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ANNUAL REPORT  
2007 - 2008

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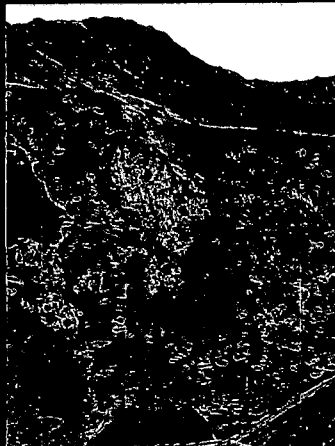
Commercial Building



**CORAL INDIA FINANCE  
AND HOUSING LIMITED**



Residential Building





## CORAL INDIA FINANCE AND HOUSING LIMITED

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**BOARD OF DIRECTORS** : Mr. Navinchandra B Doshi - Chairman & Managing Director  
 Mr. S. Rammamurthy - Whole-Time Director  
 Dr. Sharad R. Mehta - Director  
 Ms. Ami M Shah - Director

**AUDITORS** : M/s. Sutaria Associates  
 Chartered Accountants  
 23, 2nd Floor, C Wing,  
 Satyam Shopping Centre,  
 M.G. Road, Ghatkopar (East),  
 MUMBAI - 400 077.

**BANKERS** : HDFC Bank Ltd., Express Tower Branch,  
 Nariman Point, Mumbai - 400 021.

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



## NOTICE

NOTICE is hereby given that the Fourteenth 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 Thursday, 25th September 2008 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 2008 and the Auditor's Report thereon.
2. To appoint a Director in place of Dr. Sharad 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.

### REGISTERD OFFICE

Dalamal House, 4th Floor,  
Jamnalal Bajaj Marg, Nariman Point,  
MUMBAI - 400 021.

Place: Mumbai

Date: 27th June 2008

By Order of the Board,

**NAVINCHANDRA B. DOSHI**  
Chairman

### NOTES:

- a) 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.
- b) The Register of Members and Share Transfer Books of the Company shall remain closed from 17th September 2008 to 25th September 2008 (both days inclusive)
- c) Members are requested to bring in their own copies of the Report and Accounts.



## DIRECTORS' REPORT:

Dear Members,

Your Directors are pleased to present their Fourteenth Annual Report and Audited Statement of Accounts for the year ended 31st March 2008.

### 1. FINANCIAL PERFORMANCE

Rupees in Lacs

	2007-08	2006-07
Income	559.50	330.19
Expenditure	118.21	188.35
Earnings before Tax	441.29	141.84
Provision for Tax	50.00	13.26
Provision for Deferred Tax	3.72	4.31
Provision for Fringe Benefit Tax	0.77	0.43
Earnings after Tax	386.80	123.84
Add: Income Tax adjustments of earlier years	2.72	
Balance Brought forward	857.02	733.18
Balance carried forward to balance sheet	1246.54	857.02

### 2. MANAGEMENT DISCUSSION AND ANALYSIS

- (a) **Industry Structure and Development:** India is one of the largest economy in the world in terms of purchasing power parity, gross domestic product the economy witnessed a rapid growth in the GDP during the past 3 years. A number of technology sensitive sectors, service sectors such as call centres, Business Process Outsource (BPOs) causing an excellent demand for residential and commercial to go into an over drive.
- (b) **Segment-wise operational performance:** Your Company has three segments viz. Finance, Naturopathy and Construction. During the year under review, income from the fund activities is Rs.102.07 compared to Rs. 63.16 lacs in the previous year. The Naturopathy activity generated an income of Rs. 94.48 lacs as compared to Rs. 84.73 Lakhs in the previous year. During the year under review, the company commenced the construction of Residential and Commercial projects at Ghodbunder Road, Thane. The company proposed to construct Five Towers of 14 Storey of Residential complex with all the Ultra-modern amenities. The residential complex is named as "Coral Heights". During the year the company recognized revenue in respect of construction activities based on percentage completion method in accordance with the Accounting Standard Method (AS 7) by the Chartered Accountant of India. Accordingly, based on the Architecture Certificate the Company booked an income of Rs. 142.00 Lakhs. The company expects to complete the project within four years.
- (c) **Outlook:** Indian Real Estate Industry has undergone a paradigm shift over the past few years. With the Economic liberalization, increased globalization and consequent increase in service/business opportunities, India's Real Estate sector touched high level. A booming economy inspite of the soaring stock market levels, increasing demand across pan India has provided a vertical growth in the Real Estate Sectors.
- (d) **Opportunities and Threats :** Regulatory reform initiated by the Indian government and private equity and mutual funds entered into the Real Estate Market to provide greater transparency and higher funding in the Sector. The recent Union Budget has been very disappointing by not extending the tax exemption under section 80 (i) (b) of Income Tax and also in position of Service Tax and VAT will also affect the overall demand.
- (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:** Human Resource is the most valuable asset of the company. With a rapid changing in the environment, the management put the whole efforts for the betterment of the employees to face the challenges with the training and development at frequent intervals.

#### **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, Mr. Sharad R. Mehta who 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:

- in the preparation of the annual accounts, applicable accounting standards have been followed.
- 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.
- 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.
- 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(1 B) of the Companies Act, 1956 and therefore eligible for re-appointment as Auditors of the Company.

#### **APPRECIATION**

Your Director wish to place a record for their sincere appreciation and thanks for the excellent co-operation and support received from the companies Bankers, Business Associates, Suppliers, Consultant, Customers, Contractors and Shareholders at large, and look forward the same in a greater level in the ensuing years.

#### **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.

**For and on behalf of the board of Directors**

**NAVINCHANDRA B DOSHI**  
CHAIRMAN

Place : Mumbai  
Date : 27th June 2008





## 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 shareholders.

#### 2. Board of Directors

A) The Board consists of Four members comprising:

- Mr Navin B Doshi - Chairman - Executive Director
- Mr S.Rammamurthy - Director - Executive Director
- Dr. Sharad R Mehta - Non Executive and Independent Director
- Ms. Ami M Shah - Non Executive and Independent Director

Nine Board Meeting were held during the year 2007-08 - On 25th June 2007, 31st July 2007, 26th September 2006 (AGM), 29th October 2007, 27th November 2007, 1st December 2007, 24th December 2007, 24th December 2007 (EGM) & 21st January 2008.

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

#### 3. Audit Committee

The Audit Committee comprise of:

1. Mr. S. Rammamurthy - Chairman -Executive Director
2. Mr. Sharad R Mehta - Member -Non Executive and Independent Director
3. Ms. Ami M Shah - Member -Non Executive and Independent 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. During the financial year the Audit Committee met on four occasions on 25th June 2007, 31st July 2007, 29th October 2007 and 21st January, 2008. The meetings were 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. 1800/- for each Board meeting and Rs. 1000/- for each Committee Meeting.

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

The Committee comprises of Dr. Sharad Mehta and Mr. S .Rammamurthy. 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 Body Meetings of the Company were held as under:

Year	Location	Date	Time	No. of special Resolutions passed
2004-2005	Dalamal House, 4th Floor, J.B. Marg. Mumbai - 400 021	30.09.2005	3.30 p.m.	Nil
2005-2006	As above	26.09.2006	3.30 p.m.	1
2006-2007	As above	26.09.2007	3.30 p.m.	1

## 7. Means of Communication

The Company has published its quarterly results in Economic Times and Maharashtra Times (Marathi).

## 8. General Shareholder Information

- a) Annual General Meeting:
- Date and Time : 25th September 2008  
at 3.30 p.m.
  - Venue : Dalamal House,  
4th Floor, J.B. Marg,  
Nariman Point,  
Mumbai - 400 021.
- b) Financial Calendar 2007-08 (Tentative) : Annual General Meeting  
25th September 2008.
- c) Results for the quarter ending :
- i) June 30th 2008 : Last week of July 2008
  - ii) September 30th, 2008 : Last week of October 2008
  - iii) December 31st, 2008 : Last week of January 2009
  - iv) March 31st, 2009 : Last week of April 2009
- d) Book Closure (both days inclusive) : 17th August 2008 to 25th August 2008
- e) Equity Shares are Listed on Stock Exchanges at : Mumbai, National, Chennai, Ahmedabad and Kolkata.
- f) Demat ISIN Numbers in NSDL & CDSL : Equity Shares INE558D01013
- g) Registrar and Transfer Agents : Intime Spectrum Registry Ltd.,  
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	2007	20.45	16.85
May	2007	20.25	16.50
June	2007	19.35	16.30
July	2007	27.50	17.55
August	2007	26.00	18.55
September	2007	28.80	20.80
October	2007	34.65	19.20
November	2007	43.20	25.60
December	2007	53.80	39.00
January	2008	68.45	39.05
February	2008	44.95	36.00
March	2008	44.90	32.90





- i) **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 71.16% of outstanding share have been dematerialized upto 31st March 2008.

- j) **According to categories of shareholders as at 31st March 2007**

		No.of Shares	%
Promoters, Directors & Relatives	=	5764783	57.79
International Investors (NRI/FII's)	=	1186757	11.89
Body Corporate	=	1044332	10.47
Others	=	1979928	19.85

- k) **Distribution of Share Holding :**

Distribution of Shareholding as on 31st March 2006	No. of Shares	No. of Shareholders	% of Shareholders
Upto 2500	52283	475	0.52
2501-5000	162265	360	1.63
5001-10000	301189	340	3.02
10001-20000	219730	136	2.20
20001-30000	301569	116	3.02
30001-40000	93411	25	0.97
40001-50000	150506	31	1.51
50001-100000	389390	51	3.90
100001 and above	8305457	42	83.23
Total	9975780	1576	100.00

By Order of the Board,

**NAVINCHANDRA B. DOSHI**  
Chairman

Place : Mumbai  
Date : 27th June 2008



### **Certificate of Whole-Time Director and Chief Financial Officer on Financial Statements Under Clause 49 of the Listing Agreement**

I, Navin B Doshi, Chairman and Managing Director of Coral India Finance and Housing Limited certify that :-

- a. I have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March, 2008 and that to the best of our knowledge and belief:
  - i. these statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - ii. these statements together present a true an fair view of the Company's affairs are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violate of the Company's code of conduct.
- c. I am responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the auditors and the Audit Committee that :
  - i. there have been no significant changes in internal control over financial reporting during the year;
  - ii. there have been no significant changes in accounting policies during the year; and
  - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : Mumbai  
Date : 27th June 2008

**NAVIN D DOSHI**  
Chairman & Managing Director

### **Declaration of Whole-time Director on Compliance With Code of Conduct Under Clause 49 of the Listing Agreement**

This is to confirm that the company has adopted a Code of Conduct for Directors and Senior Management Personnel.

I confirm that the company has in respect of the Financial Year ended 31st March, 2008 received from each Member of the Board and Senior Management Personnel, a declaration of compliance with the Code of Conduct as applicable to each one of them.

Place : Mumbai  
Date : 27th June 2008

**S. RAMMAM URTHY**  
Whole-time Director