



# **Coral Laboratories Ltd.**

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**ANNUAL REPORT**  
**2013 - 2014**

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**CORAL LABORATORIES LIMITED**

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**ANNUAL REPORT 2013-2014**

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## CORAL LABORATORIES LIMITED

**BOARD OF DIRECTORS** : Mr. Navin B. Doshi : Chairman  
Mr. Priyush Dhedhi : Director  
Mr. Kishor R. Mehta : Whole Time Director  
Mr. Rajesh R. Parikh : Director

### BOARD COMMITTEES

AUDIT COMMITTEE		NOMINATION AND REMUNERATION COMMITTEE	
Mr. Rajesh R. Parikh	Chairman	Mr. Rajesh R. Parikh	Chairman
Mr. Priyush Dhedhi	Member	Mr. Priyush Dhedhi	Member
Mr. Kishor R. Mehta	Member	Mr. Kishor R. Mehta	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE	
Mr. Rajesh R. Parikh	Chairman
Mr. Navin B. Doshi	Member

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

### PLANTS:

- DAMAN** : Plot No. 57/1, (16), Bhenslore, Dunetha, Nani Daman – 396210.
- UTTRANCHAL** : Plot No. 27 & 28, Pharma City, Selaqui, Dehradun, Uttranchal.

**CORPORATE OFFICE** : #3B, Patanwala Ind. Estate, Opp. Shreyas Cinema,  
Beside Fitness Health, L. B. S. Marg,  
Ghatkopar (W), Mumbai – 400 086.

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

**BANKERS** : HDFC Bank Ltd.,  
Express Tower Branch, 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 Thirty Second Annual General Meeting of the Company will be held on Monday 29th September, 2014 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, 2014 and the Profit & Loss Account for the year ended as on that date together with Directors' Report and the Auditors Report thereon.
2. To declare dividend @ 20% i.e Rs. 2.00/- per Equity Share for year 2013-2014.
3. To appoint Mr. Navin B. Doshi (DIN: 00232287), Director of the company, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint an Auditor to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

5. To appoint Mr. Priyush Dhedhi (DIN: 00164786), as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Priyush Dhedhi (DIN: 00164786), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term up to 30th September 2019”.

6. To appoint Mr. Rajesh R. Parikh (DIN:02527339), as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rajesh R. Parikh (DIN:02527339), Director of the Company whose period of office is liable to retirement by rotation as per the Companies Act, 1956 and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term up to 30th September 2019”.

7. To appoint Mrs. Sheela Kamdar, as an Independent Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors), Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mrs. Sheela Kamdar, appointed as Director of the Company who has submitted a declaration that she meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company, whose term shall not be subject to retirement by rotation, to hold office for a term up to 30th September 2019”.



8. To consider adoption of newly substituted Articles of Association of the Company containing regulations in line with the Companies Act, 2013, and if thought fit, to pass with or without modification, the following resolution as **SPECIAL RESOLUTION**:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 (statutory modification (s) or re-enactment thereof, for the time being in force), the new draft Articles as contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”.

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH THE APPLICABLE RULES THEREON, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. Members/Proxies should bring duly filled attendance slips attached herewith for attending the meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out under the notice is annexed hereto.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 18th September, 2014 to Monday, 29th September 2014 (both days inclusive).
6. As per RBI notification, with effect from October 1, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Services (NECS) and banks have been instructed to move to the NECS platform. This is in addition to the existing facility of ECS in other locations. NECS essentially operates on the new and unique bank account number, allotted by banks pursuant to implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transaction.  
  
In this regard, shareholders holding shares in electronic form are requested to furnish the new 10-digit Bank Account Number allotted to them by your bank, (after implementation of CBS), along with photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP). Please send these details to the Company/Registrars, if the shares are held in physical form, immediately.
7. Members who hold shares in the dematerialized form and want to change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details.
8. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new share transfer form SH-4.



9. Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (D.P.) ID number on all correspondence with the Company.
10. Members/Proxy holders are requested to bring their copies of the Annual Report with them to the Annual General Meeting, as extra copies will not be provided.
11. Members holding shares in single or joint name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the Registrar and Transfer Agent.
12. The securities and exchange board of India (SEBI) vide circular ref no. MRD/DoP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In Continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the company /Registrar and Share Transfer Agent for registration of such transfer of shares.
13. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
14. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
15. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least ten days before the meeting so that the same could be suitably answered at the meeting.
16. The dividend for the financial year 31st March, 2014, as recommended by the Board of Directors, if approved by the Members, will be paid after Annual General Meeting to those Members holding shares in physical form whose names shall appear on the Company's Register of Members on closure of business hours i.e. 15th September, 2014; in respect of the shares held in dematerialized form the dividend will be paid to the Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as the beneficial owners as at the close of business hours on 15th September, 2014.
17. The Dividend is proposed to be disbursed by way of National Electronic Clearing Service (NECS). For this purpose, the details such as, name of the Bank, name of the branch, 9-digit code number appearing on the MICR band of the cheque supplied by the Bank, account type, account number etc. are to be furnished to your DP if the shares are in electronic form or to the Registrars & Transfer Agents if they are held in physical mode.
18. Members are hereby informed that Dividend which remains unclaimed/un-encashed over a period of 7 years is required to be transferred to "The Investor Education & Protection Fund" constituted by the Central Government.

Hereunder are the details of Dividends paid by the Company and their proposed dates and year of transfer of unclaimed/un-encashed dividends to the designated fund of the Central Government.

<b>Date of Declaration of Dividend</b>	<b>Dividend for the year</b>	<b>Proposed date for transfer to Investor Education and Protection Fund (IEPF)</b>
30 <sup>th</sup> September, 2008	2007 - 2008	7 <sup>th</sup> November, 2015
30 <sup>th</sup> September, 2009	2008 - 2009	7 <sup>th</sup> November, 2016
30 <sup>th</sup> September, 2010	2009 - 2010	7 <sup>th</sup> November, 2017
30 <sup>th</sup> September, 2011	2010 - 2011	7 <sup>th</sup> November, 2018
27 <sup>th</sup> September, 2012	2011 - 2012	4 <sup>th</sup> November, 2019
28 <sup>th</sup> September, 2013	2012 - 2013	5 <sup>th</sup> November, 2020



It may please be noted that once the unclaimed/un-encashed dividends is transferred to “The Investor Education & Protection Fund” as above, no claim shall lie in respect of such amount by the shareholder.

19. Company will be disclosing to the Stock Exchanges, as per Clause 35A of the Listing Agreement, the details of results of voting on each of the resolutions proposed in this Notice.

Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to LINK INTIME (INDIA) PRIVATE LIMITED.

20. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm except on holidays, up to and including the date of the Annual General Meeting of the Company.

21. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies(Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 32nd Annual General Meeting(AGM) by electronic means and the business may be transacted through E-Voting Services by Central Depository Services Limited

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on “Shareholders” tab.
- (iii) Now, select the “CORAL LABORATORIES LIMITED” from the drop down menu and click on “SUBMIT”
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	<ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.</li></ul>
	<ul style="list-style-type: none"><li>• In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.</li></ul>
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"><li>• Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter <b>the number of shares held by you as on the cut off date in the Dividend Bank details field.</b></li></ul>



- (viii) After entering these details appropriately, click on “SUBMIT” tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <CORALLABORATORIES LIMITED > on which you choose to vote.
- (xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 9.00 a.m. on Monday, 22nd September 2014 and will end at 5.00 p.m. on Wednesday, 24th September 2014. During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, 22nd AUGUST 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
22. The Company has appointed Mrs. Uma Lodha Company Secretary, to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the Annual General Meeting of the Company. The results declared along with the Scrutinizer’s Report shall be available on the Company’s website within two (2) days of passing of the resolution at the Annual General Meeting of the Company and will accordingly be communicated to the stock exchanges.
23. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on Monday, 29th September 2014 are provided in Annexure A of this Notice.
24. MEMBERS MAY NOTE THAT NO GIFTS/GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.





## EXPLANATORY STATEMENT

The following statement sets out all material facts relating to certain Ordinary Business and all the Special Businesses mentioned in the accompanying Notice:

### Item No. 5 & 6

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company have decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the amended Listing Agreement.

All the Directors proposed to be appointed under these resolutions are Non-Executive Independent Directors of the Company. The period of office of these Directors was liable to determination by retirement by rotation under the erstwhile applicable provisions of the Companies Act, 1956.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mr. Priyush Dhedhi, and Mr. Rajesh R. Parikh, being eligible, offer themselves for appointment, and are proposed to be appointed as Independent Directors for a term as stated in the Resolutions.

The Board Governance, Nomination and Compensation Committee and the Board of Directors have recommended appointment of Mr. Priyush Dhedhi, and Mr. Rajesh R. Parikh as Independent Directors of the Company.

Mr. Priyush Dhedhi and Mr. Rajesh R. Parikh non-executive independent directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, each of these Directors fulfill the conditions specified in the Companies Act, 2013 and Rules made there under for their appointment as Independent Directors of the Company and they are independent of the management. These Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and they have given their consent to act as Director.

Notice have been received from member(s) signifying their intention to propose appointment of these Directors along with a deposit of Rs.1,00,000 each.

A brief profile of Independent Directors to be appointed, including nature of their expertise and other disclosure as required under Clause 49 of the Listing Agreement, is provided at Annexure A of this Notice.

Except these Directors, being appointees or their relatives, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolutions set out at item Nos. 5 to 6.

The Board recommends the resolution in relation to the appointment of these Directors as Independent Directors, for the approval by the shareholders of the Company.

### Item No. 7

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation. The Term shall be effective prospectively.

The Board of Directors of the Company has decided to adopt the provisions with respect to appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013.

The Director proposed to be appointed under this resolution is Non-Executive Independent Director of the Company.

Mrs Sheela Kamdar, aged 41 years was appointed as an additional Director of the Company at the Board Meeting held on 12th August 2014. She is a graduate in commerce. As an Independent Director of our Company with corporate acumen she will bring value addition to our Company.

It is proposed to appoint Mrs. Sheela Kamdar as Independent to hold office for 5(five) years commencing from 29th September 2014.

Mrs. Sheela Kamdar has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013. In the opinion of the Board, Mrs. Sheela Kamdar fulfills the conditions specified in the Companies Act, 2013 and Rules made there under for his appointment as Independent Directors of the Company and she is independent of the management. Mrs. Sheela Kamdar is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as a Independent Director.

Notice has been received from member signifying their intention to propose appointment of this Director along with a deposit of Rs.1,00,000/- (Rupee One Lakh).



Except Mrs. Sheela Kamdar, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out as above.

The Board recommends the resolution in relation to the appointment of Mrs. Sheela Kamdar as Independent Directors, for the approval by the shareholders of the Company.

**Item No. 8**

The references to specific sections of the Companies Act, 1956 in the existing Articles of Association may no longer be in conformity with the Companies Act, 2013. Considering that substantive sections of the Companies Act which deal with the general working of the companies stand notified, it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed there under and adoption of specific sections from Table "F" to Schedule I to the Companies Act, 2013 which sets out the model articles of association for a company limited by shares.

While some of the Articles of the existing Articles of Association of the Company require alteration or deletions, material changes that are proposed in the new draft Articles of Association are given below for ease of reference to shareholders.

Sl. No.	Chapter Reference as per new draft Articles of Association	Article reference as per new draft Articles of Association	Summary of change
1.	Chapter II	Interpretation	Definitions are appropriately modified to align with the provisions of the Companies Act, 2013.
2.	Chapter III	Share Capital	Amendments are proposed to state that the Authorised Share Capital of the Company shall be such amount and be divided into such shares as may from time to time, be provided in clause V of Memorandum of Association.
3.	Chapter IX	Further issue of capital	To include offer of shares under employee stock option plan subject to applicable laws and regulations from time to time and; To enable the Company with a right to issue further shares which shall include a right to the Company to issue any instrument including shares resulting in Depository Receipt.
4.	Chapter XII	Restriction on transfer of shares to more than three persons as joint holders	Amendments are proposed to enable the Company to restrict the transfer of shares to more than three persons as joint holders.
5.	Chapter XIII	General Meetings	Amendments are proposed to align with the provisions of the Companies Act, 2013 regarding length of the Notice calling the general meeting, requirement of to whom the notice for the general meeting needs to be given, material facts to be set out in the explanatory statements, business to be transacted at the general meetings and other general meeting matters.
6.	Chapter XV	Voting rights	Amendments are proposed to include voting through electronic means



Sl. No.	Chapter Reference as per new draft Articles of Association	Article reference as per new draft Articles of Association	Summary of change
7.	Chapter XVI	Capitalization	Amendments are proposed to remove redundant provisions and to align new provisions regarding application of funds from reserve accounts when amounts in reserve accounts are to be capitalized.
8.	Chapter XXI	Proceedings of Board of Directors	Meetings of Board of Directors, quorum for the meeting, notice calling the meeting, etc including the operational parts are amended to align with the provisions of the Companies Act, 2013.
9.	Chapter XXII	Appointment of Key Managerial Personnel	Amendments are proposed to align new provisions relating to appointment of Key Managerial Personnel (KMP) including Chief Executive Officer, Chief Financial Officer, in addition to manager and company secretary.
10.	Chapter XXIV	Powers of Directors	Specific powers of Directors are amended to include carrying out CSR activities that are specified in Schedule VII of the Companies Act, 2013.
11.	Chapter XXIV	Powers of Directors	New Article is introduced to authorise the issue of securities (including depository receipts).
12.	Chapter XXVII	Indemnity and Insurance to Directors and Officers	Amended to provide for indemnification to Directors and Officers.
13.	Chapter XXIX	Notices and Service of Documents	Amended to align with the provisions of the Companies Act, 2013
14.	General Powers	The statutory provisions of the Act which permit a company to do some acts "if so authorized by its Articles" or provisions which require a company to do acts in a prescribed manner "unless the Articles otherwise provide" have been specifically included.	

Certain provisions of existing Articles of Association have been simplified by providing reference to relevant Sections to the Companies Act, 2013 and the Rules framed there under, to avoid repetition in its entirety.

The proposed new draft Articles of Association is being uploaded shortly on the Company's website at [www.corallab.com](http://www.corallab.com) for perusal by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at item No.7 & 8 of the Notice.

The Board recommends the Special Resolution set out at item No.7 & 8 of the Notice for approval by the members.

**By the Order of the Board  
For Coral Laboratories Limited**

sd/-  
**NAVIN B. DOSHI**  
Chairman

Place : Mumbai  
Date : 12<sup>th</sup> August, 2014



## ANNEXURE A

Details of Mr. Priyush Dhedhi & Mr. Rajesh R. Parikh, Independent Directors of the Company as on March 31, 2014 seeking appointment/re-appointment at the Annual General Meeting Scheduled to be held on MONDAY, 29th SEPTEMBER 2014 and details of Mrs. Sheela Kamdar proposed to appoint as an Independent Director in the Annual General Meeting of the company subject to approval of the share holders.

(Pursuant to Clause 49(IV)(G)(i) of the Listing Agreement)

<b>Name of the Director</b>	<b>Mr. Priyush Dhedhi (DIN: 00164786)</b>	<b>Mr. Rajesh R. Parikh (DIN:02527339)</b>	<b>Mrs. Sheela Kamdar</b>
Date of Birth	05.09.1937	17.04.1973	03.03.1973
Date of Appointment	01.06.2000	28.08.2006	12.08.2014
Relationship with Directors	None	None	None
Qualification	LLB	B.Com	B.Com
Board Membership of other companies as on March 31, 2014	Bezel Pharma Private Limited	Sacho Hospitality Private Limited	None
Chairman/ Member of the Committee of the Board of Directors as on March 31, 2014 (Excluding Coral Laboratories Limited)	None	None	None
Chairman/ Member of the Committee of Director of other companies in which he is a director as on March 31, 2014 (Excluding Coral Laboratories Limited)	None	None	None
a) Audit Committee	0	0	0
b) Stakeholders Relationship Committee	0	0	0
c) Nomination and Remuneration Committee	0	0	0
Number of shares held in the Company as on March 31, 2014	2200	0	0



## DIRECTORS' REPORT

### Dear Shareholders,

Your Directors take pleasure in presenting the Thirty Second annual Report and audited accounts for the year ended 31st March, 2014. The Financial Performance for the year under review are given below:

1. Financial Performance	(Rs. in Lacs)	
	2013-14	2012-13
Sales & Other Income	5201.63	4291.28
Expenditure	4078.94	3403.18
Earnings before depreciation, Interest & Tax	1122.69	888.10
Interest & Other Financial Charges	1.68	4.36
Depreciation	123.85	126.77
Earnings before tax	997.16	756.97
Provision for tax	200.00	151.45
Provision for deferred tax	6.29	2.72
Short provision for IT earlier year	4.10	0.00
Earnings after tax	786.77	602.79
Balance brought forward	3636.73	3126.72
Profit available for appropriation	4423.50	3729.55
<b>APPROPRIATIONS</b>		
Proposed Dividend	71.45	53.59
Tax on Dividend	12.14	8.69
Transfer to general reserve	60.00	30.50
Balance carried forward to balance sheet	4279.91	3636.73

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

## DIVIDEND

The Board of Directors have recommended dividend of 20%, i.e., Rs. 2.00/- fully paid per equity share of Rs. 10/- each for the financial year 2013-14

## PERFORMANCE:

During the year under review, the company posted Revenue of **Rs. 5201.63** Lacs as compared to previous year Rs. 4291.28 Lacs. Earnings after tax stood at **Rs. 786.77** Lacs as compared to Rs. 602.79 lacs during the previous year.

## DIRECTORS

In accordance with Section 152 and other applicable provisions of Companies Act, 2013 Mr. Navin B. Doshi (DIN: 00232287), who retires by rotation and being eligible offers himself for re-appointment. Your Directors recommend their re-appointment. Also as per provisions of Companies Act 2013 it is proposed to appoint Mr. Priyush Dhedhi (DIN: 00164786), Mr. Rajesh R. Parikh (DIN:02527339) and Mrs. Sheela Kamdar as Independent Directors of the Company for a consecutive term of five years from this Annual General Meeting.

Brief resumes of Directors, nature of experience and the names of the Companies in which they hold directorship and the membership/chairmanship of the Board/ Committees, as stipulated under Clause 49 of the listing Agreement with the stock Exchange are provided in the report on Corporate Governance forming part of the Annual Report.



Based on the confirmations received, none of the Directors are disqualified for appointment under Section 274(1)(g) of the Companies Act, 1956 and Section 164(2) of Companies Act, 2013.

#### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a) in the preparation of the annual accounts, applicable accounting standards have been followed and proper explanations relating to material departures, if any, have been furnished.
- 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.

#### **PARTICULARS AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956**

The information as required under section 217(2A) of the Companies Act, 1956 as amended, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report is not applicable as there are no employees who are in receipt of Rs 60, 00,000/- or more per annum if employed throughout the year under review or Rs. 5, 00,000/- or more per month if employed for the part of the year under review.

#### **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.

#### **MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT**

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, Management Discussion & Analysis Report is attached as part of this Annual Report.

#### **FIXED DEPOSITS**

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

#### **AUDITORS**

M/s. Shah Sanghvi & Co., Chartered Accountants and Statutory Auditors will retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Members are requested to consider their re-appointment at a remuneration to be decided by the Board of Directors for the financial year.

#### **COST AUDITOR**

The Company has appointed M/s. Kailash Sankhlecha and Associates, Cost Accountant, as Cost Auditor for conducting the cost audit for the financial year.

#### **AUDITORS OBSERVATIONS**

The Auditors have referred to certain routine matters in their report and the respective notes to the accounts are self-explanatory.



## ANNEXURE

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

<b>A. Power &amp; Fuel Consumption</b>	<b>2013-2014</b>	<b>2012-2013</b>
<b>1. Electricity</b>	<b>1,402,550</b>	1,435,279
Purchase Unit	<b>7,261,030</b>	6,834,465
Total Amount (Rs.)	<b>5.18</b>	4.76
Rate per Unit		
<b>2. Furnace Oil</b>		
Quantity (Ltrs)	<b>54,000</b>	51,765
Total Amount (Rs.)	<b>3,002,994</b>	2,492,603
Average Rate per Ltr. (Rs.)	<b>55.61</b>	48.15
<b>3. Gas</b>		
Quantity (kgs)	<b>31,680</b>	22,770
Total Amount (Rs.)	<b>2,633,544</b>	2,069,782
Average Rate per Kg. (Rs.)	<b>83.13</b>	90.90
<b>B. Expenditure on R &amp; D</b>	<b>Nil</b>	Nil
C. 1) Foreign Exchange Earning (Rs. in Lacs)	<b>2,556</b>	1,808
2) Foreign Exchange Used (Rs. in Lacs)	<b>42.33</b>	28.84

#### TAX PROVISIONS

The Company has made adequate tax provisions under the provisions of Income Tax Act, 1961.

#### LISTING

The Equity Shares of the Company continues to be listed at Bombay Stock Exchange. The scrip code number of the Equity shares of the Company on BSE is 524506. The trading in the Securities of the Company has been resumed in "T" group.

#### DEMATERIALIZATION

The Equity shares of the Company can be held in dematerialized form. The Company has signed the tripartite agreement with National Securities Depository Limited and Central Depository Services (India) Limited and existing Registrar & Transfer Agent for dematerialization of existing holding of the shareholders.

The International Securities Identification Number, allotted to the Company is INE 683E01017. The equity shares of the Company are listed on Bombay Stock Exchange Limited.

#### HUMAN RESOURCES

Your Directors acknowledge and appreciate the sincere efforts and effective services rendered by the committed officers and staff of the company.



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### **INFORMATION UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL), ACT, 2013.**

In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has formed a Committee to look into such cases as and when they arise.

During the period under review, no cases were filed with the Committee.

### **WHISTLE BLOWER POLICY**

As per the provision of Section 177(9) of the Companies Act, 2013 the listed Company shall established a vigil mechanism for directors and employees. The vigil mechanism shall also provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. However such mechanism has been disclosed by the Company on its website.

The purpose of the Whistleblower Policy is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization. They will be protected against any adverse action and/or discrimination as a result of such a reporting, provided it is justified and made in good faith. The Chairman of the Audit Committee has been designated for the purpose of receiving and recording any complaints under this policy.

### **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 2013-14

### **ACKNOWLEDGEMENT**

Your Directors wish to thank all stakeholders and business partners, your Company's bankers, financial institutions, medical profession and business associates for their continued support and valuable co-operation. The Directors also wish to express their gratitude to investors for the faith that they continue to repose in the Company.

**By the Order of the Board  
For Coral Laboratories Limited**

**sd/-  
NAVIN B. DOSHI  
Chairman**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014





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## ANNEXURE TO DIRECTOR'S REPORT

Information as per Section 217(2A) of the Companies Act, 1956 read with the companies (particulars of employees) Rules, 1975.

NOT APPLICABLE

**By the Order of the Board  
For Coral Laboratories Limited**

**sd/-  
NAVIN B. DOSHI  
Chairman**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014



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## MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

### 1. Performance

The company's export has increased to **Rs. 2556** Lacs from the previous year's Rs. 1808.38 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 to enhance its exports in order to increase the valuation of the company as a whole.

### 4. 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.

### 5. Internal Controls:

The Company's defined organizational structure, documented policy guidelines and adequate internal controls ensure efficiency of operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions. The Company continuously upgrades these systems in line with best available practices.

### 6. Human Capital

Human resources continue to be one of the critical assets of the organization. Attracting relevant talent remains the Company's key focus. It pays special attention to training, welfare and safety of its people, strengthening human capabilities.

**By the Order of the Board  
For Coral Laboratories Limited**

**sd/-  
NAVIN B. DOSHI  
Chairman**

Place : Mumbai  
Date : 30<sup>th</sup> May, 2014



## REPORT ON CORPORATE GOVERNANCE

### 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.

### Board of Directors

#### Composition and Category of Directors

The present Board comprises of 4 members consisting of 2 Executive Director and 2 Non-Executive Directors out of which 2 are Independent Directors. The name and category of each Director is given below:

Name of the Director	Category
Mr. Navin B. Doshi	Chairman
Mr. Kishor R. Mehta	Whole Time Director
Mr. Priyush Dedhi	Non-Executive and Independent Director
Mr. Rajesh R. Parikh	Non-Executive and Independent Director

Six Board Meetings were held during the year 2013-14 on 30th May, 2013, 14th August, 2013, 26th August, 2013, 14th November, 2013 and 13th February, 2014, 27th March, 2014.

#### Attendance of each Director at the Board Meetings and the Last Annual General Meeting (AGM) and details of other directorship and chairmanship/membership of Committees of each director in other companies.

Name of Director	No. of Board Meetings Attended	Attendance at previous AGM on 28/09/2013	No. of outside Directorship held (Excluding Coral Laboratories Limited)	No. of Membership/ Chairmanship in other Board Committees (Excluding Coral Laboratories Limited)		Executive / Non-Executive
				Member	Chairman	
Mr. Navin B. Doshi	6	Yes	3	1	1	Executive
Mr. Kishor R. Mehta	6	Yes	Nil	Nil	Nil	Executive
Mr. Priyush Dedhi	6	Yes	1	Nil	Nil	Non Executive (Independent)
Mr. Rajesh R. Parikh	6	Yes	1	Nil	Nil	Non Executive (Independent)
Mr. Samir Sheth*	6	Yes	1	1	Nil	Executive

\*Resigned wef 27th March, 2014

Annual General Meeting for year ended 31st March, 2013 was held on 28th September, 2013.



### Audit Committee

The Audit Committee comprises of 3 members namely, Mr. Rajesh R. Parikh, Mr. Priyush Dhedhi and Mr. Kishor R. Mehta. The Committee met 6 (six) times during the year under review. The audit committee met prior to the finalization of the accounts for the year ended 31st March, 2014.

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship	No. of Meeting Attended upto 31st March, 2014
1	Mr. Rajesh R. Parikh	Chairman	Non Executive (Independent)	6
2	Mr. Kishor R. Mehta	Member	Executive	6
3	Mr. Priyush Dhedhi	Member	Non Executive (Independent)	6

### Nomination and Remuneration Committee

The Company has a remuneration committee to determine the company's policy on specified remuneration packages for executive directors including pension rights and any compensation payment. However as per provision of Section 178 of the Companies Act, 2013 the nomenclature of the "Remuneration Committee" has been changed as "Nomination and Remuneration Committee".

The Board of Directors in their Board Meeting held on 12th August 2014 has change the nomenclature of the "Remuneration Committee. The details of Nomination and Remuneration Committee are as follows:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship
1	Mr. Rajesh R. Parikh	Chairman	Non Executive (Independent)
2	Mr. Kishor R. Mehta	Member	Executive
3	Mr. Priyush Dhedhi	Member	Non Executive (Independent)

Nomination and Remuneration committee meeting was held once during the financial year 2013-2014

### Remuneration of Directors for the Financial Year 2013-2014.

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.

Remuneration of Rs. 35 Thousand per month is being paid to Mr. Kishor R. Mehta, Whole Time Director of the Company as approved by the shareholders of the Company.

### Stakeholder's Relationship Committee

The Company has constituted a "Shareholders/Investors Grievance Committee" of Directors to look into the redressal of shareholder and investors complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. As per provision of Section 178 of the Companies Act, 2013 the nomenclature of the "Shareholders/Investors Grievance Committee" has been changed as "Stakeholders Relationship Committee."

The Board of Directors in their Board Meeting held on 12th August, 2014 has change the composition of the said committee. The details of "Stakeholders Relationship Committee" are as follows:

Sr. No.	Name of the Director	Designation in Committee	Nature of Directorship
1	Mr. Rajesh R. Parikh	Chairman	Non Executive (Independent)
2	Mr. Navin B. Doshi	Member	Executive



The Committee, 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.

The Company did not received any Shareholders complaint during the financial year 2013-2014.

#### 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	No. of Special Resolution passed through Postal Ballot
2010-11	308/5, Village & Poicha (RAN), Taluka Savli, Baroda 391780	30.09.2011	1.00 p.m.	Nil	Nil
2011-12	As above	27.09.2012	12.30 p.m.	Nil	Nil
2012-13	As above	28.09.2013	2.00 p.m.	Nil	Nil

#### Disclosures

During the financial year 2013-2014, the Company had no materially significant related party transaction which is considered to have potential conflict with the interest of the Company at large.

There have been no instances of non-compliance by the Company on any matters related to the capital markets nor have any penalty/strictures been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on such matters during the last three years.

The Company has complied with all the mandatory requirements stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

The Company has adopted Whistle Blower Policy and affirmed that no personnel has been denied access to the audit committee.

#### Means of Communication

The quarterly, half yearly & annual results are published by the Company in the Western Times (English & Gujarati). "Limited Review" by the Auditors of the Company of the quarterly results is sent to BSE Limited, where the shares of the company are listed.

#### Tentative Financial Calendar for Financial Results: 2014 - 2015:

Particulars	Date
1st Quarter (June, 2014)	On or before 14th August, 2014.
2nd Quarter (September, 2014)	On or before 14th November, 2014.
3rd Quarter (December, 2014)	On or before 13th February, 2015.
4th Quarter (March, 2015)	
Audited Financial Results for the year ended 31st March, 2015	On or before 30th May, 2015.

#### General Shareholder Information

##### Annual General Meeting:

- Date and Time : 29th September, 2014 At 12.30 P.M.
- Venue : 308/5, Village & Post – Poicha (Ran), Taluka- Savli, Baroda – 391 780 (Gujarat).

**Financial year** : 1st April 2013 to 31st March 2014

**Dividend Payment Date** : Within 30 days from the date of AGM on 29<sup>th</sup> September, 2014



### Dates of Book Closure

From Thursday, 18th September, 2014 to Monday 29th September, 2014 (both days inclusive) for the purpose of Annual General Meeting and payment of Dividend, subject to approval of shareholders.

### Equity Shares are Listed on

Stock Exchanges at : BSE Limited, Vadodara Stock Exchange , and Kolkata Stock Exchange

Face Value of Equity shares : Rs. 10/- each.

### Monthly High/Low price of Equity Shares of the Company during the financial year 2013-2014 on BSE Ltd.

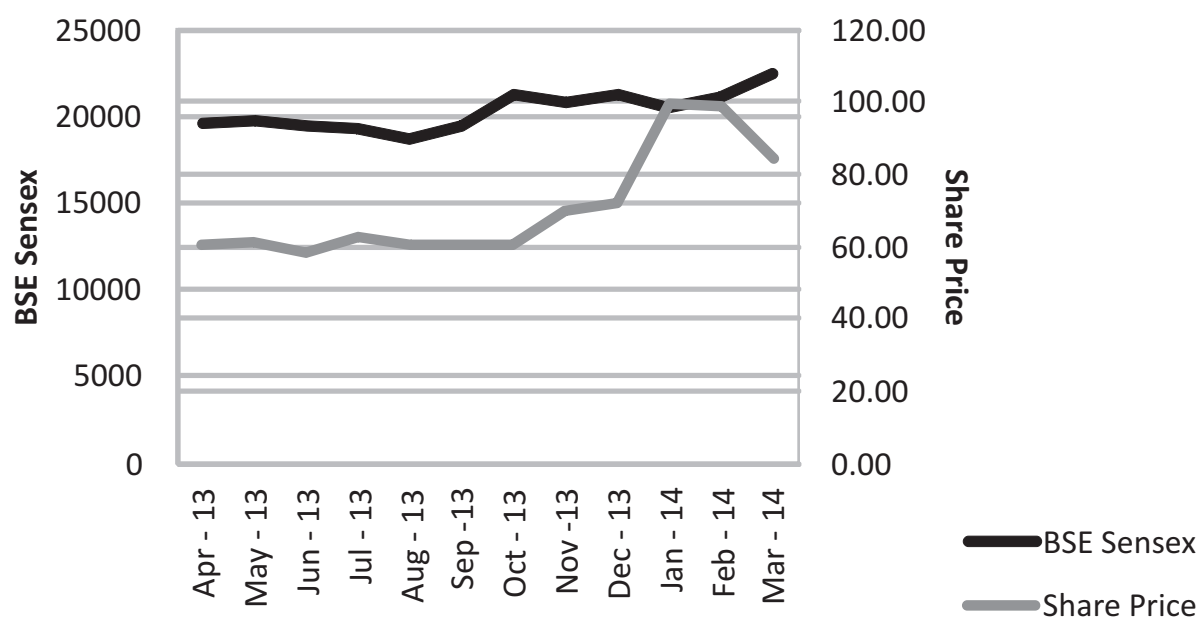
Month	Year	High Price (Rs.)	Low Price (Rs.)
April	2013	64.50	56.00
May	2013	64.00	55.00
June	2013	60.50	57.40
July	2013	62.70	58.50
August	2013	60.10	57.50
September	2013	62.00	57.20
October	2013	61.50	60.00
November	2013	69.85	57.25
December	2013	73.50	63.10
January	2014	111.20	75.85
February	2014	106.65	93.10
March	2014	104.00	80.15

#### Spread

H-L: High-Low

C-O: Close-Open

### Graphical Representation of Performance of Coral Laboratories Limited share price in comparison with BSE Sensex



**Registrar and Transfer Agents**

: Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound.  
L. B. S. Marg, Bhandup (West)  
Mumbai - 400 078.  
Tel : (022) 2596 3838  
Fax : (022) 2594 6969  
www.linkintime.co.in

**Share Transfer System**

The Company's shares being in compulsory Demat list are transferable through the depository system. However, shares in the physical form are processed by the Registrar & Transfer Agent and approved by the Shareholders'/Investors' Grievance Committee. The share transfer process is reviewed by the said committee.

The Company obtains half-yearly certificate of compliance related to the share transfer formalities from a Company Secretary in practice as required under Clause 47(C) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges on or before the due date

**Distribution of Shareholding :**

<b>Distribution of Shareholding as on 31st March, 2014</b>	<b>No. of Shareholders</b>	<b>% of Share Holders</b>	<b>No. of Shares</b>	<b>% of Shares</b>
Upto 500	2172	88.5446	341149	9.5490
501 – 1000	148	6.0334	120122	3.3623
1001 – 2000	58	2.3645	86000	2.4072
2001 – 3000	18	0.7338	43457	1.2164
3001 – 4000	10	0.4077	34817	0.9746
4001 – 5000	13	0.5300	59210	1.6573
5001 – 10000	11	0.4484	73560	2.0590
10001 and above	23	0.9376	2814285	78.7741
<b>TOTAL</b>	<b>2453</b>	<b>100</b>	<b>3572600</b>	<b>100</b>



#### Shareholding Pattern as on 31st March, 2014

Sr. No.	Category of Shares	No. of Shares	% of total shares
<b>(A)</b>	<b>Promoter &amp; Promoter Group :</b>		
	(a) Individuals/ Hindu Undivided Family	18,11,606	50.71
	(b) Bodies Corporate	7,15,351	20.02
	Sub Total :	25,26,957	70.73
<b>(B)</b>	<b>Public Shareholding :</b>		
	1. Institutions	NIL	NIL
	(a) Mutual Funds/UTI		
	(b) Financial Institutions/Banks		
	(c) Foreign Institutional Investors		
	2. Non-Institutions		
	(a) Bodies Corporate	85,591	2.40
	(b) Individuals	8,67,496	24.28
	(c) Non-Resident Indians	84,424	2.36
	(d) Trust(s)	NIL	NIL
	(e) Hindu Undivided Family	5,705	0.16
	(f) Clearing Members	2,427	0.07
	Sub Total :	10,45,643	29.27
	<b>GRAND TOTAL</b>	<b>35,72,600</b>	<b>100</b>

#### Dematerialization of Shares:

1918128 Equity Shares of Rs. 10/- Each (i.e. 53.69%) of the total Paid-up Share Capital of the Company have been dematerialised as on 31st March 2014.

There is no outstanding GDRs/ADRs/Warrant or any convertible instruments conversion date and likely impact on Equity of the Company.

#### Code of Conduct

The Company has in place a Code of Conduct applicable to the Board as well as the designated employees. All the Board Members and the Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct as on March 31, 2014.

#### Details of Compliance Officer :

Ms. Daisy Thomas - Compliance Officer

Tel.: +91-22-25005246 Email : cs@corallab.com

#### Address for correspondence:

#3B Patanwala Compound, Opp. Shreyas Cinema,

L.B.S. Marg, Ghatkopar (West), Mumbai-400 086.

E-mail for Investors: cs@corallab.com





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**Details of the Directors seeking appointment/re-appointment in the forthcoming Annual General Meeting.**

1. Name of the Director : Mr. Navin B. Doshi
2. Address : 1001, Benhur Apartments  
Narayan Dabholkar, off Nepeansea Road,  
Mumbai - 400006.
3. Date of Birth : 01.11.1943
4. Date of Appointment : 01.06.2006
5. Qualifications : Matriculate
6. Directorship Held in other Companies : Coral India Finance & Housing Limited  
Adore Pharmaceuticals Private Limited  
Bezel Pharma Private Limited
7. Chairman/Member of the Committee : Member of Stakeholder Relations Committee  
of the Board of Directors of company
8. Chairman/Member of the Committee : NIL  
of the Board of Directors of other  
Companies in which He/she is a Director

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**DECLARATION UNDER CLAUSE 49 (1)(D)(ii) OF THE LISTING AGREEMENT**

I, Kishor R. Mehta, Whole Time Director of Coral Laboratories Limited, hereby declare that all the members of the Board of Directors and the Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Board of Directors in terms of Clause 49 (1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges for the year ended March 31, 2014.

Place : Mumbai  
Date : 30th May, 2014

For Coral Laboratories Limited  
sd/-  
**Kishor R. Mehta**  
Whole Time Director



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## CERTIFICATION ON FINANCIAL STATEMENT OF THE COMPANY

I, Kishor R. Mehta, Whole Time Director of Coral Laboratories Limited certify that:

- a) I have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2014 and that to the best of our knowledge and belief :
  - i. these statement do not contain any materially untrue statement or omit any material fact of contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violate of the Company's code of conduct.
- c) I am responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

I have indicated to the auditors and the Audit Committee that:

- i. there have been no significant changes in internal control over financial reporting during the year;
- ii. there have been no significant changes in accounting policies during the year; and
- iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Coral Laboratories Limited**

sd/-

**Kishor R. Mehta**  
Whole Time Director

Date: 30th May, 2014  
Place: Mumbai



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## CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members,

### **CORAL LABORATORIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by Coral Laboratories Limited, for the year 2013-2014 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 ACCOUTANTS  
Firm Registration No. 109794W

sd/-  
**(J. P. Shah)**  
**Proprietor**  
M. No. 34010

Place : Mumbai  
Date : 30th May, 2014



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## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
**CORAL LABORATORIES LIMITED**

We have audited the accompanying financial statements of CORAL LABORATORIES LTD., which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss for the year ended March 31, 2014, and a summary of significant accounting policies and other explanatory information.

### **Management's responsibility for the financial statements:**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility:**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend upon the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs to the extent applicable, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.
- c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



Report on other legal and regulatory requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order") issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956 we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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 Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Companies Act, 1956, read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013; and
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

sd/-  
**(J. P. Shah)**  
Proprietor  
M.No. 34010

Place : Mumbai  
Date : 30th May, 2014.



## 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 2014.

- 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 not granted any loans, secured or unsecured, to the parties listed in the register maintained under section 301 of the Companies Act, 1956.  
(b) 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 Companies Act, 1956 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 31.03.2014, 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 excise duty 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
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, 2014 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. The company has not taken any term loan during the financial year. Accordingly, the provisions of Clause 4(xvi) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- 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 Companies Act, 1956. 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

sd/-

**(J. P. Shah)**

Proprietor

M.No. 34010

Place : Mumbai  
Date : 30th May, 2014.



## 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, read with General Circular 8/2014 dated April 4, 2014 issued by the Ministry of Corporate Affairs to the extent applicable, 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 net 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.
- c) Expenditure on stores and spares in other plants is charged to revenue account in the year of purchase.

#### iv. Depreciation and Amortization

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.

Intangible assets (Computer Software) are amortized over a period of 5 years from the date of acquisition.

#### 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

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### 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 recognized in the Profit & Loss Account. 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

Gratuity in respect of eligible employees has been provided for on the basis of actuarial valuation. As per Accounting Standard 15 the actuarial valuation is considered 5% as salary escalation and average 2% as attrition rate and the retirement age is considered as 58 years.

### 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 profit and loss account.

### xi. Segment Reporting

The company is engaged in pharmaceutical business, which as per Accounting Standard 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 equity 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 recognized 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

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**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 profit and loss account 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, 2014

PARTICULARS	Note No.	As at 31.03.2014	As at 31.03.2013
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
Share Capital	3	35,726,000	35,726,000
Reserves and Surplus	4	470,043,270	399,724,865
<b>(2) Non-Current Liabilities</b>			
Long-Term Borrowings	5	-	-
Deferred Tax Liabilities (Net)	6	8,186,729	7,558,006
Other Long Term Liabilities	7	1,964,823	1,961,628
Long Term Provisions	8	1,086,640	887,545
<b>(3) Current Liabilities</b>			
Short-Term Borrowings	9	1,976,672	5,198,688
Trade Payables	10	51,464,368	68,193,625
Other Current Liabilities	11	1,342,065	4,096,993
Short-Term Provisions	12	33,169,516	59,052,145
<b>Total</b>		<b><u>604,960,083</u></b>	<b><u>582,399,495</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
Fixed Assets	13		
(i) Tangible Assets		197,116,491	207,407,359
(ii) Intangible Assets		294,122	394,326
		<b><u>197,410,613</u></b>	<b><u>207,801,685</u></b>
Non-current investments	14	11,681,169	11,681,169
Long term loans and advances	15	20,994,297	20,078,912
<b>(2) Current Assets</b>			
Inventories	16	82,198,364	86,820,792
Trade receivables	17	151,446,336	105,977,316
Cash and bank balances	18	67,412,290	48,900,368
Short-term loans and advances	19	73,817,018	101,139,253
<b>Total</b>		<b><u>604,960,083</u></b>	<b><u>582,399,495</u></b>

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

sd/-

**(J. P. Shah)**

Proprietor

Membership No. 34010

Place : Mumbai

Date : 30th May 2014

sd/-

MR. NAVIN B. DOSHI

Chairman

sd/-

MR. KISHOR R MEHTA

Whole Time Director

Place : Mumbai

Date : 30th May 2014

**STATEMENT OF PROFIT AND LOSS FOR  
THE YEAR ENDED 31st MARCH 2014**



PARTICULARS	Note No.	For the year ended 31.03.2014	For the year ended 31.03.2013
I Revenue from operations (Gross)	20	523,025,561	427,503,941
Less : Excise Duty		15,011,329	12,426,620
Revenue from operations (Net)		<b>508,014,232</b>	<b>415,077,321</b>
II Other Income	21	12,149,413	14,051,038
<b>III. Total Revenue (I + II)</b>		<b>520,163,644</b>	<b>429,128,359</b>
<b>IV Expenses:</b>			
Cost of materials consumed	22	293,168,989	263,212,124
Purchase of Stock-in-Trade		3,294,580	111,901
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	12,440,303	(7,384,961)
Employee Benefits Expenses	24	36,403,178	29,980,280
Finance Costs	25	168,221	435,554
Depreciation and Amortization Expense	13	12,385,356	12,677,517
Other Expenses	26	62,586,617	54,398,887
<b>Total Expenses (IV)</b>		<b>420,447,244</b>	<b>353,431,302</b>
<b>V Profit before tax (III - IV)</b>		<b>99,716,400</b>	<b>75,697,056</b>
<b>VI Tax expense:</b>			
(1) Current tax		20,000,000	15,145,170
(2) Deferred tax		628,723	272,497
<b>VII Net Profit after tax (V-VI)</b>		<b>78,677,763</b>	<b>60,279,389</b>
Earning per equity share:	29		
(1) Basic		22.02	16.87
(2) Diluted		22.02	16.87

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

sd/-

MR. NAVIN B. DOSHI

Chairman

sd/-

MR. KISHOR R MEHTA

Whole Time Director

sd/-

**(J. P. Shah)**

Proprietor

Membership No. 34010

Place : Mumbai

Date : 30th May 2014

Place : Mumbai

Date : 30th May 2014



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 3 - Share Capital

Particulars	As at 31st March 2014		As at 31st March 2013	
	Number	Rupees	Number	Rupees
<b>Authorised</b> Equity Shares Rs. 10/- each	10,000,000	100,000,000	10,000,000	100,000,000
<b>Issued, Subscribed &amp; Paid up</b> Equity Shares of Rs. 10/- each fully paid up	3,572,600	35,726,000	3,572,600	35,726,000
<b>Total</b>	<b>3,572,600</b>	<b>35,726,000</b>	<b>3,572,600</b>	<b>35,726,000</b>

#### 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, 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 2013-14:

Particulars	Equity Shares			
	F.Y. 2013-2014		F.Y. 2012-2013	
	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 2014		As at 31st March 2013	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Chetan N Doshi	421,896	11.81	421,896	11.81
Coral India Finance & Housing Ltd.	715,351	20.02	715,351	20.02
Navin B Doshi	252,977	7.08	252,977	7.08
Kundan Navin Doshi	529,073	14.81	529,073	14.81
Sachin N Doshi	576,636	16.14	576,636	16.14
<b>Total</b>	<b>2,495,933</b>	<b>69.86</b>	<b>2,495,933</b>	<b>69.86</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note : 4 Reserve & Surplus

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
<b>-General Reserve</b>		
Balance brought forward from previous year	36,051,473	33,001,473
Add: Transfer From Profit & Loss Account	6,000,000	3,050,000
<b>Total (a)</b>	<b>42,051,473</b>	<b>36,051,473</b>
<b>-Surplus</b>		
Opening Balance	379,090,231	312,672,250
Add: Profit for the period	78,677,763	60,279,389
Less : Proposed Dividends	7,145,200	5,358,900
Less : Tax on Dividend	1,214,327	869,348
Less : Transfer to Reserves	6,000,000	3,050,000
<b>Total (b)</b>	<b>427,991,797</b>	<b>363,673,392</b>
<b>Total (a+b)</b>	<b>470,043,270</b>	<b>399,724,865</b>

### Note : 5 Long Term Borrowings

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
<b>Total</b>	NIL	NIL

### Note : 6 Deferred Tax Liability

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
<b>Opening Deferred Tax (Asset)/Liability</b>	<b>7,558,006</b>	<b>7,221,762</b>
<b>Deferred Tax (Asset)/Liability for current year</b>		
<b>Deferred Tax (Asset):</b>		
Disallowance under section 43B and 40A7 of the Income Tax Act, 1961	628,723	(36,913)
<b>Deferred Tax Liability:</b>		
Difference between Accounting and Tax WDV (Cumulative)	-	373,157
<b>Net Closing Deferred Tax (Asset)/Liability</b>	<b>8,186,729</b>	<b>7,558,006</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note : 7 Other Long term Liability

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
Trade Payable	1,077,573	1,077,574
Other Payables	870,750	-
Employee Retention	16,500	22,000
Advances from Customers	-	862,054
<b>Total</b>	<b>1,964,823</b>	<b>1,961,628</b>

### Note : 8 Long Term Provisions

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
Gratuity Payable	1,086,640	887,545
<b>Total</b>	<b>1,086,640</b>	<b>887,545</b>

### Note : 9 Short Term Borrowings

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
<b>-Loan Repayable on Demand</b>		
From Bank	1,976,672	5,198,688
<b>Total</b>	<b>1,976,672</b>	<b>5,198,688</b>

### Security Details:

Primary Security - Secured against hypothecation of entire current assets and movable fixed assets of the company and FDR for margins.

### Note : 10 Trade Payables

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
Trade Payables (of which, Rs. 856406/- payable to related party - Adore Pharmaceuticals Pvt. Ltd.)	51,464,368	68,193,625
<b>Total</b>	<b>51,464,368</b>	<b>68,193,625</b>

Sundry creditors of Rs. 106.20 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 2014	As at 31st March 2013
	Rupees	Rupees
Statutory Liabilities	354,832	590,616
Deposits Payable	40,000	40,000
Payables for Capital Goods	24,180	53,243
Unclaimed dividends	771,003	751,258
Advance From Customers	152,050	2,661,876
<b>Total</b>	<b>1,342,065</b>	<b>4,096,993</b>

### Note : 12 Short Term Provisions

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
<b>-Provision For Employees Benefit</b>		
Salary, Bonus & Reimbursements	2,181,044	1,782,165
Gratuity Payable	33,373	199,095
Contribution to Employee benefit funds	255,383	80,814
<b>-Others</b>		
Provision for Proposed Final Dividend	7,145,200	5,358,900
Dividend Distribution Tax on Proposed Final Dividend	1,214,327	869,348
Provision for Taxation	20,100,000	49,682,036
Other Provisions	2,240,189	1,079,787
<b>Total</b>	<b>33,169,516</b>	<b>59,052,145</b>

### Note :13 Fixed Asset

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		Rate	Value at the beginning	Additions	Disposals	Value at the end	Value at the beginning	Additions	Disposals	Value at the end	WDV as on 31.03.2014	WDV as on 31.03.2013
I	Tangible Assets											
1	Land		9,339,964	-	-	9,339,964	-	-	-	-	9,339,964	9,339,964
2	Building	1.63%	21,066,134	-	-	21,066,134	2,853,514	343,378	-	3,196,892	17,869,242	18,212,620
3	Factory Building	3.34%	100,376,588	226,736	-	100,603,324	25,705,492	3,354,279	-	29,059,771	71,543,553	74,671,096
4	Plant and Equipment	4.75%	152,478,633	1,104,209	-	153,582,842	57,758,438	7,261,183	-	65,019,621	88,563,221	94,720,195
5	Furnitures & Fixtures	6.33%	17,710,561	-	-	17,710,561	9,006,292	902,141	-	9,908,433	7,802,128	8,704,269
6	Vehicles	11.31%	1,071,165	-	-	1,071,165	652,523	120,219	-	772,742	298,423	418,642
7	Office Equipment	4.75%	1,858,977	241,495	-	2,100,472	800,022	101,027	-	901,049	1,199,423	1,058,955
8	Computer	16.21%	4,388,226	421,847	-	4,810,073	4,106,610	202,925	-	4,309,535	500,538	281,616
	(a)		308,290,248	1,994,287	-	310,284,535	100,882,891	12,285,152	-	113,168,043	197,116,492	207,407,359
II	Intangible Assets											
1	Software	16.21%	618,163	-	-	618,163	223,837	100,204	-	324,041	294,122	394,326
	(b)		618,163	-	-	618,163	223,837	100,204	-	324,041	294,122	394,326
	Total(a+b)		308,908,411	1,994,287	-	310,902,698	101,106,728	12,385,356	-	113,492,084	197,410,614	207,801,685
	(Previous Year)		306,444,036	4,140,306	1,675,931	308,908,411	89,520,159	12,677,517	1,090,950	101,106,726	207,801,685	216,923,879





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note : 14 Non Current Investments

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
<b>-INVESTMENTS (AT COST)</b>		
Others Investments (Quoted)		
Investment with Associate concern: Coral India Finance & Housing Ltd., 1299200 Equity Shares of Rs.10/- each fully paidup (Market Value - 3,37,79,200/-) (Previous Year - 3,67,02,400/-)	11,587,169	11,587,169
<b>Investment in other concern</b> Gujarat State Financial Corporation Limited. 4700 Equity Shares of Rs.10/- each fully paid up at a premium of Rs.10/- each. (Market Value - 15,040/-) (Previous Year - 8,319/-)	94,000	94,000
<b>Total</b>	<b>11,681,169</b>	<b>11,681,169</b>

### Note : 15 Long Term Loans & Advances

(Unsecured considered good)

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
Capital Advances	117,450	117,450
Advance to Employees	-	426,453
Other Deposits	1,149,486	810,986
Fixed Deposit with Banks	12,292,103	11,721,574
Balance with Revenue Department	6,828,388	6,847,448
Other Loans & Advances	606,870	155,000
<b>Total</b>	<b>20,994,297</b>	<b>20,078,912</b>

### Note : 16 Inventories

(Valued at Lower of Cost or Net Realisable Value)

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
Raw Material	36,415,403	37,197,378
Packing Material	22,767,960	16,006,233
Finished Goods	16,348,931	23,487,063
Goods-in-transit - Finished Goods	256,200	-
Work-in-Progress	3,405,344	8,956,921
Stores & Spares	3,004,526	1,166,405
Stock in trade	-	6,793
<b>Total</b>	<b>82,198,364</b>	<b>86,820,792</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note : 17 Trade Receivables

(Unsecured, Considered Good)

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
Debtors for the period exceeding six months from the date they are due for payment	6,832,892	8,014,772
Others	144,613,444	97,962,544
<b>Total</b>	<b>151,446,336</b>	<b>105,977,316</b>

### Note : 18 Cash and Bank Balance

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
Cash in Hand	460,845	285,732
-Bank Balances		
-Current Account	21,401,627	6,212,544
-Bank OD account	-	11,076
Fixed Deposit Account maturing within less than 12 months	44,732,565	41,562,618
Margin Money Account	46,250	56,250
Unclaimed Dividend Accounts	771,003	772,148
<b>Total</b>	<b>67,412,290</b>	<b>48,900,368</b>

### Note :19 Short Terms Loans and Advances

(Unsecured, Considered Good)

Particulars	As at 31st March 2014	As at 31st March 2013
	Rupees	Rupees
Advance to Suppliers	453,505	1,020,803
Loan given	45,182,500	40,000,000
Advance Tax	18,000,000	28,600,000
TDS Receivable	1,066,422	1,209,223
Advance To staff	263,471	104,076
Balance with Revenue Departments	7,487,767	29,202,970
Other Loans & Advances	1,363,352	1,002,181
<b>Total</b>	<b>73,817,018</b>	<b>101,139,253</b>

### Note : 20 Revenue from Operations

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
	Sale of products	506,973,157
Sale of Services	4,458,690	498,647
Other Operating Income	11,593,714	10,764,922
<b>Total</b>	<b>523,025,561</b>	<b>427,503,941</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note : 21 Other Income

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Discount Received	37,164	19,517
Interest Received	10,309,530	7,934,493
Foreing Exchange Fluctuation	325,271	4,197,595
Rent Income	1,476,875	1,138,350
Other Income	573	761,083
<b>Total</b>	<b>12,149,413</b>	<b>14,051,038</b>

### Note : 22 Cost of Material Consumed

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
<b>-Raw Material Consumed:</b>		
Opening Stock	37,197,378	28,136,258
Add : Purchase (Net)	183,463,667	176,492,247
	220,661,045	204,628,505
Inter Unit Transfer / Sales of RM	366,829	(335,177)
Less : Closing Stock	36,415,403	37,197,378
<b>(a)</b>	<b>183,878,813</b>	<b>167,766,304</b>
<b>-Packing Material Consumed:</b>		
Opening Stock	16,006,233	12,904,623
Add : Purchase (Net)	116,051,904	98,893,759
	132,058,137	111,798,381
Less : Inter Unit Transfer / Sales of PM	-	346,328
Less : Closing Stock	22,767,960	16,006,233
<b>(b)</b>	<b>109,290,177</b>	<b>95,445,820</b>
<b>Total(a+b +C)</b>	<b>296,463,569</b>	<b>263,324,025</b>

### Note : 23 Change in Inventories

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
-Opening Stock		
Stock In Progress	8,956,921	3,690,351
Finished Goods	23,487,064	21,049,689
Stock in Trade (Trading)	6,793	325,777
<b>(a)</b>	<b>32,450,778</b>	<b>25,065,817</b>
-Closing Stock		
Stock In Progress	3,405,344	8,956,921
Finished Goods	16,605,131	23,487,064
Stock in Trade	-	6,793
<b>(b)</b>	<b>20,010,475</b>	<b>32,450,778</b>
<b>Total(a-b)</b>	<b>12,440,303</b>	<b>(7,384,961)</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note : 24 Employment Benefit Expenses

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Salary, Wages, Bonus & Incentives	33,189,105	27,408,578
Gratuity	390,828	126,724
Directors Remuneration	420,000	420,001
Contribution to Employee benefit funds	1,245,301	1,227,749
Staff Welfare & Other Amenities	1,157,944	797,229
<b>Total</b>	<b>36,403,178</b>	<b>29,980,280</b>

### Note : 25 Financial Cost

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Interest Expense	9,232	307,565
Interest on Income Tax	100,000	57,764
CC Renewal Charges	58,989	70,225
<b>Total</b>	<b>168,221</b>	<b>435,554</b>

### Note : 26 Other Administrative Expenses

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Power & Fuel	13,060,481	12,101,994
Manufacturing Expenses	11,444,573	13,565,558
Repairs & Maintenance	4,584,256	5,306,930
Stores & Spares	751,132	265,495
Rent, Rates & Taxes	1,899,554	814,646
Sales Tax	547,506	22,455
Insurance	387,123	421,310
Auditors Remuneration	140,000	127,107
Advertisement Expenses	183,026	176,862
M R Expenses	-	314,661
Travelling Expenses	4,656,475	3,223,342
Bank Charges & Commission	825,509	746,624
Office Expenses	266,584	319,664
Postage & Telegramme	2,238,954	1,471,506
Printing & Stationery	2,478,300	1,694,557
Professional Fees	1,836,973	1,498,141
Security Expenses	1,758,413	1,661,247
Telephone Expenses	865,954	712,034
Freight Expense	2,766,393	2,022,260
Loading & Unloading Exp	804,498	919,066
Sales Promotion Exp	164,218	183,955
C & F Expenses	-	178,495
Other Expenses	10,707,163	6,505,526
Prior Period Expenses	219,532	145,452
<b>Total</b>	<b>62,586,617</b>	<b>54,398,887</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	As at 31st March 2014	As at 31st March 2013
(i) Contingent Liabilities	Nil	Nil
(ii) Commitments	Nil	Nil

### 28 Auditors Remuneration

Particulars	For the year ended 31st March 2014	For the year ended 31st March 2013
Statutory Audit	134,000	100,000
Tax Audit	6,000	5,000
Branch Audit	-	22,107
<b>Total</b>	<b>140,000</b>	<b>127,107</b>

### 29 Earning Per Share

Particulars	As at 31st March 2014	As at 31st March 2013
	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 ( )	10.00	10.00
Profit after Tax Available for the Equity Shareholders	78,677,763	60,279,389
Basic Earning Per Share ( )	22.02	16.87
Diluted Earning Per Share ( )	22.02	16.87

### 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	Whole Time 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 2014 (Rs.)	Year ended 31st March 2013 (Rs.)
Salaries & Perquisites	429,360	429,360
Sitting Fees	34,000	24,000

#### 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 2014 (Rs.)	Year ended 31st March 2013 (Rs.)
Salary Paid	6.00 lacs	5.88 lacs
Loan Granted	-	-
Repayment of loans granted	-	-
Deposit repaid	-	-
Interest Received	-	-
Rent Paid	6.00 lacs	-
Dividend Paid	10.73 lacs	10.73 lacs
Labour Charges Paid	27.46 lacs	68.90 lacs
Purchases	2.28 lacs	1.80 lacs

#### Balances of Related Parties

Particulars	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
<b>-Investment</b>		
Coral India Finance & Housing Ltd	115.87 lacs (Dr)	115.87 lacs (Dr)
<b>- Trade Receivables</b>		
Adore Pharmaceuticals Pvt. Ltd.	8.30 lacs (Cr)	47.19 lacs (Cr)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 31. Raw Material Consumed

(Value in Rupees)

Raw Materials	Year ended 31st March 2014 (Rs.)	Year ended 31st March 2013 (Rs.)
i Amoxicillin Trihydrate	17,617,733	17,426,675
ii Azithromycin USP	5,879,611	6,902,457
iii Ibuprofen BP 2010	2,469,151	8,133,787
iv Propylene Glycol I.P	5,897,091	4,442,587
v Sugar (Commercial) IH	13,939,513	12,236,948
vi Empty Gelatine Capsuls	4,526,390	6,139,818
vii Others	133549324	112,484,032
<b>Total</b>	<b>183,878,813</b>	<b>167,766,304</b>

### 32. Goods Purchased for trading

Particulars	Year ended 31st March 2014 (Rs.)	Year ended 31st March 2013 (Rs.)
i Tablet	-	-
i Injection	2,328,000	-
ii Liquid	171,700	111,901
iii Capsules	794,880	-
<b>Total</b>	<b>3,294,580</b>	<b>111,901</b>

### 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	218,140	5,326	8,044
	(166,527)	(8,044)	(10,385)
ii Ointment & Powder	26,276	1,648	730
	(21,554)	(730)	(1,547)
iii Liquids	257,242	9,519	14,601
	(228,160)	(14,601)	(9,116)
<b>Total</b>	<b>501,658</b>	<b>16,493</b>	<b>23,375</b>
	<b>(416,241)</b>	<b>(23,375)</b>	<b>(21,048)</b>

Note : Figures in brackets represent previous year figures



**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	1,280.05	0.00	6.79
	-	(6.79)	(243.43)
ii Ointment	3,445.16	-	-
	-	-	-
iii Liquid	589.95	111.90	111.90
	-	(111.90)	(82.35)
<b>Total</b>	<b>5,315.16</b>	<b>111.90</b>	<b>118.69</b>
	<b>0.00</b>	<b>(118.69)</b>	<b>(325.78)</b>

Note : Figures in brackets represent previous year figures

**35. Closing Work in progress** (Value in Rupees)

Particulars	As at 31st March 2014 (Rs.)	As at 31st March 2013 (Rs.)
i Tablets & Capsules	1910	4,597
ii Ointment	1202	519
iii Liquid	291	3,518
iv Other	2	323
<b>Total</b>	<b>3,405</b>	<b>8,957</b>

**36. Value of imports on C.I.F basis** (Value in Rupees)

Particulars	Year ended 31st March 2014 (Rs.)	Year ended 31st March 2013 (Rs.)
i Raw materials	3,371	649





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 37. Value of Imported and Indigenous Materials Consumed

(Rs. in lacs)

Raw Materials	Year ended 31st March 2014		Year ended 31st March 2013	
	Value (Rs.)	% to Total Consumption	Value (Rs.)	% to Total Consumption
i Imported	3,310	1.80	649	0.39
ii Indigenous	180,568	98.20	167,117	99.61
<b>Total</b>	<b>183,878</b>	<b>100.00</b>	<b>167,766</b>	<b>100.00</b>

Packing Materials	Year ended 31st March 2014		Year ended 31st March 2013	
	Value (Rs.)	% to Total Consumption	Value (Rs.)	% to Total Consumption
i Imported	-----	-	-----	-
ii Indigenous	109,290	100	95,446	100
<b>Total</b>	<b>109,290</b>	<b>100</b>	<b>95,446</b>	<b>100</b>

### 38. Earnings in foreign currency

(Rs. in lacs)

Particulars	Year ended 31st March 2014 (Rs.)	Year ended 31st March 2013 (Rs.)
i FOB Value of Export	2,556.00	1,808.38

### 39. Expenditure in Foreign Currency

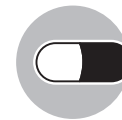
(Rs. in lacs)

Particulars	Year ended 31st March 2014 (Rs.)	Year ended 31st March 2013 (Rs.)
Bank Charges	0.50	2.13
Travelling	17.13	14.01
Commission	0.79	12.70
Exhibition	4.38	
Inspection	8.49	
Registration	11.04	

### 40 Other Notes on Accounts

- i Demand of 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.
- ii Company's Baroda Plant was not in operation.
- iii Prior Period expenditure is 219,532/- (Previous year 145,452/-)
- iv The company has proposed dividend of 7,145,200/- and has transferred 6,000,000/- to general reserve.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



- v 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.
- vi 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.
- vii Kolkatta office was discontinued during the year and all the balances were transferred to respective locations.
- viii Figures of the previous year has been re-grouped, recast or rearrange 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

sd/-  
**(J. P. Shah)**  
Proprietor  
Membership No. 34010  
Place : Mumbai  
Date : 30th May 2014

For and on behalf of the Board

sd/-  
MR. NAVIN B. DOSHI  
Chairman

sd/-  
MR. KISHOR R MEHTA  
Whole Time Director

Place : Mumbai  
Date : 30th May 2014



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## 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 March 31, 2014. 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 dated May 30, 2014 to the Members of the company.

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

sd/-  
**(J. P. Shah)**  
Proprietor  
M.No. 34010

Place : Mumbai  
Date : 30th May, 2014.



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

	YEAR ENDED 31ST MARCH 2014 Rupees	YEAR ENDED 31ST MARCH 2013 Rupees
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>	90,946,959	
Net Profit before Tax & Extraordinary items	99,306,486	75,697,056
Adjustment for:		
Depreciation	12,385,356	12,677,517
(Profit) / Loss on sale of Fixed Asset	-	162,481
Investment/ Interest income	(10,309,530)	(7,934,493)
Interest u/s 234C	100,000	57,764
Interest expenses	68,221	377,790
Operating Profit before working capital changes	101,550,533	81,038,115
Adjustment for:		
(Increase)/Decrease in Trade and Other receivables	(49,506,122)	(57,005,383)
(Increase)/Decrease in Inventories	4,622,426	(19,704,074)
Increase/(Decrease) in Trade and Other Payables	(18,804,506)	32,248,673
Cash generated from operation	(63,688,202)	(44,460,785)
Dividend and Corporate Dividend Tax Paid	(8,359,527)	(6,228,248)
Taxes paid (Net of refunds)	(19,237,910)	(29,363,426)
Cash flow before Exceptional items	(91,285,639)	(80,052,459)
<b>Net Cash from Operating Activities</b>	<b>10,264,901</b>	<b>985,663</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchased of Fixed Assets	(1,994,287)	(4,140,306)
Interest received	10,309,530	7,934,493
Sale of Investment	-	-
Sale of Fixed Asset	-	422,500
<b>NET CASH FROM INVESTING ACTIVITIES</b>	<b>8,315,243</b>	<b>4,216,687</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of long term Borrowings	-	5,123,688
Proceeds from issue of Share Capital	-	-
Interest paid	(68,221)	(377,790)
Net Cash from Financing Activities	(68,221)	4,745,898
<b>Net Cash Inflow/(Outflow)</b>	<b>18,511,922</b>	<b>9,948,248</b>
Cash & Cash Equivalents as at March 31, 2013	48,900,368	38,952,120
Cash & Cash equivalents as at March 31, 2014	67,412,290	48,900,368
<b>Net Cash Inflow/ (Outflow)</b>	<b>18,511,922</b>	<b>9,948,248</b>

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

sd/-  
**(J. P. Shah)**  
Proprietor  
Membership No. 34010  
Place : Mumbai  
Date : 30th May 2014

For and on behalf of the Board

sd/-  
MR. NAVIN B. DOSHI  
Chairman

sd/-  
MR. KISHOR R MEHTA  
Whole Time Director

Place : Mumbai  
Date : 30th May 2014



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## CORAL LABORATORIES LTD.

**Regd. Office & Factory :** 308/5, Village and Post Poicha (Ran), Taluka - Savli, Baroda - 391 780 (Gujarat)  
Telephone: +91-22-25005245, Fax: +91-22-22873771, Website : www.corallab.com,  
Email : cs@corallab.com, CIN No. L24231GJ1997PLC031669

### FORM OF PROXY

**Venue of the meeting:** 308/5, Village & Post – Poicha (Ran), Taluka- Savli, Baroda – 391 780.

**Date & Time:** September 29, 2014 at 12.30 P.M.

Please fill attendance slip and hand it over at the entrance of the meeting venue

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

\*Applicable for investors holding shares in Electronic form.

I/We \_\_\_\_\_ of \_\_\_\_\_ being a member/members of Coral Laboratories Limited hereby appoint the following as my/our Proxy to attend vote (for me/our behalf at the 32nd Annual General Meeting of the Company to be held on September 29, 2014 at 12:30 P.M. and at any adjournment thereof).

1. Mr / Mrs \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her
2. Mr / Mrs \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her
3. Mr / Mrs \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her

\*\*I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

Sl. No.	Resolution	For	Against
<b>Ordinary Business</b>			
1.	Adoption of audited Financial Statements for the financial year ended March 31, 2014 and reports of the Board of Directors and the Auditors thereon		
2.	Declaration of dividend @ 20% i.e Rs. 2.00 /- per Equity Share for year 2013-2014		
3.	Re-appointment of Mr. Navin B. Doshi, who retires by rotation		
4.	Re-appointment of M/s. Shah Sanghvi & Co., Chartered Accountants, as Auditors		
<b>Special Business</b>			
5.	Appointment of Mr. Priyush Dhedhi, as an Independent Director		
6.	Appointment of Mr. Rajesh R. Parikh as an Independent Director		
7.	Appointment of Mrs. Sheela Kamdar as an Independent Director		
8.	Adoption of new draft Article of Association of the Company		

\*\*This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he /she should write "Abstain" across the boxes against the Resolution.

Signature(s) of the Member(s)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014.

Signature of the Shareholder(s)

Affix  
Re. 1  
Revenue  
Stamp

#### NOTES

1. The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.



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## ***CORAL LABORATORIES LTD.***

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Telephone: +91-22-25005245, Fax: +91-22-22873771, Website : www.corallab.com,  
Email : cs@corallab.com, CIN No. L24231GJ1997PLC031669

### **ATTENDANCE SLIP**

**Venue of the meeting:** 308/5, Village & Post – Poicha (Ran), Taluka- Savli, Baroda – 391 780.

**Date & Time:** September 29, 2014 at 12.30 P.M.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

NAME OF THE ATTENDING MEMBER/PROXY (IN BLOCK LETTERS)

Name	
Address	
DP Id*	
Client Id*	
Folio No.	
No. of shares held	

\*Applicable for investors holding shares in Electronic form.

I certify that I am the registered shareholders/proxy for the registered shareholder of the Company.

I hereby record my presence at the 32nd Annual General Meeting of the Company held on 29th September 2014 at 12.30 P.M at 308/5, Village & Post – Poicha (Ran), Taluka- Savli, Baroda – 391 780

\*Applicable for shareholders holding shares in electronic form

Signature of Member / Proxy

Physical copy of the Annual Report for 2014 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members.

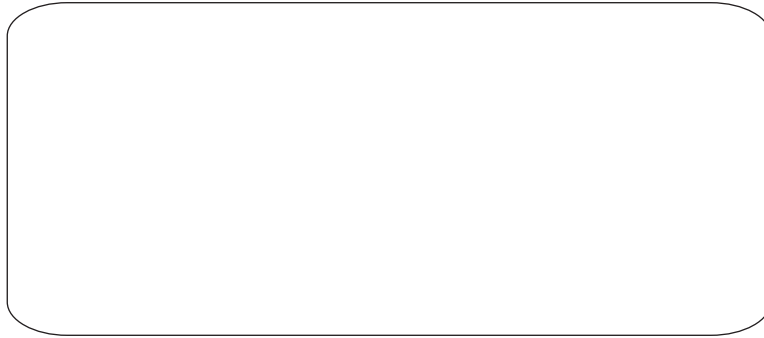




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# BOOK-POST



If undelivered, please return to :

**Coral Laboratories Ltd.**

#3B, Patanwala Ind. Estate, Opp. Shreyas Cinema,  
Beside Fitness Health, L. B. S. Marg, Ghatkopar (W),  
Mumbai – 400 086.