



**Coral Laboratories Ltd.**

An ISO 9001-2000 Certified Organisation

**WE WORK FOR BETTER TOMMORROW**

**ANNUAL REPORT  
2012 - 2013**





## CORAL LABORATORIES LIMITED

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### BOARD OF DIRECTORS :

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

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

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

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

### PLANTS:

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

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

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

**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 First Annual General Meeting of the Company will be held on Saturday the 28th September 2013 at 2.00 P.M. at the registered office of the Company at 308/5, Village & Post Poicha (RAN), Taluka Savli, Baroda - 391 780 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Balance Sheet as at March 31, 2013 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 @ 15% i.e Rs. 1.50 /- per Equity Share for year 2012-2013.
3. To appoint Mr. Rajesh Ranjitekumar Parikh, Director of the company, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint M/s. Shah Sanghvi & Co., Chartered Accountants as Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND IN CASE OF A POLL ONLY TO VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXY (ENCLOSED) IN ORDER TO BE EFFECTIVE MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING, DULY COMPLETED.
2. Members/Proxies should bring attendance slip sent herewith, duly filled in for attending the meeting.
3. The members are informed that in case of joint holders attending the meeting, only such joint holders who's name is higher in the order of names, will be entitled to vote.
4. The Register of Members and Share Transfer Books of the Company shall remain close from 20th September, 2013 to 28th September, 2013 (both days inclusive).

By the Order of the Board

NAVIN B. DOSHI  
Chairman

Place : Mumbai  
Date : 26th August, 2013

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

1. Name of Director : Mr. Rajesh Ranjitekumar Parikh  
Date of Birth : 17th April, 1973  
Date of Appointment : 28<sup>th</sup> August, 2006  
Educational Qualification : B. Com.  
Directorship in other companies : NIL



## DIRECTORS' REPORT

### Dear Shareholders,

Your directors are pleased to present their Thirty First Annual Report and Audited Statement of Accounts for the year ended 31st March, 2013. The Financial Performance for the year under review are given below:

1. <b>Financial Performance</b>	<b>(Rs. in Lacs)</b>	
	<b>2012-13</b>	<b>2011-12</b>
Sales & Other Income	4291.28	4084.99
Expenditure	3403.18	3246.54
Earnings before depreciation, Interest & Tax	888.10	838.45
Interest & Other Financial Charges	4.36	3.77
Depreciation	126.77	126.57
Earnings before tax	756.97	708.11
Provision for tax	151.45	137.81
Provision for deferred tax	2.72	5.52
Earnings after tax	602.79	564.78
Balance brought forward	3126.72	2659.23
Profit available for appropriation	3729.55	3224.00
<b>APPROPRIATIONS</b>		
Proposed Dividend	53.59	53.59
Tax on Dividend	8.69	8.69
Transfer to general reserve	30.50	35.00
Balance carried forward to balance sheet	3636.73	3126.72

### 2. PERFORMANCE:

During the year under review, the company posted Revenue of **Rs. 4291.28 Lacs** as compared to previous year Rs. 4084.99 Lacs. However, the earnings after tax stood at **Rs. 602.79 Lacs** as compared to Rs. 564.78 Lacs during the previous year.

### 3. DIVIDEND

The Board of Directors have recommended dividend of 15%, i.e., Rs. 1.50/- per equity share of Rs. 10/- each for the financial year 2012-13

### 4. CAPITAL STRUCTURE

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

### 5. DIRECTORS

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



## **6. DIRECTORS' RESPONSIBILITY STATEMENT**

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

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

## **7. PARTICULARS OF EMPLOYEES**

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

## **8. FIXED DEPOSITS**

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

## **9. AUDITORS**

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

## **10. COMPLIANCE CERTIFICATE**

Since the Paid Up Capital is less than Rs. 5 crores, the company has obtained Compliance Certificate u/s 383A of the Companies Act, 1956 from Company Secretary in Practice, for the year 2012-13.

## **11. CORPORATE GOVERNANCE**

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

## **12. PERSONNEL**

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

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



## ANNEXURE

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

<b>A. Power &amp; Fuel Consumption</b>	<b>2012-2013</b>	<b>2011-2012</b>
<b>1. Electricity</b>		
Purchase Unit	14,35,279	13,75,180
Total Amount (Rs.)	68,34,465	61,95,334
Rate per Unit	4.76	4.51
<b>2. Furnace Oil</b>		
Quantity (Ltrs)	51,765	52,840
Total Amount (Rs.)	24,92,603	23,02,231
Average Rate per Ltr. (Rs.)	48.15	43.57
<b>3. Gas</b>		
Quantity (kgs)	22,770	37,530
Total Amount (Rs.)	20,69,782	22,46,562
Average Rate per Kg. (Rs.)	90.90	59.86
<b>B. Expenditure on R &amp; D</b>	<b>NII</b>	<b>NII</b>
<b>C. 1) Foreign Exchange Earning (Rs. in Lacs)</b>	<b>1,808</b>	<b>1,247</b>
<b>2) Foreign Exchange Used (Rs. in Lacs)</b>	<b>28.84</b>	<b>3.21</b>

For and on behalf of the board of Directors

Place: Mumbai  
Date: 30th May, 2013

NAVIN B. DOSHI  
Chairman.



## REPORT ON CORPORATE GOVERNANCE

### A. MANDATORY REQUIREMENTS

#### 1. Company's Philosophy on code of Governance:

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

#### 2. Board of Directors

Name of Director	No. of Board Meetings Attended	Attended Last AGM/EGM	No. of Membership of Board Committee	No of Chairmanship
Mr. Navin B. Doshi	4	Yes	3	1
Mr. Kishor R. Mehta	4	Yes	1	-
Mr. Priyush R. Dedhi	4	Yes	1	-
Mr. Rajesh R. Parikh	4	Yes	2	-
Mr. Sameer A. Sheth	4	Yes	-	-

The Board of Directors met Four times during the year on the following dates  
On 14th May, 2012, 14th August, 2012, 9th November, 2012 and 14th February, 2013.  
Annual General Meeting for year ended 31st March, 2012 was held on 27th September, 2012.

#### 3. Audit Committee

The Audit Committee comprise of:

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

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

#### 4. Remuneration Committee

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

#### 5. Transfer Shareholders'/Investors' Grievance Committee

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





## 6. General Body Meeting

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

Year	Location	Date	Time	No. of Special Resolution Passed
2009-10	308/5, Village & Poicha (RAN), Taluka Savli, Baroda 391780	30.09.2011	3.30 p.m.	1
2010-11	As above	30.09.2011	1.00 p.m.	Nil
2011-12	As above	27.09.2012	12.30 p.m.	Nil

## 7. Means of Communication

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

## 8. General Shareholder Information

- a) Annual General Meeting:
- Date and Time : 28<sup>th</sup> September 2013  
At 2.00 p.m.
  - Venue : 308/5, Village & Poicha (RAN)  
Taluka Savli,  
Baroda – 391 780.
- b) Financial Calendar : 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014
- c) Results for the Quarter ending
- i) June 30<sup>th</sup>, 2013 : 14<sup>th</sup> August 2013
  - ii) September 30<sup>th</sup> 2013 : On or before 14<sup>th</sup> November 2013
  - iii) December 31<sup>st</sup> 2013 : On or before 14<sup>th</sup> February 2014
  - iv) March 31<sup>st</sup> 2014 : On or before 30<sup>th</sup> May 2014
- d) Book Closure : 20<sup>th</sup> September, 2013 to 28<sup>th</sup> September 2013 (both days inclusive)
- e) Equity Shares are Listed on : Mumbai, Vadodara and Kolkata  
Stock Exchanges at
- f) Demat ISIN Numbers in : Equity Shares INE 683E001017  
NSDL & CDSL
- g) Registrar and Transfer Agents : Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound.  
L. B. S. Marg, Bhandup (West),  
Mumbai – 400 078



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

Month	Year	High Price (Rs.)	Low Price (Rs.)
April	2012	72.50	62.25
May	2012	67.25	59.00
June	2012	63.25	59.00
July	2012	78.45	61.50
August	2012	75.75	61.55
September	2012	79.40	66.00
October	2012	72.00	65.00
November	2012	71.95	60.10
December	2012	70.00	62.95
January	2013	83.00	65.00
February	2013	74.95	59.10
March	2013	67.70	58.05

i) Dematerialization of Shares : Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 1st January 2002 as per notification issued by the Securities and Exchange Board of India (SEBI). In accordance with the same 1916028 shares of outstanding share have been dematerialized upto 31st March 2013.

j) According to categories of Shareholders as at 31<sup>st</sup> March, 2013.

	No. of Shares	%
Promoters, Directors & Relatives	= 2495933	69.86
International Investors (NRI/FII's)	= 84815	02.38
Body Corporate	= 112538	03.15
Others	= 879314	24.61

k) Distribution of Shareholding

Distribution of Shareholding as on 31st March, 2013	No. of Shareholders	% of Share Holders	No. of Shares	% of Shares
Upto 500	2165	88.0439	347632	9.7305
501 – 1000	157	6.3847	126140	3.5308
1001 – 2000	58	2.3587	86132	2.4109
2001 – 3000	21	0.8540	51627	1.4451
3001 – 4000	9	0.3660	31498	0.8817
4001 – 5000	11	0.4473	49509	1.3858
5001 – 10000	15	0.6100	99629	2.7887
10001 and above	23	0.9353	2780433	77.8266
<b>TOTAL</b>	<b>2459</b>	<b>100</b>	<b>3572600</b>	<b>100</b>

For and on behalf of the board of Directors

Place: Mumbai  
Date: 30th May, 2013

NAVIN B. DOSHI  
Chairman.



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

### 1. Performance

The company's export has increased to **Rs. 1808.38** lacs from the previous year's Rs. 1246.55 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 looking forward to enhance its export transactions 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 internal audit department reviews key business process and controls. The business risks and its control procedures are reviewed periodically.

### 6. Human Resources:

Your company continued to have cordial relations with its employees.



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## AUDITOR'S CERTIFICATE

To,

The Members,

### **CORAL LABORATORIES LIMITED**

We have examined the compliance of conditions of Corporate Governance by **Coral Laboratories Limited**, for the year 2012-2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock Exchange.

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

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

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

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

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

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

Place : Mumbai  
Date : 30th May, 2013.



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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the financial statements:**

We have audited the accompanying financial statements of **CORAL LAORATORIES LIMITED**, which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss for the year ended 31.03.2013, 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. 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. 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 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, 2013;
- b) in the case of the Profit and Loss Account, of the profit 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;



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## INDEPENDENT AUDITOR'S REPORT (Contd.)

- 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.
- bb) We have received Kolkata Branch's audit report as required u/s 228 (3)(c) of the Companies Act, 1956 and we have relied upon the same.
- 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 and the Statement of Profit and Loss, comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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

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

Place : Mumbai  
Date : 30th May, 2013.



## **ANNEXURE TO THE AUDITOR'S REPORT**

### **THE ANNEXURE REFERRED TO IN THE AUDITOR'S REPORT TO THE MEMBERS OF CORAL LABORATORIES LIMITED FOR THE YEAR ENDED 31st MARCH 2013.**

- 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 loan to party covered 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 31.03.2013, 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, 2013 and has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. In our opinion and according to the information given to us, the company has not defaulted in repayment of dues to bank. The company has not taken any loans from the financial institutions during the year and nor has issued any debentures.
- xii. In our opinion and according to the information given to us, the company has not granted any loans or advances on the basis of any security. Accordingly, the provisions of clause 4(xii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiii. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xiv. In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xv. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly, the provisions of Clause 4(xv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the company.
- xvi. In our opinion, and according to the information given to us, on an overall basis, the term loans have been applied for the purposes for which they were raised.
- xvii. According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the company has not used any funds raised on short-term basis for long-term investment.
- xviii. The company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under section 301 of the 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

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

Place : Mumbai  
Date : 30th May, 2013.





## NOTE 1 : COMPANY INFORMATION:

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

## NOTE 2 : SIGNIFICANT ACCOUNTING POLICIES

### i. Framework of Preparation of Financial Statements:

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

### ii. Uses of estimates:

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

### iii. Inventories

- a) Inventories are valued at lower of cost and 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 recognised 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 60 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, 2013

(Amount in ₹)

PARTICULARS	Note No.	As at 31.03.2013	As at 31.03.2012
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	3	35,726,000	35,726,000
(b) Reserves and Surplus	4	399,724,865	345,673,722
<b>(2) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	5	-	75,000
(b) Deferred Tax Liabilities (Net)	6	7,558,006	7,285,509
(c) Other Long Term Liabilities	7	1,961,628	4,089,108
(d) Long Term Provisions	8	887,545	813,135
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	9	5,198,688	-
(b) Trade Payables	10	68,193,625	46,456,784
(c) Other Current Liabilities	11	4,096,993	4,764,919
(d) Short-Term Provisions	12	59,052,146	44,397,383
<b>Total</b>		<b>582,399,496</b>	<b>489,281,559</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
(a) Fixed Assets	13		
(i) Tangible Assets		207,407,359	216,429,350
(ii) Intangible Assets		394,326	494,530
		<b>207,801,685</b>	<b>216,923,880</b>
(b) Non-current investments	14	11,681,169	11,681,169
(c) Long term loans and advances	15	20,078,912	18,352,070
<b>(2) Current Assets</b>			
(a) Inventories	16	86,820,793	67,116,719
(b) Trade receivables	17	105,977,316	70,720,750
(c) Cash and bank balances	18	48,900,368	38,952,120
(d) Short-term loans and advances	19	101,139,253	65,534,851
<b>Total</b>		<b>582,399,496</b>	<b>489,281,559</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

MR. NAVIN B. DOSHI - Chairman

MR. KISHOR R. MEHTA - Whole Time Director

MR. SAMEER A. SHETH - Director

**(J. P. Shah)**

**Proprietor**

Membership No. 34010

Place : Mumbai

Date : 30th May 2013

Place : Mumbai

Date : 30th May 2013

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2013



(Amount in ₹)

PARTICULARS	Note No.	For the year ended 31.03.2013	For the year ended 31.03.2012
I Revenue from operations (Gross)	20	427,503,941	407,417,028
Less : Excise Duty		12,426,620	7,792,148
Revenue from operations (Net)		415,077,321	399,624,880
II Other Income	21	14,051,038	8,873,765
<b>III. Total Revenue (I +II)</b>		<b>429,128,359</b>	<b>408,498,646</b>
<b>IV Expenses:</b>			
Cost of materials consumed	22	263,212,124	230,238,820
Purchase of Stock-in-Trade		111,901	1,195,359
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	23	(7,384,961)	2,159,921
Employee Benefits Expenses	24	29,980,280	36,812,163
Finance Costs	25	435,554	377,055
Depreciation and Amortization Expense	13	12,677,517	12,656,723
Other Expenses	26	54,398,887	54,247,445
<b>IV. Total Expenses (IV)</b>		<b>353,431,302</b>	<b>337,687,488</b>
<b>V Profit before tax</b>	<b>(III - IV)</b>	<b>75,697,056</b>	<b>70,811,158</b>
<b>VI Tax expense:</b>			
(1) Current tax		15,145,170	13,781,000
(2) Deferred tax		272,497	552,530
<b>VII Net Profit after tax</b>	<b>(V-VI)</b>	<b>60,279,389</b>	<b>56,477,628</b>
<b>Earning per equity share:</b>	29		
(1) Basic		16.87	15.81
(2) Diluted		16.87	15.81

Summary fo Significant Policies

2

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

As per our Report of even date

For and on behalf of the Board

For **SHAH SANGHVI & CO.**

Chartered Accountants

Firm Registration No. 109794W

MR. NAVIN B. DOSHI - Chairman

MR. KISHOR R. MEHTA - Whole Time Director

MR. SAMEER A. SHETH - Director

**(J. P. Shah)**

**Proprietor**

Membership No. 34010

Place : Mumbai

Date : 30th May 2013

Place : Mumbai

Date : 30th May 2013



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### NOTE 3 - Share Capital

Particulars	As at 31st March 2013		As at 31st March 2012	
	Number	₹	Number	₹
<b>Authorised</b> Equity Shares ₹ 10/- each	10,000,000	100,000,000	10,000,000	100,000,000
<b>Issued, Subscribed &amp; Paid up</b> Equity Shares of ₹ 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 ₹ 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 2012-13:

Particulars	Equity Shares			
	F.Y. 2012-2013		F.Y. 2011-2012	
	Number	₹	Number	₹
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 2013		As at 31st March 2012	
	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
Chetan N. Doshi	421,896	11.81	390,566	10.93
Coral India Finance & Housing Ltd.	715,351	20.02	715,351	20.02
Navin B. Doshi	252,977	7.08	-	-
Kundan Navin Doshi	529,073	14.81	528,763	14.80
Sachin N. Doshi	576,636	16.14	570,752	15.98
<b>Total</b>	<b>2,495,933</b>	<b>69.86</b>	<b>2,205,432</b>	<b>61.73</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note : 4 Reserve & Surplus

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
<b>-General Reserve</b>		
Balance brought forward from previous year	33,001,473	29,501,473
Add: Transfer From Profit & Loss Account	3,050,000	3,500,000
<b>Total (a)</b>	<b>36,051,473</b>	<b>33,001,473</b>
<b>-Surplus</b>		
Opening Balance	312,672,249	265,922,868
Add: Profit for the period	60,279,389	56,477,628
Less : Proposed Dividends	5,358,900	5,358,900
Less : Tax on Dividend	869,348	869,348
Less : Transfer to Reserves	3,050,000	3,500,000
<b>Total (b)</b>	<b>363,673,390</b>	<b>312,672,249</b>
<b>Total (a+b)</b>	<b>399,724,863</b>	<b>345,673,722</b>

### Note : 5 Long Term Borrowings

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Deposits Received for rented premises	-	75,000
<b>Total</b>	<b>-</b>	<b>75,000</b>

### Note : 6 Deferred Tax Liability

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
<b>Opening Deferred Tax (Asset)/Liability</b>	<b>7,221,762</b>	<b>6,732,979</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	(36,913)	(36,913)
<b>Deferred Tax Liability:</b>		
Difference between Accounting and Tax WDV (Cumulative)	373,157	589,443
<b>Net Closing Deferred Tax (Asset)/Liability</b>	<b>7,558,006</b>	<b>7,285,509</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note : 7 Other Long term Liability

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Trade Payable	1,077,574	1,216,194
Payables for Capital Goods	-	1,467,760
Other Payables	-	417,385
Employee Retention	22,000	-
Advances from Customers	862,054	987,769
<b>Total</b>	<b>1,961,628</b>	<b>4,089,108</b>

### Note : 8 Long Term Provisions

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Gratuity Payable	887,545	813,135
<b>Total</b>	<b>887,545</b>	<b>813,135</b>

### Note : 9 Short Term Borrowings

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
-Loan Repayable on Demand From Bank	5,198,688	-
<b>Total</b>	<b>5,198,688</b>	<b>-</b>

### Security Details:

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

### Note : 10 Trade Payables

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Trade Payables (Of which, ₹4719230/- payable to related party - Adore Pharmaceuticals Pvt. Ltd.)	68,193,625	46,456,784
<b>Total</b>	<b>68,193,625</b>	<b>46,456,784</b>

Sundry creditors of ₹ 174.98 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 2013	As at 31st March 2012
	₹	₹
Statutory Liabilities	590,616	815,217
Deposits Payable	40,000	40,000
Payables for Capital Goods	53,243	2,287,052
Unclaimed dividends	751,258	786,041
Advance From Customers	2,661,876	836,609
<b>Total</b>	<b>4,096,993</b>	<b>4,764,919</b>

## Note : 12 Short Term Provisions

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
<b>- Provision For Employees Benefit</b>		
Salary, Bonus & Reimbursements	1,782,165	2,037,739
Gratuity Payable	199,095	185,331
Contribution to Employee benefit funds	80,814	153,392
<b>- Others</b>		
Provision for Proposed Final Dividend	5,358,900	5,358,900
Dividend Distribution Tax on Proposed Final Dividend	869,348	869,348
Provision for Taxation	49,682,036	34,479,102
Other Provisions	1,079,787	1,313,571
<b>Total</b>	<b>59,052,145</b>	<b>44,397,383</b>

## Note :13 Fixed Asset

Sr. No	Particulars	Rate	GROSS BLOCK					DEPRECIATION				NET BLOCK		
			Value at the beginning	Additions	Disposals	Other Adjustments	Value at the end	Value at the beginning	Additions	Disposals	Value at the end	WDV as on 31.03.2013	WDV as on 31.03.2012	
<b>I</b>	<b>Tangible Assets</b>													
1	Land		9,339,964	-	-	-	9,339,964	-	-	-	-	9,339,964	9,339,964	
2	Building	1.63%	21,066,134	-	-	-	21,066,134	2,510,137	343,378	-	2,853,515	18,212,619	18,555,997	
3	Factory Building	3.34%	100,328,665	47,923	-	-	100,376,588	22,353,265	3,352,226	-	25,705,491	74,671,097	77,975,400	
4	Plant and Equipment	4.75%	148,867,054	3,626,579	15,000	-	152,478,633	50,585,555	7,172,885	-	57,758,440	94,720,193	98,281,499	
5	Furnitures & Fxtures	6.33%	17,696,714	13,847	-	-	17,710,561	7,885,377	1,120,915	-	9,006,292	8,704,269	9,811,337	
6	Vehicles	11.31%	2,680,733	51,363	1,660,931	-	1,071,165	1,554,932	188,541	1,090,950	652,523	418,642	1,125,801	
7	Office Equipment	4.75%	1,607,264	251,713	-	-	1,858,977	710,697	89,321	-	800,018	1,058,959	896,567	
8	Computer	16.21%	4,239,345	148,881	-	-	4,388,226	3,796,563	310,047	-	4,106,610	281,616	442,782	
	<b>(a)</b>		<b>305,825,873</b>	<b>4,140,306</b>	<b>1,675,931</b>	<b>-</b>	<b>308,290,248</b>	<b>89,396,526</b>	<b>12,577,313</b>	<b>1,090,950</b>	<b>100,882,889</b>	<b>207,407,359</b>	<b>216,429,349</b>	
<b>II</b>	<b>Intangible Assets</b>													
1	Software	20%	618,163	-	-	-	618,163	123,633	100,204	-	223,837	394,326	494,530	
	<b>(b)</b>		<b>618,163</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>618,163</b>	<b>123,633</b>	<b>100,204</b>	<b>-</b>	<b>223,837</b>	<b>394,326</b>	<b>494,530</b>	
	<b>Total (a+b)</b>		<b>306,444,036</b>	<b>4,140,306</b>	<b>1,675,931</b>	<b>-</b>	<b>308,908,411</b>	<b>89,520,159</b>	<b>12,677,517</b>	<b>1,090,950</b>	<b>101,106,726</b>	<b>207,801,685</b>	<b>216,923,879</b>	
	<b>(Previous Year)</b>		<b>305,960,673</b>	<b>4,209,615</b>	<b>726,249</b>	<b>3,000,000</b>	<b>306,444,039</b>	<b>77,431,965</b>	<b>12,656,723</b>	<b>568,529</b>	<b>89,520,159</b>	<b>216,923,880</b>	<b>228,528,710</b>	



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note : 14 Non Current Investments

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
<b>-INVESTMENTS (AT COST)</b>		
Others Investments (Quoted)		
Investment with Associate concern: Coral India Finance & Housing Ltd., 1299200 Equity Shares of ₹ 10/- each fully paidup (Market Value - 3,67,02,400/-) (Previous Year - 3,31,29,600/-)	11,587,169	11,587,169
<b>Investment in other concern</b> Gujarat State Financial Corporation Limited. 4700 Equity Shares of ₹10/- each fully paid up at a premium of ₹ 10/- each. (Market Value - 8,319/-) (Previous Year - 11,656/-)	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 2013	As at 31st March 2012
	₹	₹
Capital Advances	117,450	185,450
Advance to Employees	426,453	315,914
Other Deposits	810,986	740,549
Fixed Deposit with Banks	11,721,574	10,620,047
Balance with Revenue Department	6,847,448	5,513,733
Other Loans & Advances	155,000	976,377
<b>Total</b>	<b>20,078,912</b>	<b>18,352,070</b>

### Note : 16 Inventories

(Valued at Lower of Cost or Net Realisable Value)

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Raw Material	37,197,378	27,753,998
Goods-in-transit - Raw Materials	-	382,260
Packing Material	16,006,233	12,904,623
Finished Goods	23,487,064	17,715,730
Goods-in-transit - Finished Goods	-	3,333,959
Work-in-Progress	8,956,921	3,690,351
Stores & Spares	1,166,405	1,010,021
Stock in trade	6,793	325,777
<b>Total</b>	<b>86,820,793</b>	<b>67,116,719</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note : 17 Trade Receivables

(Unsecured, Considered Good)

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Debtors for the period exceeding six months from the date they are due for payment	8,014,772	10,059,754
Others	97,962,544	60,660,996
<b>Total</b>	<b>105,977,316</b>	<b>70,720,750</b>

### Note : 18 Cash and Bank Balance

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Cash in Hand	285,732	355,817
- Bank Balances	-	-
- Current Account	6,212,544	19,728,122
- Bank OD account	11,076	5,000
Fixed Deposit Account maturing within less than 12 months	41,562,618	18,000,000
Margin Money Account	56,250	56,250
Unclaimed Dividend Accounts	772,148	806,931
<b>Total</b>	<b>48,900,368</b>	<b>38,952,120</b>

### Note :19 Short Terms Loans and Advances

(Unsecured, Considered Good)

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
Advance to Suppliers	1,020,803	1,204,393
Loan given	40,000,000	20,000,000
Advance Tax	28,600,000	13,800,000
TDS Receivable	1,209,223	426,797
Advance To staff	104,076	119,197
Balance with Revenue Departments	29,202,970	28,171,906
Other Loans & Advances	1,002,181	1,812,558
<b>Total</b>	<b>101,139,253</b>	<b>65,534,851</b>

### Note : 20 Revenue from Operations

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Sale of products	416,240,372	400,561,489
Sale of Services	498,647	1,007,383
Other Operating Income	10,764,922	5,848,156
<b>Total</b>	<b>427,503,941</b>	<b>407,417,028</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note : 21 Other Income

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Discount Received	19,517	-
Interest Received	7,934,493	2,507,751
Foreing Exchange Fluctuation	4,197,595	3,754,213
Rent Income	1,138,350	2,569,035
Insurance Claim	-	38,385
Other Income	761,083	4,381
<b>Total</b>	<b>14,051,038</b>	<b>8,873,765</b>

### Note : 22 Cost of Material Consumed

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
<b>-Raw Material Consumed:</b>		
Opening Stock	28,136,258	38,947,158
Add : Purchase (Net)	176,492,247	143,134,110
	204,628,505	182,081,268
Less : Inter Unit Transfer	(335,177)	2,517,449
Less : Closing Stock	37,197,378	28,136,258
<b>(a)</b>	<b>167,766,304</b>	<b>151,427,561</b>
<b>-Packing Material Consumed:</b>		
Opening Stock	12,904,623	15,952,305
Add : Purchase (Net)	98,893,759	75,857,488
	111,798,381	91,809,793
Less : Inter Unit Transfer	346,328	93,912
Less : Closing Stock	16,006,233	12,904,623
<b>(b)</b>	<b>95,445,820</b>	<b>78,811,259</b>
<b>Total (a+b)</b>	<b>263,212,124</b>	<b>230,238,820</b>

### Note : 23 Change in Inventories

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
<b>-Opening Stock</b>		
Stock in Process	3,690,351	4,668,105
Finished Goods	21,049,689	21,151,929
Stock in Trade	325,777	1,405,704
<b>(a)</b>	<b>25,065,817</b>	<b>27,225,738</b>
<b>-Closing Stock</b>		
Stock in Process	8,956,921	3,690,351
Finished Goods	23,487,064	21,049,689
Stock in Trade	6,793	325,777
<b>(b)</b>	<b>32,450,778</b>	<b>25,065,817</b>
<b>Total(a-b)</b>	<b>(7,384,961)</b>	<b>2,159,921</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note : 24 Employment Benefit Expenses

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Salary, Wages, Bonus & Incentives	27,408,578	33,083,990
Gratuity	126,724	311,113
Directors Remuneration	420,001	420,000
Contribution to Employee benefit funds	1,227,749	2,102,028
Staff Welfare & Other Amenities	797,229	895,032
<b>Total</b>	<b>29,980,280</b>	<b>36,812,163</b>

### Note : 25 Financial Cost

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Interest Expense	307,565	178,953
Interest on income tax	57,764	198,102
CC Renewal Charges	70,225	-
<b>Total</b>	<b>435,554</b>	<b>377,055</b>

### Note : 26 Other Administrative Expenses

Particulars	For the year ended 31st March 2013	For the year ended 31st March 2012
	₹	₹
Power & Fuel	12,101,994	11,526,565
Manufacturing Expenses	13,565,558	7,498,126
Repairs & Maintenance	5,306,930	7,190,538
Stores & Spares	265,495	254,702
Rent, Rates & Taxes	814,646	1,017,677
Sales Tax	22,455	53,662
Insurance	421,310	447,449
Auditors Remuneration	127,107	125,500
Advertisement Expenses	176,862	121,101
M R Expenses	314,661	5,186,282
Travelling Expenses	3,223,342	1,063,467
Bank Charges & Commission	746,624	855,938
Office Expenses	319,664	388,638
Postage & Telegram	1,471,506	1,111,259
Printing & Stationery	1,694,557	2,526,258
Professional Fees	1,498,141	1,239,440
Security Expenses	1,661,247	1,525,947
Telephone Expenses	712,034	829,766
Freight Expense	2,022,260	4,638,460
Loading & Unloading Expenses	919,066	438,175
Sales Promotion Expenses	183,955	1,060,835
C & F Expenses	178,495	962,744
Other Expenses	6,505,526	3,838,536
Prior Period Expenses	145,452	346,379
<b>Total</b>	<b>54,398,887</b>	<b>54,247,445</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
(i) Contingent Liabilities	Nil	Nil
(ii) Commitments	Nil	Nil

### 28 Auditor's Remuneration

Particulars	For the year ended 31st March 2013 ₹	For the year ended 31st March 2012 ₹
Statutory Audit	100,000	100,000
Tax Audit	5,000	5,000
Branch Audit	22,107	20,500
<b>Total</b>	<b>127,107</b>	<b>125,500</b>

### 29 Earning Per Share

Particulars	As at 31st March 2013	As at 31st March 2012
	₹	₹
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	60,279,389	56,477,628
Basic Earning Per Share (₹)	16.87	15.81

### 30 Related Party Disclosure

Related party Disclosures as required by Accounting Standard 18, "Related Party Disclosures", are given below:

#### A. Key Management Personnel

Name	Designation
Mr. Navin B. Doshi	Chairman
Mr. Priyush R. Dhedhi	Director
Mr. Kishor R. Mehta	Whole Time Director
Mr. Samir A. Sheth	Director
Mr. Rajesh R. Parikh	Director

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



- 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

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 2013 ₹	Year ended 31st March 2012 ₹
Salaries & Perquisites	429,360	429,360
Sitting Fees	24,000	28,000

- 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 2013 ₹	Year ended 31st March 2012 ₹
Salary Paid	5.88 lacs	4.89 lacs
Loan Granted	-	105.00 lacs
Repayment of loans granted	-	105.00 lacs
Deposit repaid	-	2.00 lacs
Interest Received	-	4.06 lacs
Rent Paid	-	2.50 lacs
Dividend Paid	10.73 lacs	10.73 lacs
Labour Charges Paid	68.90 lacs	11.21 lacs
Purchases	1.80 lacs	4.00 lacs

**Balances of Related Parties**

Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
<b>- Investment</b>		
Coral India Finance & Housing Ltd	115.87 lacs (Dr)	115.87 lacs (Dr)
<b>- Trade Receivables</b>		
Adore Pharmaceuticals Pvt. Ltd.	47.19 lacs (Cr)	2.87 lacs (Cr)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 31. Raw Material Consumed

(All figures in thousands)

Raw Materials	Year ended 31st March 2013 ₹	Year ended 31st March 2012 ₹
i Amoxicillin Trihydrate	17427	12273
ii Azithromycin USP	6902	10691
iii Ibuprofen BP 2010	8134	7870
iv Propylene Glycol I.P	4443	4457
v Sugar (Commercial) IH	12237	10368
vi Empty Gelatine Capsuls	6140	4201
vii Others	112484	101569
<b>Total</b>	<b>167766</b>	<b>151428</b>

### 32. Goods Purchased for trading

(All figures in thousands)

Particulars	Year ended 31st March 2013 ₹	Year ended 31st March 2012 ₹
i Tablets & Capsules	-	231
ii Injection	-	141
iii Liquid	112	823
<b>Total</b>	<b>112</b>	<b>1,195</b>

### 33. Sales, Closing and opening inventory of manufactured goods

(All figures in thousands)

Particulars	Sales Value ₹	Closing Inventory ₹	Opening Inventory ₹
i Tablet & Capsules	166,527 (192,309)	8,044 (10,385)	10,385 (9,522)
ii Ointment & Powder	21,554 (17,987)	730 (1,547)	1,547 (844)
iii Liquids	228,160 (185,537)	14,601 (9,116)	9,116 (10,785)
<b>Total</b>	<b>416,240</b> <b>(395,833)</b>	<b>23,375</b> <b>(21,048)</b>	<b>21,048</b> <b>(21,151)</b>

Note : Figures in brackets represent previous year figures



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### 34. Sales, Closing and opening inventory of traded goods

(All figures in thousands)

Particulars	Sales Value ₹	Closing Inventory ₹	Opening Inventory ₹
i Tablets & Capsules	- (1,812.24)	6.79 (243.43)	243.43 (1,000.30)
ii Ointment & Powder	- -	- -	- (5.86)
iv Liquid	- (2,916.61)	111.90 (82.35)	82.35 (399.54)
<b>Total</b>	- <b>(4,728.85)</b>	<b>118.69</b> <b>(325.78)</b>	<b>325.78</b> <b>(1,405.70)</b>

Note : Figures in brackets represent previous year figures

### 35. Closing Work in progress

(All figures in thousands)

Particulars	As at 31st March 2013 ₹	As at 31st March 2012 ₹
i Tablet & Capsuls	4597	1053
ii Ointment	519	740
iii Liquid	3518	117
iv Others	323	1781
<b>Total</b>	<b>8,957</b>	<b>3,690</b>

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

(All figures in thousands)

Particulars	Year ended 31st March 2013 ₹	Year ended 31st March 2012 ₹
i Raw materials	649	4,642



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

(Rs. In Thousand)

Raw Materials	Year ended 31st March 2013		Year ended 31st March 2012	
	Value ₹	% to Total Consumption	Value ₹	% to Total Consumption
i Imported	649	0.39	6,776	4.47
ii Indigenous	167,117	99.61	144,652	95.53
<b>Total</b>	<b>167,766</b>	<b>100</b>	<b>151,428</b>	<b>100</b>

Packing Materials	Year ended 31st March 2013		Year ended 31st March 2012	
	Value ₹	% to Total Consumption	Value ₹	% to Total Consumption
i Imported	-	-	-	-
ii Indigenous	95,446	100	78,811	100
<b>Total</b>	<b>95,446</b>	<b>100</b>	<b>78,811</b>	<b>100</b>

### 38. Earnings in foreign currency

(Rs. in lacs)

Particulars	Year ended 31st March 2013 ₹	Year ended 31st March 2012 ₹
i FOB Value of Export	1,808.38	1,246.55

### 39. Expenditure in Foreign Currency

(Rs. in lacs)

Particulars	Year ended 31st March 2013 ₹	Year ended 31st March 2012 ₹
Bank Charges	2.13	2.02
Travelling	14.01	1.19
Commission	12.7	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### 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 ₹ 145,452/- (Previous year ₹ 346,379/-)
- iv The company has proposed dividend of ₹ 53,58,900/- and has transferred ₹ 30,50,000/- to general reserve.
- 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 Figures of the previous year has been re-grouped, recast or rearranged wherever considered necessary to make them comparable with that of the current year.

As per our Report of even date

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

**(J. P. Shah)**  
**Proprietor**  
Membership No. 34010  
Place : Mumbai  
Date : 30th May 2013

For and on behalf of the Board

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

Place : Mumbai  
Date : 30th May 2013



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## AUDITOR'S 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, 2013. 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, 2013 to the Members of the company.

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

Place : Mumbai  
Date : 30th May, 2013.

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



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2013

	YEAR ENDED 31ST MARCH 2013 ₹	YEAR ENDED 31ST MARCH 2012 ₹
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before Tax & Extraordinary items	75,697,056	70,811,159
Adjustment for:		
Depreciation	12,677,517	12,656,723
(Profit) / Loss on sale of Fixed Asset	162,481	104,220
Investment/ Interest income	(7,934,493)	(2,507,752)
Interest u/s 234C	57,764	198,102
Interest expenses	377,790	178,953
Operating Profit before working capital changes	81,038,115	81,441,405
Adjustment for:		
(Increase)/Decrease in Trade and Other receivables	(57,005,383)	(74,621,276)
(Increase)/Decrease in Inventories	(19,704,074)	15,997,831
Increase/(Decrease) in Trade and Other Payables	32,248,679	19,890,732
Cash generated from operation	(44,460,779)	(38,732,713)
Dividend and Corporate Dividend Tax Paid	(6,228,248)	(6,228,248)
Taxes paid (Net of refunds)	(29,363,426)	(6,906,629)
Cash flow before Exceptional items	(80,052,453)	(51,867,590)
Exceptional item :		
<b>Net Cash from Operating Activities</b>	<b>985,663</b>	<b>29,573,815</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchased of Fixed Assets	(4,140,306)	(4,209,615)
Interest received	7,934,493	2,507,752
Sale of Investment	-	-
Sale of Fixed Asset	422,500	3,053,500
<b>Net Cash Flow Investing Activities</b>	<b>4,216,687</b>	<b>1,351,637</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	(377,790)	(178,953)
<b>Net Cash from financing Activities</b>	<b>4,745,898</b>	<b>(178,953)</b>
<b>Net Cash Inflow/(Outflow)</b>	<b>9,948,248</b>	<b>30,746,495</b>
Cash & Cash Equivalents as at March 31, 2012	38,952,120	8,205,625
Cash & Cash equivalents as at March 31, 2013	48,900,368	38,952,120
<b>Net Cash Inflow/ (Outflow)</b>	<b>9,948,248</b>	<b>30,746,495</b>

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

(J. P. Shah)  
Proprietor  
Membership No. 34010  
Place : Mumbai  
Date : 30th May 2013

For and on behalf of the Board

MR. NAVIN B. DOSHI - Chairman  
MR. KISHOR R. MEHTA - Whole Time Director  
MR. SAMEER A. SHETH - Director  
Place : Mumbai  
Date : 30th May 2013



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**CORAL LABORATORIES LTD.**

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

**FORM OF PROXY**

L. F. No.
No. of Shares held

I/We \_\_\_\_\_ of \_\_\_\_\_  
 in the District of \_\_\_\_\_ being a member/members of CORAL LABORATORIES  
 LIMITED hereby appoint \_\_\_\_\_ of \_\_\_\_\_  
 the District of \_\_\_\_\_ in the failing him \_\_\_\_\_ of  
 \_\_\_\_\_ in the District of \_\_\_\_\_ as my/our  
 proxy to attend and vote for me/us and on my/our behalf at the 31st Annual General meeting of the  
 Company to be held at 308/5, Village and Post Poicha (Ran), Taluka - Savli, Baroda - 391 780 on Saturday  
 the 28th September 2013 at 2.00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2013.

Affix Re. 1 Revenue Stamp
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Signature of the Shareholder(s)

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

**CORAL LABORATORIES LTD.**

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

**ATTENDANCE SLIP**

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

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

I hereby record my presence at the 31st Annual General Meeting of the Company at 308/5, Village and Post - Poicha (Ran), Taluka - Savli, Baroda - 391 780. on Saturday 28th September 2013 at 2.00 p.m.

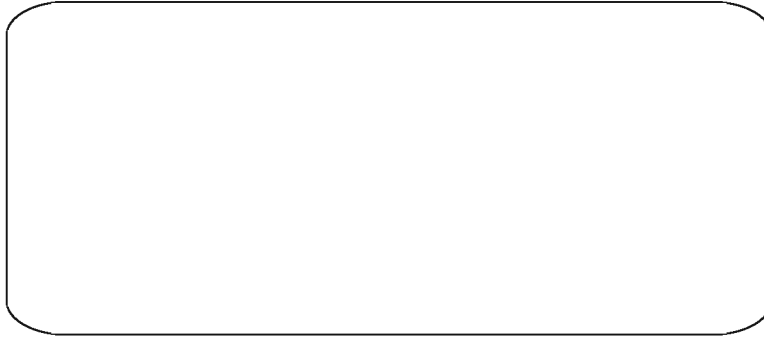
If Shareholder, please sign here	If Proxy, please sign here

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





# 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 (West), Mumbai - 400 086.