



Coral Laboratories Ltd.

An ISO 9001-2000 Certified Organisation

WE WORK FOR BETTER TOMMORROW

**ANNUAL REPORT
2011 - 2012**



CORAL LABORATORIES LIMITED

BOARD OF DIRECTORS :

Mr. Navin B Doshi : Chairman
Mr. Priyush R Dhedhi : Director
Mr. Kishor R Mehta : Executive Director
Mr. Sameer A Sheth : Director
Mr. Rajesh R Parikh : Director

AUDITORS : M/s. Shah Sanghvi & Co;
Chartered Accountants
26, Hari Bhakti Colony,
Race Course Road,
Baroda - 390 015.

BANKERS : HDFC Bank Ltd.
Express Towers, Nariman Point,
Mumbai - 400021

REGISTERED OFFICE : 308/5, Village & Post – Poicha (Ran),
Taluka - Savli, Baroda – 391 780 (Gujarat).

PLANTS:

1. DAMAN : Plot No. 57/1, (16),
Bhenslore, Dunetha,
Nani Daman - 396210.

2. UTTRANCHAL : Plot No. 27 & 28, Pharma City,
Selaqui, Dehradun, Uttranchal - 248 011.

CORPORATE OFFICE : 503, 5th Floor, Dalamal House,
Jamnalal Bajaj Marg, Nariman Point,
Mumbai - 400 021.

REGISTRAR & TRANSFER AGENT : Link Intime India Pvt. Ltd.
(Unit : Coral Laboratories Limited)
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup (West),
Mumbai - 400 078.



NOTICE

NOTICE is hereby given that the Thirtieth Annual General Meeting of the Company will be held on Thursday, the 27th September, 2012 at 12.30 P.M. at the registered office of the Company at 308/5, Village & Post Poicha (RAN), Taluka Savli, Baroda – 391780 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2012 and the Statement of Profit and Loss for the year ended as on that date together with Directors' Report and the Auditors Report thereon.
2. To declare dividend @ 15% i.e. Rs. 1.50/- per Equity Share for year 2011-2012.
3. To appoint Mr. Sameer Anil Sheth, Director of the company, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Shah Sanghvi & Co., Chartered Accountants, as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND IN CASE OF A POLL ONLY TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY (ENCLOSED) IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, DULY COMPLETED.
2. Members/Proxies should bring attendance slip sent herewith, duly filled in for attending the meeting.
3. The members are informed that in case of joint holders attending the meeting, only such joint holder who's name is higher in the order of names, will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company shall remain close from 19th September, 2012 to 27th September, 2012 (both days inclusive).

By the Order of the Board

NAVIN B. DOSHI
Chairman

Place : Mumbai
Date : 14th August, 2012



**1. Details of Directors seeking appointment / re-appointment at the forthcoming Annual General Meeting.
(In pursuance of Clause 49 of the Listing Agreement)**

1. Name of Director : Mr. Sameer Anil Sheth
Date of Birth : 28th December, 1966
Date of Appointment : 28th August, 2006
Educational Qualification : MS (U.S.A.)
Directorship in other companies : M/s. Adore Pharmaceuticals Pvt. Ltd.



DIRECTORS' REPORT

Dear Shareholders,

Your directors are pleased to present their Thirtieth Annual Report and Audited Statement of Accounts for the year ended 31st March, 2012. The Financial Performance for the year under review are given below:

1. Financial Performance	(Rs. in Lacs)	
	2011-12	2010-11
Sales & Other Income	4084.99	3333.23
Expenditure	3246.54	2672.08
Earnings before depreciation, Interest & Tax	838.45	661.15
Interest & Other Financial Charges	3.77	9.88
Depreciation	126.57	126.39
Earnings before tax	708.11	524.88
Provision for tax	137.81	105.15
Provision for deferred tax	5.52	3.50
Earnings after tax	564.78	416.24
Balance brought forward	2659.23	2335.28
Profit available for appropriation	3224.00	2751.51
APPROPRIATIONS		
Proposed Dividend	53.59	53.59
Tax on Dividend	8.69	8.69
Transfer to general reserve	35.00	30.00
Balance carried forward to balance sheet	3126.72	2659.23

* Previous Year figures has been regrouped in view of the Revised Schedule VI.

2. PERFORMANCE:

During the year under review, the company posted Revenue of **Rs. 4,084.99** lacs as compared to previous year Rs.3,333.23 lacs. However, the earnings after tax stood at **Rs. 564.78** lacs as compared to Rs. 416.23 lacs during the previous year.

3. DIVIDEND

The Board of Directors have recommended dividend of 15%, i.e., Rs. 1.50/- per equity share of Rs. 10/- each for the financial year 2011-12.

4. CAPITAL STRUCTURE

During the financial year under review, the share capital remains the same.

5. DIRECTORS

In accordance with provisions of the Companies Act 1956 and the Company's Articles of the Association, Mr. Sameer Anil Sheth who retires by rotation and being eligible offers himself for re-appointment.



6. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2A) of the Companies (Amendment) Act, 2000 the Directors confirm that:

- a) in the preparation of the annual accounts, applicable accounting standards have been followed.
- b) the estimates are made so as to give true and fair view of the statement of affairs of the Company at the end of the financial year.
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) the Directors had prepared the annual accounts on a going concern basis.

7. PARTICULARS OF EMPLOYEES

Information as per section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended is not applicable to your Company.

8. FIXED DEPOSITS

Your Company has not accepted any deposits from the Public during the year under review.

9. AUDITORS

The shareholders of the company are requested to re-appoint the retiring Auditors M/s. Shah Sanghvi & Co., Chartered Accountants, the retiring Auditors, who have furnished the requisite certificate u/s 224(1B) of the Companies Act, 1956 and therefore eligible for re-appointment as Auditors of the company.

10. COMPLIANCE CERTIFICATE

Since the Paid Up Capital is less than Rs. 5 crores, the company has obtained Compliance Certificate u/s 383A of the Companies Act, 1956 from Company Secretary in Practice, for the year 2011-12.

11. CORPORATE GOVERNANCE

Your Company strives to imbibe high standards of corporate governance while communicating with all its stakeholders. The Company has complied with the corporate governance code as stipulated under the Listing Agreement with the Stock Exchanges. A report on corporate governance alongwith a certificate from the Auditors confirming the level of compliance is annexed and forms a part of the Directors' Report.

12. PERSONNEL

The Board wishes to thank its Executives, Staff, Bankers and other Business associates for their Support during the year.

13. Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange earnings / outgo is annexed herewith.



ANNEXURE

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS / OUTGO

A. Power & Fuel Consumption	2011-2012	2010-2011
1. Electricity		
Purchase Unit	13,75,180	10,93,443
Total Amount (Rs.)	61,95,334	48,82,875
Rate per Unit	4.51	4.47
2. Furnace Oil		
Quantity (Ltrs)	52,840	43,345
Total Amount (Rs.)	23,02,231	17,89,681
Average Rate per Ltr. (Rs.)	43.57	41.29
3. Gas		
Quantity (kgs)	37,530	32,043
Total Amount (Rs.)	22,46,562	15,84,171
Average Rate per Kg. (Rs.)	59.86	49.44
B. Expenditure on R & D	Nil	Nil
C. 1) Foreign Exchange Earning (Rs. in Lacs)	1,246.55	540.80
2) Foreign Exchange Used (Rs. in Lacs)	3.21	4.56

For and on behalf of the board of Directors

Place: Mumbai
Date: 14th August, 2012

NAVIN B. DOSHI
Chairman.



REPORT ON CORPORATE GOVERNANCE

A. MANDATORY REQUIREMENTS

1. Company's Philosophy on code of Governance:

The Company's philosophy on corporate governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations, and in all interactions with its stake holders, including the Shareholders, employees, the government and other statutory bodies. The business of the Company are conducted not to benefit any particular interest group but for the benefit of all the shareholders.

2. Board of Directors

Name of Director	No. of Board Meetings Attended	Attended Last AGM/EGM	No. of Membership of Board Committee	No of Chairmanship
Mr. Navin B. Doshi	5	Yes	3	1
Mr. Kishor R Mehta	5	Yes	1	-
Mr. Priyush R Dedhi	5	Yes	1	-
Mr. Rajesh Parikh	5	Yes	2	-
Mr. Sameer Sheth	5	Yes	-	-

The Board of Directors met Five times during the year on the following dates
On 15th April, 2011, 13th May, 2011, 12th August, 2011, 14th November, 2011 and 14th February, 2012.
Annual General Meeting for year ended 31st March, 2011 was held on 30th September, 2011.

3. Audit Committee

The Audit Committee comprise of:

1. Mr. Rajesh Parikh - Non Executive and Independent Director
2. Mr. Priyush Dhedhi - Non Executive and Independent Director
3. Mr. Kishor Mehta - Executive Director

The terms of reference specified by the Board to the Audit Committee are as contained under Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. These include overseeing of the Company's financial reporting process and disclosure of financial information, review of annual and quarterly financial statements with management before submission to the Board of Directors, review of the adequacy of internal control systems with management, external and internal auditors and review of the Company's financial risk and management policies. The Committee also recommends to the Board the appointment of external Auditors.

4. Remuneration Committee

The non-executive Directors do not draw any remuneration from the Company except sitting fees for attending the meetings of the Board and Committees thereof. The Company pays sitting fees to all Directors other than Executive Directors at the rate Rs. 1000/- for each Board meeting and Rs. 500/- for each Committee Meeting.

5. Transfer Shareholders'/Investors' Grievance Committee

The Committee comprises of Mr. Rajesh Parikh and Mr. Navin Doshi. The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities. The Committee looks into shareholders' complaints like transfer of shares, non receipt of balance sheet, non receipt of declared dividends, etc. The Committee oversees the performance of the Registrar and Transfer Agents, and recommends measures for overall improvement in the quality of investor services. The Board of Directors has delegated the power of approving transfer of securities to M/s. Link Intime India Pvt. Ltd. The Share Committee generally meets once a fortnight.



6. General Body Meeting

The Last Three Annual General Body Meetings of the Company were held as under:

Year	Location	Date	Time	No. of Special Resolution Passed
2008-09	308/5, Village & Poicha (RAN), Taluka Savli, Baroda 391780	30.09.2009	3.30 p.m.	Nil
2009-10	As above	30.09.2010	3.30 p.m.	1
2010-11	As above	30.09.2011	1.00 p.m.	Nil

7. Means of Communication

The Company has published its quarterly results in Western Times (English & Gujarati)

8. General Shareholder Information

- a) Annual General Meeting:
- Date and Time : 27th September 2012
At 12.30 p.m.
 - Venue : 308/5, Village & Poicha (RAN)
Taluka Savli,
Baroda – 391 780.
- b) Financial Calendar : 1st April 2012 to 31st March 2013
- c) Results for the Quarter ending
- i) June 30th, 2012 : 14th August 2012
 - ii) September 30th 2012 : On or before 14th November 2012
 - iii) December 31st 2012 : On or before 14th February 2013
 - iv) March 31st 2013 : On or before 14th May 2013
- d) Book Closure : 19th September, 2012 to 27th September 2012 (both days inclusive)
- e) Equity Shares are Listed on : Mumbai, Vadodara and Kolkata
Stock Exchanges at
- f) Demat ISIN Numbers in : Equity Shares INE 683E001017
NSDL & CDSL
- g) Registrar and Transfer Agents : Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound.
L. B. S. Marg, Bhandup (West),
Mumbai – 400 078



h) Stock Market Data : Bombay Stock Exchange (BSE).

Month	Year	High Price (Rs.)	Low Price (Rs.)
April	2011	101.00	73.25
May	2011	105.60	73.80
June	2011	82.00	68.95
July	2011	83.95	70.10
August	2011	74.00	62.70
September	2011	79.95	65.00
October	2011	81.00	68.50
November	2011	75.90	60.00
December	2011	71.85	57.20
January	2012	70.00	57.05
February	2012	73.95	62.80
March	2012	76.25	59.15

i) Dematerialization of Shares : Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 1st January 2002 as per notification issued by the Securities and Exchange Board of India (SEBI). In accordance with the same 1912228 shares of outstanding share have been dematerialized upto 31st March 2012.

j) According to categories of Shareholders as at 31st March, 2012.

	No. of Shares	%
Promoters, Directors & Relatives	= 2442806	68.38
International Investors (NRI/FII's)	= 12904	00.36
Body Corporate	= 261735	07.32
Others	= 855155	23.94

k) Distribution of Shareholding

Distribution of Shareholding as on 31st March, 2012	No. of Shareholders	% of Share Holders	No. of Shares	% of Shares
Upto 500	2239	87.7695	359643	10.0667
501 – 1000	167	6.5465	134396	3.7619
1001 – 2000	65	2.5480	99794	2.7933
2001 – 3000	20	0.7840	47116	1.3188
3001 – 4000	13	0.5096	44691	1.2509
4001 – 5000	10	0.3920	45446	1.2721
5001 – 10000	13	0.5096	85906	2.4046
10001 and above	24	0.9408	2755608	77.1317
TOTAL	2551	100	3572600	100

For and on behalf of the board of Directors

Place: Mumbai
Date: 14th August, 2012

NAVIN B. DOSHI
Chairman.



MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Performance

The company's export has increased to **Rs. 1246.55 lacs** from the previous year's Rs. 540.80 lacs

2. Outlook:

Given the strain on the economic scenario, your Directors are trying their best to maximize the profits of the Company and the stakeholders as a whole.

3. Opportunities:

The company is in the process of looking forward for opportunities such as Mergers & Acquisitions, manufacturing Neutral Labels, generic and branded exports in order to increase the valuation of the company as a whole.

4. Regulatory Approvals:

The Company has registered and exported its products in countries viz., Sri Lanka, Myanmar, Cambodia, Vietnam, Jordan, Philippines, Afghanistan, Kenya, Nigeria, Malawi, Chile, Cuba, Barbados, Jamaica, Ivory Coast and Costa Rica. The company has also supplied the goods under tender supply to countries viz, Lesotho, Papua New Guinea, Malawi and to Hong Kong for hospital supplies. The company has also got its plant approved from MOH of Ethiopia, Nigeria, Ivory Coast, Malawi, Kenya & Tanzania.

5. Threats & Concerns:

The competition to your company has continued to be significant factor which is to be taken care of while formulating the growth plan & strategies. Given its strong technological base, wide market range of products, we are equipped to meet the challenges.

6. Internal Controls:

The internal audit department reviews key business process and controls. The business risks and its control procedures are reviewed periodically.

7. Human Resources:

Your company continued to have cordial relations with its employees.



AUDITORS' CERTIFICATE

To,

The Members,

CORAL LABORATORIES LIMITED

We have examined the compliance of conditions of Corporate Governance by Coral Laboratories Limited, for the year 2011-2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedure and implemented thereof, adopted by the company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for the period exceeding one month against the company as per records maintained by Share Registrars and reviewed by the Shareholder's/Investors' Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the company nor efficiency or effectiveness of the affairs of the company.

For **SHAH SANGHVI & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 109794W

(J. P. Shah)
Proprietor
M.No. 34010

Place : Mumbai
Date : 14th August, 2012.



AUDITORS' REPORT

To,
The Members,
CORAL LABORATORIES LIMITED

1. We have audited the attached Balance Sheet of **CORAL LABORATORIES LIMITED** as at 31st March 2012 and also the Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto which we have signed under reference to this report. 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 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 management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) (Amendment) Order, 2004 (together the 'Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of The Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we give 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 and Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion and to the best of our information, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of The Companies Act, 1956.
 - e) On the basis of written representations received from the directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on 31st March 2012 from being appointed as a director, in terms of clause (g) of sub section (1) of Section 274 of The Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to explanations given to us, the said financial statement together with the notes there on and attached thereto give in the prescribed manner the information required by the Companies Act, 1956 in the manner so required and 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 31st March, 2012, and
 - ii) In the case of the Profit and Loss Account, of the profit of the company for the year ended on that date and
 - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **SHAH SANGHVI & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 109794W

(J. P. Shah)
Proprietor
M.No. 34010

Place : Mumbai
Date : 14th August, 2012.



ANNEXURE TO THE AUDITORS' REPORT

THE ANNEXURE REFERRED TO IN THE AUDITORS' REPORT TO THE MEMBERS OF CORAL LABORATORIES LIMITED FOR THE YEAR ENDED 31st MARCH 2012.

- i. (a) The company is maintaining proper records showing particulars including quantitative details and situation of fixed assets.
(b) These fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
(c) According to the information and explanation given to us, the company has not disposed off substantial part of fixed assets during the year.
- ii. (a) The inventory (excluding stocks with third parties) has been physically verified during the year by the management. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the company and nature of its business.
(c) On the basis of our examination of records of inventory, in our opinion, the company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stock and book records were not material in relation to the operations of the company.
- iii. (a) The company has granted loan to one party covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 105.00 Lacs and the year end balance of the loan granted to such party was Rs. Nil.
(b) In respect of loans granted, terms and conditions of such loan are prima facie not prejudicial to the interest of the company. Interest has been charged.
(c) There are no overdue amounts of loans granted to such parties listed in the register maintained under section 301 of the Companies Act, 1956.
(d) As informed, the company has not taken any loans, secured or unsecured, from the parties listed in the register maintained under section 301 of the Companies Act, 1956.
- 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 with regard to the purchase of inventory and fixed assets and with regards to the sale of goods. Further on the basis of our examination of the books and records of the Company carried out in accordance with the Accounting Standards generally accepted in India and according to the information and explanation given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. According to the information and explanations given to us,
 - (a) We are of the opinion that transactions that need to be entered into a register in pursuance of section 301 of the Act have been so entered;
 - (b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. The company has not accepted any deposit from the public within the meaning of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of accounts relating to material, labour and other items of cost maintained by the company, pursuant to the rules made by the Central Government for the maintenance of the cost records under Section 209 (1)(d) of the Companies Act, 1956 and we are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- ix. In respect of Statutory Dues:
 - (a) According to the information given to us and the records of the Company examined by us, in our opinion, the company is regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other material statutory dues applicable with the appropriate authorities.



- (b) According to the information and explanations given to us there is no undisputed amounts payable in respect of, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, Cess were in arrears, as at 31.03.2012, for a period of more than six months from the date they become payable.
- (c) According to the information and explanations given to us, details of the disputed statutory dues on account of sales tax, service tax, excise duty and income tax which have not been deposited with the appropriate authorities are as under:

Name of the Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where dispute is pending
Local Sales Tax Act.	Sales Tax	1.04	1997-98	Joint Commissioner Appeal, Baroda
Local Sales Tax Act.	Sales Tax	0.74	1999-00	Joint Commissioner Appeal, Baroda
Local Sales Tax Act.	Sales Tax	1.74	2008-09	Deputy Commissioner, Dehradun
The Central Excise Act, 1944.	Service Tax	0.42	1997-98 & 1998-99	Custom, Excise & Gold (Control) Appellate Tribunal, WZB, Ahmedabad.
The Central Excise Act, 1944.	Excise Duty	18.56	2002-03, 2003-04 & 2004-05.	Supreme Court, New Delhi

- x. The company does not have any accumulated losses as at March 31, 2012 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. In our opinion and according to the information given to us, the company has not defaulted in repayment of dues to bank. The company has not taken any loans from the financial institutions during the year and nor has issued any debentures.
- xii. In our opinion and according to the information given to us, the company has not granted any loans or advances on the basis of any security. Accordingly, the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiii. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of Clause 4(xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xvi. In our opinion, and according to the information given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised;
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has not used any funds raised on short-term basis for long-term investment.
- xviii. The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the Act. Accordingly, the provisions of clause 4(xviii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xix. The company had not issued any debentures in respect of which any security was required to be created. Accordingly, the provisions of clause 4(xix) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xx. The company did not raise any money by public issue during the year. Accordingly, the provisions of clause 4(xx) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xxi. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For **SHAH SANGHVI & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 109794W

(J. P. Shah)
Proprietor
M.No. 34010

Place : Mumbai
Date : 14th August, 2012.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1 : COMPANY INFORMATION:

Coral Laboratories Limited is a public limited company domiciled in India and is listed on Bombay Stock Exchange (BSE). The company is engaged in manufacturing of Pharmaceutical formulations. Company's manufacturing facilities are located at Daman and Dehradun and Corporate Office is located at Mumbai.

NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

i. Framework of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention on the accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards issued by the Institute of Chartered Accountants of India notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of Companies Act, 1956.

ii. Uses of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosure relating to contingent assets and liabilities on the date of financial statements and the results of operations during the reporting periods. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates and revisions, if any, are recognised in the current and future periods.

iii. Inventories

- a) Inventories are valued at lower of cost and realizable value. Cost of inventories comprises, cost of purchase, cost of conversion and other cost incurred in bringing them to their present location and conditions and excise duty paid/ payable on such goods.
- b) In Dehradun and Daman Plant the Company has written off 20% of Stores and spares yearly from the inventory of stores and spares.

iv. Depreciation

Depreciation of fixed assets have been provided on straight line method in the manner and at the rates prescribed in schedule XIV of the Companies Act, 1956. Depreciation on additions / deletion to fixed assets during the year is provided on a pro-rata basis.

v. Revenue Recognition

- a) Sales are accounted inclusive of excise duty but excluding Sales Tax, and are net of returns / discounts / debit notes / reversals.
- b) Excise duty is deducted from turnover (gross) and not the entire amount of liability arisen during the year.
- c) Export Incentive under the Duty Entitlement Pass Book Scheme has been recognised on the cash basis.
- d) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

vi. Fixed Assets

- a) Fixed assets are stated at cost less accumulated depreciation. Cost comprises of purchase price and any cost attributable of bringing the assets to its working condition for its intended use.
- b) Direct costs as well as related incidental and identifiable expenses incurred on acquisition of fixed assets that are not yet ready for their intended use or not put to use as on the balance sheet date are stated as Capital Work in Progress. Assets under construction are not depreciated.
- c) There is no revaluation of fixed assets carried out during the year.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

vii. Foreign Currency Transactions

- a) Transactions denominated in foreign currencies are recorded at the exchange rates prevailing at the date of transaction. Monetary items denominated in foreign currency at the year end are translated at year end rates.
- b) In respect of monetary items which are covered by foreign exchange contracts, the premium or discounts on such forward contract is recognized over the life of the forward contract.
- c) The exchange differences arising on settlement of transaction/ translation of monetary assets and liabilities denominated in foreign currency are recognised in the Statement of Profit and Loss. In cases, where they relate to acquisition of fixed assets, they are adjusted to the carrying cost of such assets.

viii. Investments

- a) Investments are classified into current and long term investment.
- b) Current investments are carried at lower of cost or market value, computed category wise and the resultant decline, if any, is charged to revenue.
- c) Long term investments are stated at cost. Provision is made for any diminution in value, if other than temporary. However, in the opinion of the management, the increase/decrease in the value of investment in shares, is on account of market forces and is not of other than temporary nature and therefore not provided in the books of accounts.

ix. Retirement Benefits

- a) Gratuity in respect of eligible employees has been provided for on the basis of actuarial valuation. As per AS15 the actuarial valuation is considered 5% as salary escalation and average 2% as attrition rate and the retirement age is considered as 60 years.
- b) Leave Encashment is not provided in books of accounts but is accounted for on cash basis.

x. Borrowing Costs:

Borrowings costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets till such time as the asset is ready for its intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are, charged to the Statement of Profit and Loss.

xi. Segment Reporting

The company is engaged in pharmaceutical business, which as per Accounting Standard - AS 17, is considered the only reportable business segment.

xii. Earning Per Share:

- a) Basic Earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares)
- b) For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

xiii. Taxation

- a) Provision for the Current tax has been made in accordance with the income-tax laws and rules prevailing at the time of the relevant assessment years.
- b) Deferred tax expense or benefit is recognised on timing differences being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred Tax Asset is recognized when there is virtual certainty of reversal.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



xiv. Impairment of Assets:

At Balance Sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of the company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired.

xv. Provisions, Contingent Liabilities and Contingent Assets:

- a) Provisions are recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
- b) Contingent liability is disclosed when there is a present or possible obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation and no reliable estimate is possible.
- c) Contingent Assets are neither recognized nor disclosed in the financial statement.

xvi. Other Accounting Policies:

Accounting policies not specifically referred to are consistent with the generally accepted accounting standards.



BALANCE SHEET AS AT 31st MARCH, 2012

(Amount in Rs.)

PARTICULARS	Note No.	As at 31.03.2012	As at 31.03.2011
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
Share Capital	3	35,726,000	35,726,000
Reserves and Surplus	4	345,673,722	295,424,341
(2) Non-Current Liabilities			
Long-Term Borrowings	5	75,000	75,000
Deferred Tax Liabilities (Net)	6	7,285,509	6,732,979
Other Long Term Liabilities	7	4,089,109	4,150,517
Long Term Provisions	8	813,135	532,410
(3) Current Liabilities			
Short-Term Borrowings	9	-	1,376,304
Trade Payables	10	46,456,784	27,704,770
Other Current Liabilities	11	4,764,919	7,869,180
Short-Term Provisions	12	44,397,383	35,533,098
Total		489,281,559	415,124,599
II. ASSETS			
(1) Non-Current Assets			
Fixed Assets	13		
(i) Tangible Assets		216,429,350	228,528,706
(ii) Intangible Assets		494,530	-
		216,923,880	228,528,706
Non-current investments	14	11,681,169	11,681,169
Long term loans and advances	15	18,352,070	9,058,822
(2) Current Assets			
Inventories	16	67,116,719	83,114,550
Trade receivables	17	70,720,750	35,689,139
Cash and bank balances	18	38,952,120	8,205,625
Short-term loans and advances	19	65,534,851	38,846,588
Total		489,281,559	415,124,599

Summary of Significant Policies

2

The accompanying notes are an integral part of these financial statements.

As per our Report of even date

For and on behalf of the Board

For **SHAH SANGHVI & CO.**

Chartered Accountants

Firm Registration No. 109794W

MR. NAVIN B. DOSHI - Chairman

MR. KISHOR R MEHTA - Executive Director

MR. SAMEER A SHETH - Director

(J. P. Shah)

Proprietor

Membership No. 34010

Place : Mumbai

Date : 14th August 2012

Place : Mumbai

Date : 14th August 2012

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2012



(Amount in Rs.)

PARTICULARS	Note No.	For the year ended 31.03.2012	For the year ended 31.03.2011
I Revenue from operations (Gross)	20	407,417,027	332,578,639
Less : Excise Duty		7,792,148	5,591,108
Revenue from operations (Net)		399,624,879	326,987,531
II Other Income	21	8,873,766	6,335,538
III. Total Revenue (I + II)		408,498,645	333,323,069
IV Expenses:			
Cost of materials consumed	22	230,238,820	178,769,416
Purchase of Stock-in-Trade		1,195,359	3,931,696
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	2,159,921	1,331,123
Employee Benefits Expenses	24	36,812,164	35,268,987
Finance Costs	25	377,055	988,036
Depreciation and Amortization Expense	13	12,656,723	12,639,060
Other Expenses	26	54,247,445	47,906,451
IV. Total Expenses (IV)		337,687,487	280,834,769
V Profit before tax (III - IV)		70,811,158	52,488,300
VI Tax expense:			
Current tax		13,781,000	10,514,788
Deferred tax		552,530	350,000
VII Net Profit after tax (V - VI)		56,477,628	41,623,512
Earning per equity share:	29		
Basic		15.81	11.65
Diluted		15.81	11.65

Summary fo Significant Policies 2
The accompanying notes are an intergral part of these financial statements.

As per our Report of even date

For and on behalf of the Board

For **SHAH SANGHVI & CO.**
Chartered Accountants
Firm Registration No. 109794W

MR. NAVIN B. DOSHI - Chairman
MR. KISHOR R MEHTA - Executive Director
MR. SAMEER A SHETH - Director

(J. P. Shah)
Proprietor
Membership No. 34010
Place : Mumbai
Date : 14th August 2012

Place : Mumbai
Date : 14th August 2012



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3 - Share Capital

Particulars	As at 31st March 2012		As at 31st March 2011	
	Number	Rupees	Number	Rupees
Authorised Equity Shares Rs. 10/- each	10,000,000	100,000,000	10,000,000	100,000,000
Issued, Subscribed & Paid up Equity Shares of Rs. 10/- each fully paid up	3,572,600	35,726,000	3,572,600	35,726,000
Total	3,572,600	35,726,000	3,572,600	35,726,000

A. Terms & Rights attached to equity shares:

The Company has only one class of equity shares having face value of Rs. 10 each. Each shareholder of Equity share is entitled to one vote per share. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of Liquidation of the company, the shareholders of the equity shares will be entitled to receive remaining assets of the company, after distribution of Preferential amount. The distribution will be in proportion to the Number of equity shares held by Shareholders.

B. Reconciliation of number of shares outstanding at beginning and end of FY 2011-12:

Particulars	Equity Shares			
	F.Y. 2011-2012		F.Y. 2010-2011	
	Number	Rupees	Number	Rupees
Shares outstanding at the beginning of the year	3,572,600	35,726,000	3,572,600	35,726,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	3,572,600	35,726,000	3,572,600	35,726,000

C. List of shareholders holding more than 5% of shares:

Name of Shareholder	As at 31st March 2012		As at 31st March 2011	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Chetan N Doshi	390,566	10.93	368,190	10.31
Coral India Finance & Housing Ltd.	715,351	20.02	715,351	20.02
Kundan Navin Doshi	528,763	14.80	528,763	14.80
Sachin N Doshi	570,752	15.98	477,120	13.35

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



Note : 4 Reserve & Surplus

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
-General Reserve		
Balance brought forward from previous year	29,501,473	26,501,473
Add: Transfer From Profit & Loss Account	3,500,000	3,000,000
Total (a)	33,001,473	29,501,473
-Surplus		
Opening Balance	265,922,868	233,527,604
Add: Profit for the period	56,477,628	41,623,512
Less : Proposed Dividends	5,358,900	5,358,900
Less : Tax on Dividend	869,348	869,348
Less : Transfer to Reserves	3,500,000	3,000,000
Total (b)	312,672,249	265,922,868
Total (a+b)	345,673,722	295,424,341

Note : 5 Long Term Borrowings

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Deposits Payable	75,000	75,000
Total	75,000	75,000

Note : 6 Deferred Tax Liability

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Opening Deferred Tax (Asset)/Liability	6,732,979	6,382,979
Deferred Tax (Asset)/Liability for current year		
Deferred Tax (Asset):		
Disallowance under section 43B and 40A7 of the Income Tax Act, 1961	(36,913)	(272,490)
Deferred Tax Liability:		
Difference between Accounting and Tax WDV (Cumulative)	589,443	622,490
Net Closing Deferred Tax (Asset)/Liability	7,285,509	6,732,979



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 7 Other Long term Liability

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Trade Payable	1,216,194	1,222,946
Payables for Capital Goods	1,467,760	1,467,760
Net Salary Payable	417,385	472,043
Advances from Customers	987,769	987,768
Total	4,089,109	4,150,517

Note : 8 Long Term Provisions

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Gratuity Payable	813,135	532,410
Total	813,135	532,410

Note : 9 Short Term Borrowings

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
-Loan Repayable on Demand		
From Bank	-	1,376,304
Total	-	1,376,304

Security Details:

Primary Security - Secured against hypothecation of entire current assets and movable fixed assets of the company and FDR for margins. Collateral Security - Equitable mortgage of Plot No. 27 & 28, Industrial Area, Pharmacy, Selaqui, Chakrata Road, Dehradun, Uttaranchal and Office unit located at 503, 5th floor, Dalamal House, Nariman Point, Mumbai.

Note : 10 Trade Payables

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Trade Payables (Of which, Rs.286,775/- payable to related party - Adore Pharmaceuticals Pvt. Ltd.)	46,456,784	27,704,770
Total	46,456,784	27,704,770

Sundry creditors of Rs. 92.22 lacs are outstanding to Micro and Small Enterprises (on the basis of information available with the company). Interest if any payable on delayed payment to Micro and Small Enterprises under Micro, and Small and medium enterprises development Act., 2006 is not ascertainable.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



Note : 11 Other Current Liabilities

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Statutory Liabilities	815,217	909,843
Deposits Payable	40,000	2,250,000
Payables for Capital Goods	2,287,052	1,924,810
Unclaimed dividends	786,041	934,099
Income Received in Advance - Advance From Customers	836,609	1,850,428
Total	4,764,920	7,869,180

Note : 12 Short Term Provisions

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
-Provision For Employees Benefit		
Salary, Bonus & Reimbursements	2,037,739	2,512,055
Gratuity Payable	185,331	163,249
Contribution to Employee benefits funds	153,392	194,237
-Others		
Provision for Proposed Final Dividend	5,358,900	5,358,900
Dividend Distribution Tax on Proposed Final Dividend	869,348	869,348
Provision for Taxation	34,479,102	24,595,000
Other Provisions	1,313,571	1,840,309
Total	44,397,383	35,533,098

Note :13 Fixed Asset

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Value at the beginning	Additions	Disposals	Other Adjustments	Value at the end	Value at the beginning	Additions	Disposals	Value at the end	WDV as on 31.03.2012	WDV as on 31.03.2011
I	Tangible Assets											
1	Land	9,339,964	-	-	-	9,339,964	-	-	-	-	9,339,964	9,339,964
2	Building	21,066,134	-	-	-	21,066,134	2,166,759	343,378	-	2,510,137	18,555,997	18,899,375
3	Factory Building	100,328,665	-	-	-	100,328,665	19,002,288	3,350,976	-	22,353,264	77,975,401	81,326,377
4	Plant and Equipment	148,593,397	3,273,660	-	3,000,000	148,867,057	43,488,366	7,071,868	-	50,585,556	98,281,501	105,105,031
5	Furnitures & Fixtures	17,647,004	49,710	-	-	17,696,714	6,765,706	1,067,053	-	7,885,377	9,811,337	10,881,298
6	Vehicles (Cars)	3,378,622	-	697,889	-	2,680,733	1,837,250	262,973	545,291	1,554,932	1,125,801	1,541,372
7	Office Equipment	1,520,530	86,734	-	-	1,607,264	629,223	159,415	-	788,638	896,566	891,307
8	Computer	4,086,357	181,348	28,360	-	4,239,345	3,542,373	277,427	23,238	3,796,562	442,783	543,984
	(a)	305,960,673	3,591,452	726,249	3,000,000	306,282,876	77,431,965	12,533,090	568,529	89,396,526	216,429,350	228,528,710
II	Intangible Assets											
1	Software	-	618,163	-	-	618,163	-	123,633	-	123,633	494,530	-
	(b)	-	618,163	-	-	618,163	-	123,633	-	123,633	494,530	-
	Total(a+b)	305,960,673	4,209,615	726,249	3,000,000	306,444,039	77,431,965	12,656,723	568,529	89,520,159	216,923,880	228,528,710
	(Previous Year)	304,943,433	1,017,237	-	-	305,960,670	64,792,905	12,639,060	-	77,431,965	228,528,705	240,150,530



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 14 Non Current Investments

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
-INVESTMENTS (AT COST)		
Others Investments (Quoted)		
Investment with Associate concern: Coral India Finance & Housing Ltd., 1299200 Equity Shares of Rs.10/- each fully paidup (Market Value - 3,31,29,600/-) (Previous Year - 3,28,04,800/-)	11,587,169	11,587,169
Investment in other concern Gujarat State Financial Corporation Limited. 4700 Equity Shares of Rs.10/- each fully paid up at a premium of Rs.10/- each. (Market Value - 11,656/-) (Previous Year - 14,852/-)	94,000	94,000
Total	11,681,169	11,681,169

Note : 15 Long Term Loans & Advances

(Unsecured considered good)

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Capital Advances	185,450	196,650
Advance to Employee	315,913	300,914
Other Deposit	740,549	752,049
Fixed Deposit with Banks	10,620,047	269,802
Balance with Revenue Department	5,513,733	6,445,118
Other Loans & Advances	976,377	1,094,290
Total	18,352,070	9,058,823

Note : 16 Inventories

(Valued at Lower of Cost or Net Realisable Value)

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Raw Material	27,753,998	38,947,158
Goods-in-transit - Raw Materials	382,260	-
Packing Material	12,904,623	15,952,305
Finished Goods	17,715,730	20,795,659
Goods-in-transit - Finished Goods	3,333,959	356,270
Work-in-Progress	3,690,351	4,668,105
Stores & Spares	1,010,021	989,349
Stock in trade	325,777	1,405,705
Total	67,116,719	83,114,551

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



Note : 17 Trade Receivables

(Unsecured, Considered Good)

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Debtors for the period exceeding six months from the date they are due for payment	10,059,754	10,577,266
Others	60,660,996	25,111,873
Total	70,720,750	35,689,139

Note : 18 Cash and Bank Balance

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Cash in Hand	355,817	107,441
-Bank Balances		
-Current Account	19,728,122	3,020,138
-Bank OD account	5,000	2,550,512
Fixed Deposit Account maturing within less than 12 months	18,000,000	1,516,295
Margin Money Account	56,250	56,250
Unclaimed Dividend Accounts	806,931	954,989
Total	38,952,120	8,205,625

Note :19 Short Terms Loans and Advances

(Unsecured, Considered Good)

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Advance to Suppliers	1,204,393	765,318
Loan Given	20,000,000	-
Advance Tax	13,800,000	10,000,000
TDS Receivable	426,796	618,638
Advance To staff	119,197	69,783
Balance with Revenue Departments	28,171,906	26,328,474
Other Loans & Advances	1,812,558	1,064,375
Total	65,534,851	38,846,588

Note : 20 Revenue from Operations

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
	Sale of products	400,561,488
Sale of Services	1,007,383	2,518,910
Other Operating Income	5,848,156	1,259,010
Total	407,417,027	332,578,639



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note : 21 Other Income

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Interest Received	2,507,752	331,284
Foreing Exchange Fluctuation	3,754,214	260,497
Rent Income	2,569,035	5,602,350
Insurance Claim	38,385	-
Other Income	4,381	141,407
Total	8,873,766	6,335,538

Note : 22 Cost of Material Consumed

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
-Raw Material Consumed:		
Opening Stock	38,947,158	37,427,875
Add : Purchase (Net)	140,616,661	111,876,011
	179,563,819	149,303,886
Less : Closing Stock	28,136,258	38,947,158
(a)	151,427,561	110,356,728
-Packing Material Consumed:		
Opening Stock	15,952,305	15,030,122
Add : Purchase (Net)	75,763,576	69,334,871
	91,715,881	84,364,993
Less : Closing Stock	12,904,623	15,952,305
(b)	78,811,258	68,412,688
Total(a+b)	230,238,819	178,769,416

Note : 23 Change in Inventories

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
-Opening Stock		
Stock In Progress	4,668,105	2,799,164
Finished Goods	21,151,929	23,393,615
Stock in Trade (Trading)	1,405,704	2,364,082
(a)	27,225,738	28,556,861
-Closing Stock		
Stock In Progress	3,690,351	4,668,105
Finished Goods	21,049,689	21,151,929
Stock in Trade	325,777	1,405,705
(b)	25,065,817	27,225,738
Total(a-b)	2,159,921	1,331,123

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



Note : 24 Employment Benefit Expenses

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Salary, Wages, Bonus & Incentives	33,083,992	31,553,726
Gratuity	311,113	64,939
Directors Remuneration	420,000	411,510
Contribution to Employee benefit funds	2,102,028	2,381,299
Staff Welfare & Other Amenities	895,030	857,513
Total	36,812,164	35,268,987

Note : 25 Financial Cost

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Interest Expense	178,953	902,824
Interest on Income Tax	198,102	85,212
Total	377,055	988,036

Note : 26 Other Administrative Expenses

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Power & Fuel	11,526,565	8,368,873
Manufacturing Expenses	7,498,126	4,339,376
Repairs & Maintenance	7,190,538	3,517,211
Stores & Spares	254,702	8,105
Rent, Rates & Taxes	1,017,678	597,427
Sales Tax	53,662	114,142
Insurance	447,449	571,649
Auditors Remuneration	125,500	121,500
Advertisement Expenses	121,101	321,865
M R Expenses	5,186,282	7,050,732
Travelling Expenses	1,063,467	1,867,690
Bank Charges & Commission	855,938	786,414
Office Expenses	388,638	978,299
Postage & Telegrams	1,111,259	958,437
Printing & Stationery	2,526,258	2,581,294
Professional Fees	1,239,441	1,697,833
Security Expenses	1,525,947	1,345,912
Telephone Expenses	775,178	890,118
Freight Expense	4,638,460	4,223,230
Loading & Unloading Exp	438,175	55,760
Sales Promotion Exp	1,060,836	1,045,915
C & F Expenses	962,743	1,401,664
Other Expenses	3,893,122	4,902,164
Prior Period	346,379	160,841
Total	54,247,445	47,906,451



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

27 Contingent liabilities and commitments (to the extent not provided for)

Particulars	As at 31st March 2012	As at 31st March 2011
(i) Contingent Liabilities	Nil	Nil
(ii) Commitments	Nil	Nil

28 Auditors Remuneration

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Statutory Audit	100,000	100,000
Tax Audit	5,000	5,000
Branch Audit	20,500	16,500
Total	125,500	121,500

29 Earning Per Share

Particulars	As at 31st March 2012	As at 31st March 2011
	Rupees	Rupees
Number of Equity Shares at the beginning of the year	3,572,600	3,572,600
Number of Equity Shares at the end of the year	3,572,600	3,572,600
Weighted average number of Equity Shares	3,572,600	3,572,600
Face Value of each Equity Share (Rs)	10.00	10.00
Profit after Tax Available for the Equity Shareholders	56,477,628	41,623,512
Basic Earning Per Share (Rs)	15.81	11.65
Diluted Earning Per Share (Rs)	15.81	11.65

30 Related Party Disclosure

Related party Disclosures as required by AS-18, "Related Party Disclosures", are given below:

A. Key Management Personnel

Name	Designation
Mr. Navin B Doshi	Chairman
Mr. Priyush R Dhedhi	Director
Mr. K R Mehta	Executive Director
Mr. Samir A Sheth	Director
Mr. Rajesh R Parikh	Director

B. Relatives of key management personnel and Enterprises over which key management personnel and their relatives are able to exercise significant influence are as follows:

Name	Designation
Coral India Finance and Housing Ltd	Significant Influence
Adore Pharmaceuticals Private Ltd	Significant Influence
Mr. Chetan Navin Doshi	Relative of Key Management Personnel
Mrs. Meeta Samir Sheth	Relative of Key Management Personnel

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



The company has identified all the related parties having transactions during the year as per details given below :

Nature of Transactions:

A. Key Management Personnel

Particulars	Year ended 31st March 2012 (Rs.)	Year ended 31st March 2011 (Rs.)
Salaries & Perquisites	429,360	435,816
Sitting Fees	28,000	20,000

B. Relatives of key management personnel and enterprises over which key management personnel and their relatives are able to exercise significant influence

Particulars	Year ended 31st March 2012 (Rs.)	Year ended 31st March 2011 (Rs.)
Salary Paid	4.89 lacs	4.15 lacs
Loan Granted	105.00 lacs	-
Repayment of loans granted	105.00 lacs	-
Loan Received	-	130.00 lacs
Loan Repaid	-	130.00 lacs
Deposit repaid	2.00 lacs	-
Interest Paid	-	3.59 lacs
Interest Received	4.06 lacs	-
Rent Paid	2.50 lacs	6.00 lacs
Dividend Paid	10.73 lacs	10.73 lacs
Labour Charges Paid	11.21 lacs	13.85 lacs
Purchases	4.00 lacs	2.51 lacs

Balances of Related Parties

Particulars	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
-Investment		
Coral India Finance & Housing Ltd	115.87 lacs (Dr)	115.87 lacs (Dr)
Adore Pharmaceuticals Pvt. Ltd.	2.87 lacs (Cr)	2.96 lacs (Dr)
Chetan Doshi	-	2.00 lacs (Dr)



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

31. Raw Material Consumed

(Value in Rupees)

Raw Materials	Year ended 31st March 2012 (Rs.)	Year ended 31st March 2011 (Rs.)
i Amoxicillin Trihydrate	12,272,589	6,870,449
ii Azithromycin USP	10,690,620	10,473,628
iii CiproFloxacin HCL IP	1,783,856	2,807,819
iv Paracetamol IP	1,011,781	810,973
v Sugar (Commercial) IH	10,367,964	11,396,775
vi Empty Gelatine Capsuls	4,200,972	3,413,681
vii Others	111,099,779	74,583,404
Total	151,427,561	110,356,729

32. Goods Purchased for trading

Particulars	Year ended 31st March 2012 (Rs.)	Year ended 31st March 2011 (Rs.)
i Tablets & Capsules	231,238	1,529,295
ii Injection	140,854	269,150
iii Liquid	823,267	2,133,251
Total	1,195,359	3,931,696

33. Sales, Closing and opening inventory of manufactured goods

(All figures in thousands)

Particulars	Sales Value (Rs.)	Closing Inventory (Rs.)	Opening Inventory (Rs.)
i Tablet & Capsules	192,309 (132,775)	10,385 (9,522)	9,522 (14,333)
ii Ointment & Powder	17,987 (15,310)	1,547 (844)	844 (473)
iii Liquids	185,537 (170,360)	9,116 (10,785)	10,785 (8,587)
Total	395,833 (318,445)	21,048 (21,151)	21,151 (23,394)

Note : Figures in brackets represent previous year figures

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



34. Sales, Closing and opening inventory of traded goods

(All figures in thousands)

Particulars	Sales Value (Rs.)	Closing Inventory (Rs.)	Opening Inventory (Rs.)
i Tablets & Capsules	1,812.24 (3,489.47)	243.43 (1,000.30)	1,000.30 (868.01)
ii Ointment	- (-134.56)	- (5.86)	5.86 (5.86)
iii Liquid	2,916.61 (7,000.98)	82.35 (399.54)	399.54 (1,490.21)
Total	4,728.85	325.78	1,405.70
	(10,355.89)	(1,405.70)	(2,364.08)

Note : Figures in brackets represent previous year figures

35. Closing Work in progress

(Value in Rupees)

Particulars	As at 31st March 2012 (Rs.)	As at 31st March 2011 (Rs.)
i Tablets & Capsules	1,052,983	1,686,728
ii Ointment	739,611	-
iii Liquid	117,184	-
iv Other	1,780,574	2,981,377
Total	3,690,351	4,668,105

36. Value of imports on C.I.F basis

(Value in Rupees)

Particulars	Year ended 31st March 2012 (Rs.)	Year ended 31st March 2011 (Rs.)
i Raw materials	4,642,155	11,912,055



NOTES FORMING PART OF THE FINANCIAL STATEMENTS

37. Value of Imported and Indigenous Materials Consumed

(Rs. in lacs)

Raw Materials	Year ended 31st March 2012		Year ended 31st March 2011	
	Value (Rs.)	% to Total Consumption	Value (Rs.)	% to Total Consumption
i Imported	67.76	4.48	86.65	7.85
ii Indigenous	1,446.51	95.52	1,016.92	92.15
Total	1,514.27	100.00	1,103.57	100

Packing Materials	Year ended 31st March 2012		Year ended 31st March 2011	
	Value (Rs.)	% to Total Consumption	Value (Rs.)	% to Total Consumption
i Imported	-----	-	-----	-
ii Indigenous	788.11	100	684.13	100
Total	788.11	100	684.13	100

38. Earnings in foreign currency

(Rs. in lacs)

Particulars	Year ended 31st March 2012 (Rs.)	Year ended 31st March 2011 (Rs.)
i FOB Value of Export	1,246.55	540.80

39. Expenditure in Foreign Currency

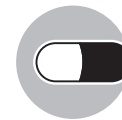
(Rs. in lacs)

Particulars	Year ended 31st March 2012 (Rs.)	Year ended 31st March 2011 (Rs.)
Bank Charges	2.02	1.14
Travelling	1.19	3.42

40 Other Notes on Accounts

- i The Central Excise & Customs, Service Tax Cell have raised a notice for the purpose of depositing service tax for the period 16.11.1997 to 01.06.1998 for Goods Transport Operators' service provided. The Company has filed appeal against the same.
- ii Demand of Rs. 18.56 Lacs is raised by the Central Excise & Customs, Vadodara in pursuance of order under section 11A of Central Excise Act, 1944. The Company has preferred an appeal to the Supreme Court of India against the same.
- iii Demand of Rs. 1,74,363/- is raised by Deputy Commissioner, Dehradun pursuant to the order passed under section 9(2) of The Sales Tax Act for FY 2007-08. The company has been advised to file the appeal against the same order before appellate authority.
- iv Company's Baroda Plant was not in operation.
- v Prior Period expenditure is Rs. 346,379/- (Previous year Rs. 160,841/-)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS



- vi The company has proposed dividend of Rs. 53,58,900/- and has transferred Rs. 35,00,000/- to general reserve.
- vii The accounts of debtors, creditors & advances are subject to confirmation/reconciliation. The management does not expect any material difference affecting the financial statements on reconciliation/adjustments.
- viii In the opinion of the board, the Current Assets, Loans and advances have a value on realisation in the ordinary course of business atleast equal to the amount at which they are stated.
- ix Financial statements have been prepared in accordance with revised schedule VI of the Company's Act. Accordingly figures of the previous year has been re-grouped, recast or rearranged wherever considered necessary to make them comparable with that of the current year.

As per our Report of even date

For **SHAH SANGHVI & CO.**
Chartered Accountants
Firm Registration No. 109794W

(J. P. Shah)
Proprietor
Membership No. 34010
Place : Mumbai
Date : 14th August 2012

For and on behalf of the Board

MR. NAVIN B. DOSHI - Chairman
MR. KISHOR R MEHTA - Executive Director
MR. SAMEER A SHETH - Director

Place : Mumbai
Date : 14th August 2012



AUDITORS' CERTIFICATE

To,

The Board of Directors,

CORAL LABORATORIES LIMITED

Sir/Madam,

We have examined the attached Cash Flow Statement of **Coral Laboratories Limited** for the year ended 31st March 2012. The statement has been prepared by the company in accordance with the requirement of Listing Agreement Clause 32 with Stock Exchange and is based on and in agreement with the corresponding Profit and Loss and Balance Sheet of the Company covered by our Report date 14th August, 2012 to the Members of the company.

For **SHAH SANGHVI & CO.**
CHARTERED ACCOUNTANTS
Firm Registration No. 109794W

Place : Mumbai
Date : 14th August, 2012.

(J. P. Shah)
Proprietor
M.No. 34010



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2012

	YEAR ENDED 31ST MARCH 2012 Rupees	YEAR ENDED 31ST MARCH 2011 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax & Extraordinary items	70,811,158	52,488,300
Adjustment for:		
Depreciation	12,656,723	12,639,060
(Profit) / Loss on sale of Fixed Asset	104,220	-
Investment/ Interest income	(2,507,752)	(331,284)
Interest u/s 234C	198,102	85,212
Interest expenses	178,953	902,824
Operating Profit before working capital changes	81,441,405	65,784,112
Adjustment for:		
(Increase)/Decrease in Trade and Other receivables	(74,621,280)	15,840,649
(Increase)/Decrease in Inventories	15,997,831	(995,078)
Increase/(Decrease) in Trade and Other Payables	19,890,736	(32,583,921)
Increase/(Decrease) in Long term Liabilities	-	-
Cash generated from operation	(38,732,713)	(17,738,350)
Dividend and Corporate Dividend Tax Paid	(6,228,248)	(6,228,248)
Taxes paid (Net of refunds)	(6,906,629)	(10,000,000)
Cash flow before Exceptional items	(51,867,591)	(33,966,598)
Exceptional item :		
Net Cash from Operating Activities	29,573,814	31,817,514
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchased of Fixed Assets	(4,209,615)	(1,017,237)
Interest received	2,507,752	331,284
Sale of Investment	-	1,720
Sale of Fixed Asset	3,053,500	-
NET CASH FLOW INVESTING ACTIVITIES	1,351,637	(684,233)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of long term Borrowings	-	(28,972,390)
Proceeds from issue of Share Capital	-	-
Interest paid	(178,953)	(902,824)
Net Cash from financing Activities	(178,953)	(29,875,214)
Net Cash Inflow/(Outflow)	30,746,495	1,258,067
Cash & Cash Equivalents as at March 31, 2011	8,205,625	6,947,558
Cash & Cash equivalents as at March 31, 2012	38,952,120	8,205,625
Net Cash Inflow/ (Outflow)	30,746,495	1,258,067

For **SHAH SANGHVI & CO.**
Chartered Accountants
Firm Registration No. 109794W

(J. P. Shah)
Proprietor
Membership No. 34010
Place : Mumbai
Date : 14th August 2012

For and on behalf of the Board

MR. NAVIN B. DOSHI - Chairman
MR. KISHOR R MEHTA - Executive Director
MR. SAMEER A SHETH - Director
Place : Mumbai
Date : 14th August 2012



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CORAL LABORATORIES LTD.

Regd. Office & Factory : 308/5, Village and Post Poicha (Ran), Taluka - Savli, Baroda - 391 780 (Gujarat)

FORM OF PROXY

L. F. No.
No. of Shares held

I/We _____ of _____
 in the District of _____ being a member/members of CORAL LABORATORIES LIMITED hereby appoint _____ of _____
 the District of _____ in the failing him _____ of _____
 _____ in the District of _____ as my/our
 proxy to attend and vote for me/us and on my/our behalf at the 30th Annual General meeting of the Company to be held at 308/5, Village and Post Poicha (Ran), Taluka - Savli, Baroda - 391 780 on Thursday the 27th September 2012 at 12.30 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Affix Re. 1 Revenue Stamp

Signature of the Shareholder(s)

Note : The proxy form duly completed must reach the Registered Office of the Company not less than forty-eight hours before the time for holding the Meeting.

CORAL LABORATORIES LTD.

Regd. Office & Factory : 308/5, Village and Post Poicha (Ran), Taluka - Savli, Baroda - 391 780 (Gujarat)

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

NAME OF THE ATTENDING MEMBER/PROXY (IN BLOCK LETTERS)	L.F. NO.

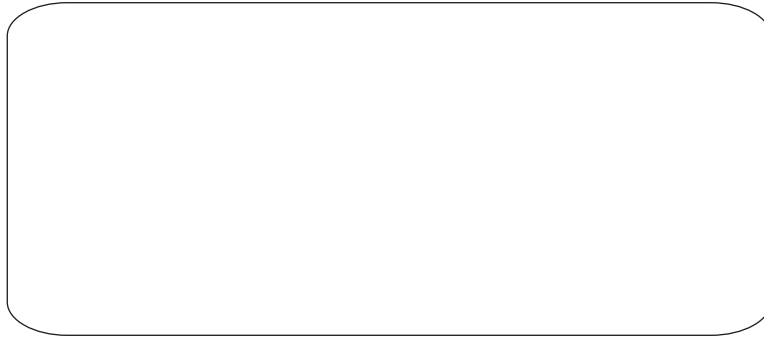
I hereby record my presence at the 30th Annual General Meeting of the Company at 308/5, Village and Post - Poicha (Ran), Taluka - Savli, Baroda - 391 780. on Thursday 27th September 2012 at 12.30 p.m.

If Shareholder, please sign here	If Proxy, please sign here

- Notes :
- i) Shareholders/Proxy are requested to bring the attendance slip with them duly completed when they come to the meeting and hand them over at the gate after affixing their signature on them. No duplicate attendance slips will be issued at the venue of the meeting.
 - ii) Joint Shareholders may obtain additional Attendance Slips on request.
 - iii) Kindly bring your copy of the Annual Report with you.

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BOOK-POST



If undelivered, please return to :

Coral Laboratories Ltd.

503, 5th Floor, Dalamal House,
Jamnalal Bajaj Marg, Nariman Point,
Mumbai - 400 021.