Annual General
Meeting of the Company to be held at the Arya Samaj Mandir, 310, Bank Enclace, Delhi-110092,
on Wednesday, 29th September, 2010 at 10.30 A.M. and any adjournment thereof.

Signed at: _____ this _____ day of Sept. '2010

Ledger Folio No. _____

Number of Equity Shares Held _____

**Affix
Re.1/-
Revenue
Stamp**

Notes :

1. The Proxy need not be a member.
2. The proxy duly signed and stamped should reach the Registered Office of the Company not less than 48 hours before the time fixed for the Meeting.
3. No gift will be given for attending the AGM.

FORM OF PROXY
CORAL NEWSPRINTS LIMITED

REGD. OFFICE : A-138, FIRST FLOOR, VIKAS MARG, SHAKARPUR, DELHI - 110 092

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Name of the Member (In Block Letter) _____

Name of Proxy, if any (In Block Letter) _____

Regd. Folio No. _____

No. of Shares Held _____

I hereby record my presence at the 18th Annual General Meeting of the Company on
Wednesday, the 29th September, 2010.

Signature of the Member's/Proxy _____

NOTE :

1. Members/Proxy holders are requested to bring this Attendance Slip duly filled in and signed with them when they come to the meeting and hand it over at the entrance of the Meeting Hall.
2. No attendance slip will be issued at the time of the meeting.
3. No gift will be given for attending the meeting.

BOOK POST

If undelivered please return it to :



CORAL

CORAL NEWSPRINTS LTD.

Regd. Office : A-138, First Floor
Vikas Marg, Shakarpur, Delhi - 110 092