



# CORAL INDIA FINANCE AND HOUSING LIMITED

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Annual Report  
2002-2003

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**CORAL INDIA FINANCE AND HOUSING LIMITED**

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**BOARD OF DIRECTORS** : Mr. Navinchandra B. Doshi - Chairman  
Mrs. Meeta S. Sheth - Managing Director  
Mr. S. Ramamurthy - Whole-Time Director  
Dr. Sharad R. Mehta - Director

**AUDITORS** : M/s. Sutaria Associates  
Chartered Accountants  
3, Satyam Shopping Centre,  
Ghatkopar (East), Mumbai - 400 077.

**LEGAL ADVISORS** : M/s. Haridas & Company  
Examiner Press Building  
35, Dalal Street, Fort,  
Mumbai - 400 023.

**BANKERS** : Oriental Bank Of Commerce

**REGISTERED OFFICE** : Dalamal House, 4th Floor,  
Jamnalal Bajaj Marg,  
Nariman Point,  
Mumbai - 400 021.

**SHARE TRANSFER AGENTS** : Intime Spectrum Registry Pvt. Ltd.  
260-A, Shanti Industrial Estate,  
Sarojini Naidu Road, Mulund (West),  
Mumbai - 400 080.



### NOTICE

NOTICE is hereby given that the Ninth Annual General Meeting of CORAL INDIA FINANCE AND HOUSING LIMITED, will be held at Dalamal House, 4<sup>th</sup> floor, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021, on Thursday, 18<sup>th</sup> September 2003 at 3.30 p.m. to transact the following business:-

1. To receive, consider and adopt the Directors' Report, the Accounts of the Company for the year ended 31<sup>st</sup> March 2003 and the Auditor's Report thereon.
2. To appoint a Director in place of Mr. Navinchandra B Doshi who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors of the Company to hold office from the conclusion of his Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
4. To consider and if thought fit, to pass the following resolution with or without modification, as **Special Resolution**  
 "RESOLVED THAT pursuant to the provisions of section 268, 269 and 309 and other applicable provisions, if any and Schedule XIII of the Companies Act, 1956, approval be and is hereby given to the appointment of Mrs. Meeta S. Sheth as Managing Director of the Company, for a period of five years from 2.09.2003 on such remuneration as set out below:
  1. Salary : Rs.15,000/- per month
  2. Perquisites : Perquisites shall be restricted to an amount equal to Rs.2,40,000/- per annum.
  3. Housing : The Managing Director will be entitled for House Rent Allowance subject to the limit of 60% of the salary per month. The expenditure incurred by the Company on Gas, Electricity, water, Furnishings, Telephone etc., the monetary value of which may be evaluated as per Income-Tax Rules, 1962.
  4. Medical Reimbursement : Expenses incurred for the Managing Director and her family subject to a ceiling of one month's salary over a period of three years.
  5. Leave Travel Assistance : Leave Travel Assistance for self and her family as per Rules of the Company.
  6. Provident/Superannuation Fund : Company to contribute as per Rules of the Company.
  7. Gratuity : Gratuity payable subject to the condition that it will not exceed half a month's salary for each completed year of service and shall be subject to the maximum amount as may be permitted under the Company's rules in relation to gratuity prevailing from time to time.

Further the Managing Director shall:-

Be entitled to reimbursement of expenses incurred in connection with the business of the Company

Be entitled to the use of Company's car with driver

Not be paid any sitting fees for attending Board/Committee Meetings

Be entitled for encashment of leave at the end of her tenure.

The appointment of the Managing Director may be terminated by the Company or by the Managing Director by giving not less than three months prior notice in writing.

#### MINIMUM REMUNERATION

Notwithstanding anything to the contrary herein, where in any financial year, during the currency of the tenure of the Managing Director, the Company has no profits or it is inadequate, the remuneration payable by way of Salary and Perquisites shall not exceed Rs. 4,20,000 per annum or Rs. 35,000/- per month or ceiling laid down in this behalf in Schedule XIII of the Companies Act, 1956 from time to time.

5. To consider and if thought fit, to pass the following resolution with or without modification, as **Special Resolution**  
 "RESOLVED THAT the Company do voluntarily de-list its equity shares with Stock Exchanges at Kolkata and Chennai"

"FURTHER RESOLVED THAT the Board of Directors of the Company be and hereby given necessary powers to do the needful in getting the equity shares of the Company de-listed from the aforesaid Stock Exchanges as per SEBI guidelines"

**REGISTERED OFFICE**  
 Dalamal House, 4<sup>th</sup> floor,  
 Jamnalal Bajaj Marg,  
 Nariman Point,  
 Mumbai 400 021.

Place: Mumbai  
 Date : 31<sup>st</sup> July 2003

By Order of the Board,

NAVINCHANDRA B. DOSHI  
 CHAIRMAN



## NOTES

- a) The relative Explanatory statements pursuant to Section 173(2) of the Companies Act, 1956 in respect Business item No. 4 and 5 are annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective, must be received at the registered office of the Company, not latter than Forty eight (48) hours before the time fixed for holding the meeting.
- c) The Register of Members and Share Transfer Books of the Company shall remain closed from 12/9/2003 to 18/9/2003 (both days inclusive)
- d) Members are requested to bring in their won copies of the Report and Accounts.

**REGISTERED OFFICE**  
 Dalamal House, 4th floor,  
 Jamnalal Bajaj Marg,  
 Nariman Point,  
 Mumbai 400 021.

By Order of the Board,

**NAVINCHANDRA B. DOSHI**  
**CHAIRMAN**

Place: Mumbai  
 Date : 31st July 2003

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956.

### ITEM NO.4

Mrs. Meeta S.Sheth was appointed as Managing Director by the Board of Directors in the Board of Directors Meeting held on 9<sup>th</sup> September 2003 for a period of 5 years with effect from 9<sup>th</sup> September 2003 pursuant to the relevant provisions of the Companies Act, 1956.

Mrs. Meeta S.Sheth, is a Commerce graduate. She has also successfully completed the D.B.A. (Diploma in Business Administration) programme. She has a vide experience in General Administration and Marketing.

The Directors are of the opinion that Ms.Meeta S Sheth experience will be of immense value to the company.

No Director of the Company excepting Mr.Navinchandra B Doshi is interested or concerned in the Resolution, as he is related to Ms.Meeta S Sheth. This should be considered also an abstract of the terms of the appointment of the aforesaid Managing Director and a memorandum as to the nature of the conern or interest of the Director in the said appintment as required under Section 302 of the Companies Act, 1956.

Your Directors recommend of Ms. Meeta S. Sheth as Managing Director of the Company.

### Item No.5

The equity share of your Company is listed with Stock Exchanges at Kolkota and Chennai alongwith Mumbai and National Stock Exchange and Ahmedabad. Most of the trading have taken place at NSE and Mumbai Stock Exchange and that too with negligible volume. The amount of money (listing fees) and other paper work involved for continuous listing with the Stock Exchanges in comparison to the trading volume and number of share holders at the respective region is highly disproportionate. Even the meager profits of the Company are further reduced by way of paying the Annual Listing Fees to the respective Stock Exchanges.

The Board after taking into account all such factors have decided to voluntarily de-list the equity shares with the aforesaid Stock Exchanges. As per the latest guidelines on the issue, this requires the prior approval of the members by way of Special Resolution in addition to other rules and regulations.

None of the Directors are interested or concerned in the resolution except to the extent to their Shareholding in the Company.



## DIRECTORS' REPORT:

Dear Members,

Your Directors are pleased to present their Ninth Annual Report and Audited Statement of Accounts for the year ended 31st March 2003.

### 1. FINANCIAL PERFORMANCE

	Rs. In lacs	
	2000-2001	2001-2002
Income	64.17	33.16
Expenditure	62.16	25.87
Earnings Before Tax	12.01	7.29
Provision for Tax	1.28	3.41
Provision for Deferred Tax	1.75	( 0.25)
Earnings after Tax	8.98	4.13
Short Provision of Income Tax for earlier year	5.93	-
Balance Brought forward	167.33	163.19
Balance carried forward to balance sheet	170.38	167.32

### 2. MANAGEMENT DISCUSSION AND ANALYSIS

- (a) **Industry Structure and Development:** In the year under review, the economy shows modest growth in some specific sectors. The overall policy direction of the Government are encouraging.
- (b) **Segment-wise operational performance:** Your Company has three segments viz. Finance, Resort and Construction. During the year under review, income from the fund activities is Rs.30.16 lacs as compared Rs.29.07 lacs in the previous year. During the year the Company completed the Project "Coral Garden" at Deolali and accounted a revenue of Rs.3.07 lacs. The Company started the Resort activity during the year and post a revenue of Rs.6.25 lacs.
- (c) **Outlook :** Growing in domestic market in all sector , all our segments are likely to contribute more revenue growth this year.
- (d) **Threats and concerns:** Competition to your Company continues to be significant factor to be taken care of, while formulating growth plans and strategies . A continuous focus on cost control and risk management analysis will be resulted in better profit margin in the ensuing year.
- (e) **Internal control systems and their adequacy :** The internal audit department reviews key business process and controls. The business risk and its control procedures are reviewed periodically.
- (f) **Human Resources and Industrial Relations:** Your Company continued to have cordial relations with its employees.

### DIVIDEND

Your Directors regret their inability to propose any dividend due to the meager profits of the Company.

### DIRECTORS

During the year under review, Mr. Navinchandra B. Doshi resigned as Managing Director of Company due to personal reasons, however he continues to be Chairman of the Company. Mrs. Meeta S. Sheth was appointed as Managing Director of the Company by the Board of Directors subject to approval of the Members in the Annual General Meeting. Mr. Priyush R. Dhedhi resigned as Director Company due to personal reasons. The Board of Directors place on record their appreciation for the services rendered by him during his tenure as Director of the Company. In accordance with provisions of the Companies Act 1956 and the Company's Articles of the Association, Mr. Navinchandra B. Doshi retire by rotation and being eligible offers himself for re-appointment.



## 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) In 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) That 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) That the Directors had prepared the annual accounts on a going concern basis.

## 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 NIL.

## FIXED DEPOSITS

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

## AUDITORS

The Shareholders of the Company are requested to appoint Auditors and fix their remuneration. M/s.Sutaria Associates, Chartered Accountants, the retiring Auditors have furnished to the Company the required certificate under Section 224(1B) of the Companies Act, 1956 and therefore eligible for re-appointment as Auditors of the Company.

## PERSONNEL

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

## CORPORATE GOVERNANCE

The report on Corporate Governance and the Auditors' certificate on compliance with the conditions of corporate governance under Clause 49 of the Listing Agreement is annexed to this report.

By Order of the Board,

NAVINCHANDRA B. DOSHI  
CHAIRMAN

Place: Mumbai  
Date : 31st July 2003



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**AUDITORS' CERTIFICATE****TO THE MEMBERS OF  
CORAL INDIA FINANCE AND HOUSING LIMITED**

We have examined the compliance conditions of Corporate Governance by Coral India Finance and Housing Limited, for the year ended 31<sup>st</sup> March, 2003 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 procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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 a period exceeding one month against the Company as per records maintained by the 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 the efficiency or effectiveness the affairs of the Company.

For SUTARIA ASSOCIATES  
CHARTERED ACCOUNTANTS

(PARESH H. SUTARIA)  
PARTNER

Place : Mumbai  
Date : 31st July 2003





## 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 bodies. The business of the Company are conducted not to benefit any particular interest group but for the benefit of all stakeholders.

#### 2. Board of Directors

The Board consists of Four members comprising:

- Two Executive Directors including Managing Director.
- Two Non Executive Directors including Chairman.

Four Board meetings were held during the year 2002-2003, On May 31<sup>st</sup> 2002, July 30<sup>th</sup> 2002, 30<sup>th</sup> October 2002, 27<sup>th</sup> January 2003.

All Board meetings and Annual General Meetings are attended by all Directors.

#### 3. Audit Committee

The Audit Committee comprise of:

- |                              |                          |                             |
|------------------------------|--------------------------|-----------------------------|
| 1. Mr. Navinchandra B. Doshi | - Non Executive Director | - Chairman of the Committee |
| 2. Mr. Sharad R. Mehta       | - Non Executive Director | - Member of the Committee   |
| 3. Mr. S. Ramamurthy         | - Executive Director     | - Member of Committee.      |

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. During the financial year the Audit Committee met on four occasions. The meetings were held on May 31<sup>st</sup> 2002, July 30<sup>th</sup>, 2002, October 30<sup>th</sup> 2002, and 27<sup>th</sup> January 2003 and all Committee members attended all Audit Committee meetings.

#### 4. Remuneration Committee

The Chairman and 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 Managing Director and Whole Director at the rate Rs.600/- for each meeting.

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

The Committee comprises of Mr. Navinchandra B. Doshi and Mr. S. Ramamurthy All shares have been transferred and returned in 21 days from the date of receipt, so long as the documents have been clear in all respects. The Share Committee generally meets once a fortnight.