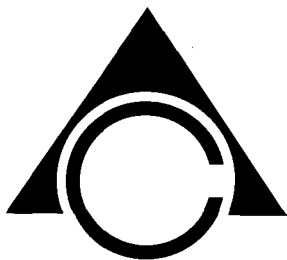


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2005



CORAL INDIA FINANCE AND HOUSING LIMITED

CORAL INDIA FINANCE ANNUAL REPORT 2007-08



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CORAL INDIA FINANCE AND HOUSING LIMITED

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
 Ms. Ami M. Shah - Director

AUDITORS : M/s. Sutaria Associates
 Chartered Accountants
 3, Satyam Shopping Centre,
 M. G. Road, Ghatkopar (East),
 MUMBAI 400 077.

BANKERS : HDFC Bank Ltd.
 Express Tower Branch, Mumbai

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



NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of CORAL INDIA FINANCE AND HOUSING LIMITED, will be held at Dalamal House, 4th floor, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021, on Tuesday, 26th September 2006 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 31st March 2006 and the Auditor's Report thereon.
2. To appoint a Director in place of Dr. Sharad R. Mehta 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 with or without modification the following as an ordinary resolution :
RESOLVED that Miss. Ami M. Shah, appointed as an additional Director of the Company who shall hold office upto the date of this Annual General Meeting as per provision of the section 260 of the Companies Act, 1956 be and hereby appointed Director of the Company.
5. To consider and if thought fit to pass with or without modification the following as a Special Resolution:
RESOLVED that to the provision of Section 198, 269, 309, 310 and 311 applicable provision if any of the Companies Act, 1956. The concern person be and hereby accorded to reappointment of Mr. S. Rammamurthy as a Whole Time Director for the period of 5 years with effect from 1st April, 2006 on the following terms and conditions :
Salary : Rs. 5.70 lacs p.a.
Perquisites : Perquisites shall be reconstructed to an equal amount to Rs. 3 lacs p.a.
Gratuity : Gratuity payable subject to the condition that it will not exceed half month of Salary for each completed service and shall be subject to the maximum amount as may be permitted under Companies Rules in relation to Gratuity prevailing time to time.

Further the Whole Time Director shall :

- a) Be entitled to reimburse of expense incurred in connection with business of the Company.
- b) Not be paid any sitting fees for attending Board Meeting or Committee Meeting.
- c) The appointment of Whole Time Director may be terminated by the Company or by the Whole Time Director by giving three months prior notice in writing.
- d) Minimum Remuneration :
Notwithstanding with anything to the contrary herein where, in the financial year during the current year, during the currency of the tenure of the Whole Time Director, the company has no profits or it is profit share inadequate remuneration payable by way of Salary and perquisite shall not exceed Rs. 4.20 lacs p.a. or Rs. 35000/- per month or ceiling laid down in this pursuance in Schedule XIII of the Companies Act, 1956 from time to time.

REGISTERED OFFICE

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

Place: Mumbai

Date : 22nd August 2006

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 of the Business item No.4 to 5 above 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 later 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 20th September 2006 to 26th September, 2006 (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.

Place: Mumbai

Date : 22nd August 2006

By Order of the Board,
NAVINCHANDRA B. DOSHI
CHAIRMAN

**DIRECTORS' REPORT:**

Dear Members,

Your Directors are pleased to present their 12th Annual Report and Audited Statement of Accounts for the year ended 31st March 2006.

1. FINANCIAL PERFORMANCE	Rs. In lacs	
	2005-2006	2004-2005
Income	373.89	326.99
Expenditure	106.32	86.94
Earnings Before Tax	267.56	240.05
Provision for Tax	6.89	2.10
Provision for Deferred Tax	3.72	6.38
Provision for Fringe Benefit Tax	0.31	-
Earnings after Tax	479.05	231.57
Income Tax Adjustments of earlier years	2.52	-
Balance Brought forward	476.54	247.48
Balance carried forward to balance sheet	733.19	479.05

2. MANAGEMENT DISCUSSION AND ANALYSIS

- (a) **Industry Structure and Development:** In the year under review, the economy shows modest growth in all 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.41.45 lacs as compared Rs.50.75 lacs in the previous year. During the year the construction activity accounted a revenue of Rs.Nil as compared to Rs.4.72 lacs previous year. The Resort activity during the year and post a revenue of Rs. 55.51 lacs as compared previous year Rs.46.50 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

In view to strengthen the equity base, your Directors' did not propose any Dividend.

DIRECTORS

In accordance with provisions of the Companies Act 1956 and the Company's Articles of the Association, Dr. Sharad Mehta retire by rotation and being eligible offers himself for re-appointment.

Ms. Ami Shah was appointed as a Director of the Company by the Board subject to the approval of the members in the General Meeting. The approval is being sought to the said 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. Sutaría 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 : 22nd August 2006



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 Directos

The Board consists of Four members comprising:

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

Six Board meetings were held during the year 2005-2006, On April 29th 2005, June 24th 2005, June30th 2005, July 29th 2005, 11th October 2005, 27th January 2006.

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 the 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 April 29th 2005, July 29th, 2005, October 11th 2005, and 27th January 2006 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. 1500/- for each Board Meeting & Rs. 1000/- for each Committee 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.

6. General Body Meeting

The last three Annual General Meetings of the Company were held as under:

Year	Location	Date	Time	No.of special Resolutions Passed
2002-2003	Dalamal House, 4 th Floor, J.B. Marg, Mumbai 400 021	18.09.2003	3.30 p.m.	1
2003-2004	As Above	28.09.2004	3.30 p.m.	Nil
2004-2005	As Above	30.09.2005	3.30 p.m.	Nil



7. Means of Communication

The Company has published its quarterly results in The Free Press Journal (English) and Maharashtra Times (Marathi).

8. General Shareholder Information

- a) Annual General Meeting:
- Date and Time : 26th September 2006 at 3.30 p.m.
 - Venue : Dalamal House, 4th Floor, J.B.Marg, Nariman Point, Mumbai 400 021.
- b) Financial Calendar 2006-07 (Tentative) Results for the quarter ending
- i) Annual General Meeting : 26th September 2006
 - ii) June 30th, 2006 : 27th July 2006
 - iii) September, 30th, 2006 : Last week of October 2006
 - iv) December 31st, 2006 : Last week of January 2007
 - v) March 31st, 2007 : Last week of April 2007
- b) Book Closure : 19th September 2006 to 26th September 2006 (both days inclusive)
- c) Equity Shares are Listed on Stock Exchanges at : Mumbai, National Stock Exchange, Chennai, Ahmedabad and Kolkata.
- d) Demat ISIN Numbers in NSDL & CDSL : Equity Shares INE558DO1013
- e) Registrar and Transfer Agents : Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), MUMBAI 400 078.
- g) Stock Market Data : Bombay Stock Exchange (BSE)

Month	Year	High Price (Rs.)	Low Price(Rs.)
April	2005	19.17	9.15
May	2005	20.95	12.50
June	2005	20.40	14.85
July	2005	18.50	13.85
August	2005	22.80	13.65
September	2005	35.10	21.25
October	2005	27.25	17.85
November	2005	20.40	15.75
December	2005	19.35	15.10
January	2006	18.85	15.60
February	2006	16.90	12.20
March	2006	16.96	10.70



- h) Dematerialization of Share : 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). Approximately 18.80% of outstanding share have been dematerialized upto 31st March 2006

- i) According to categories of shareholders as at 31st March 2006

		No.of Shares	%
Promoters, Directors & Relatives	=	5845018	58.59
International Investors (NRI/FII's)	=	1317975	13.21
Body Corporate	=	813340	8.15
Others	=	1999467	20.04

- k) Distribution of Share Holding:

Distribution of Shareholding as on 31 st March 2006	No. of Shares	No. of Shareholders	% of Shareholders
Upto2500	39680	318	0.40
2501-5000	187918	414	1.88
5001-10000	386211	432	3.87
10001-20000	264219	164	2.65
20001-30000	387323	149	3.88
30001-40000	74350	20	0.74
40001-50001	172715	36	1.73
50001-100000	377379	48	3.78
100001 and above	8086005	50	81.07
TOTALS	9975800	1631	100.00

Place : Mumbai
Date : 22nd August 2006

For and behalf of the board of Directors
NAVINCHANDRA B. DOSHI
Chairman