



# CORAL INDIA FINANCE AND HOUSING LIMITED



## *Annual Report* 2009 2010





## CORAL INDIA FINANCE AND HOUSING LIMITED

---

**BOARD OF DIRECTORS** : Mr. Navinchandra B. Doshi - Chairman & Managing Director  
Mr. Sachin N. Doshi - Director  
Dr. Sharad Mehta - Director  
Ms. Ami M. Shah - Director

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

**REGISTERED OFFICE** : Dalamal House, 4<sup>th</sup> Floor,  
Jamnalal Bajaj Marg,  
Nariman Point,  
MUMBAI- 400 021

**Registrar and Transfer Agent** : Link Intime India Pvt. Ltd.  
(Unit – Coral India Finance and Housing Ltd.)  
C-13, Pannalal Silk Mill Compound,  
L.B.S. Marg, Bhandup (West)  
MUMBAI- 400 078.



## NOTICE

NOTICE is hereby given that the Sixteenth Annual General Meeting of the Company will be held on Monday , the 27<sup>th</sup> September, 2010 at 3.30 p.m. at the registered office of the Company at Dalamal House, 4th Floor, J.B. Marg, Nariman Point, Mumbai - 400 021 to transact the following business:

### ORDINARY BUSINESS.

1. To receive and adopt the Auditors' Report, Directors' Report and Audited Profit and Loss Account for the period ended March 31, 2010.
2. To appoint Mr. Navin Doshi, Director of the company, who retires by rotation and being eligible offers himself for appointment.

### SPECIAL BUSINESS

3. **Appointment of Mr. Sachin Doshi as Director of the company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

**"RESOLVED THAT** Mr. Sachin Doshi who vacates office as an additional director on the date of this Annual General Meeting and who is eligible for appointment be and is hereby appointed as a Director of the Company."

4. **Appointment of M/s. V. N. Mehta & Associates as the Statutory Auditors of the company**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** subject to the provisions of Section 224 (5) and other applicable provisions, if any, of the Companies Act, 1956, **M/s. V. N. Mehta & Associates**, Chartered Accountants, having their office at A-201, Gopal Bhuvan CHS, Above Pallavi Restaurant, Junction of M. V. Road & Azad Road, Andheri-East, Mumbai- 400 069 be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting to the conclusion of the next Annual General Meeting of the Company at a remuneration as may be decided by the Board with the mutual consent of the auditors.

5. **Delisting from Stock Exchanges.**

To consider, and, if thought fit, to pass, with or without modification(s), the following Resolution as an Special Resolution:

**"RESOLVED THAT** subject to the provisions of the Companies Act, 1956, Securities Contracts (Regulation) Act, 1956 and rules made there under, the Listing Agreements, Securities Exchange Board of India (Delisting of Securities) Guidelines, 2009 and all other applicable laws, rules, regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors, the consent of the Company be and is hereby accorded to the Board of Directors to delist equity shares of the Company from the National Stock Exchange, Ahmedabad Stock Exchange, Calcutta Stock Exchange & Madras Stock Exchange."

### 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 : 13<sup>th</sup> August, 2010



#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON 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 MEETING, DULY COMPLETED.
2. The Register of Members and Share Transfer Books of the Company shall remain closed from 18th September 2010 to 27th September 2010 (both days inclusive).
3. The explanatory statement pursuant to section 173 of the Companies Act, 1956 is annexed to this notice.
4. Members/Proxies should bring attendance slip sent herewith, duly filled in, for attending the meeting. The members are informed that in case of joint holders attending the meeting, only such joint holder who's name is higher in the order of names, will be entitled to vote.

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

#### Item No. 3 : Appointment of Director

Pursuant to section 260 and other applicable provisions of the Companies Act, 1956 Mr. Sachin Doshi was appointed as an additional director of the Company on 29.10.2009 whose term of office is expiring on the ensuing AGM.

Since he is willing and eligible for the reappointment as the director of the Company the above resolution is put forward for your approval.

Except Sachin Doshi himself, no other Directors are interested in the above resolution.

#### Item No. 4 : Appointment of Auditors M/s. V. N. Mehta & Associates, Chartered Accountants in place of M/s. Sutaria and Associates Chartered Accountants

The present Auditors of the Company M/s. Sutaria and Associates Chartered Accountants has shown their unwillingness to work as an auditor of the company for financial year 2010-2011. Hence pursuant to section 224(5) M/s. V. N. Mehta & Associates, Chartered Accountants be appointed as the statutory auditors of the company from the conclusion of this annual general meeting until the conclusion of the next annual general meeting. He has also shown his willingness and eligibility to be the Auditor of the Company with the remuneration which will be mutually decided by the Auditors and the Board of Directors of the Company.

#### Item No. 5. Delisting of Equity Share from Stock Exchanges.

The equity shares of the Company are listed traded on the Stock Exchange, Bombay Stock Exchange, National Stock Exchange, Ahmedabad Stock Exchange, Madras Stock Exchange & Calcutta Stock Exchange Association Limited. It is also among the scrips specified by Securities Exchange Board of India (SEBI) for compulsory settlement in dematerialized form. The annual trading of the equity shares of the Company on has been negligible besides being infrequent. With the wide and extensive networking of BSE, the extension of BSE terminals to other cities and on-line trading facility provided by broking companies, investors are able to trade in the equity shares of the Company across the country, even if these are not listed on the local stock exchanges. The Securities Exchange Board of India (Delisting of Securities) Guidelines, 2009 allow companies to seek voluntary delisting of their securities from all the Stock Exchanges after giving an exit opportunity to the shareholders. However, when voluntary delisting is sought only from some of the exchanges, no exit opportunity is required to be given to the shareholders, so long as the securities continue to be listed on a stock exchange having nationwide trading terminals. However, the approval of the Board of Directors and the Members of the Company is required for delisting of equity shares from any stock exchange. In view of the above, the Board of Directors of the Company has approved the proposal for delisting of equity shares of the Company from National Stock Exchange, Ahmedabad Stock Exchange, Madras Stock Exchange & Calcutta Stock Exchange Association Limited subject to the approval of Members and other approvals as may be required.

The proposed delisting, if and when it takes place, will not adversely affect any investors, including the Members located in the region where National Stock Exchange, Ahmedabad Stock Exchange, Madras Stock Exchange & Calcutta Stock Exchange Association Limited is situated, as the Company's equity shares would continue to be listed and traded on BSE. Hence, no exit opportunity is required to be given as per Delisting Guidelines issued by SEBI. The delisting will take effect after all approvals, permissions and sanctions are received. The exact date on and from which the delisting will take effect will be notified.

The proposed delisting is in the interest of the Company and the Board of Directors recommend the Resolution for acceptance by the Members.

No director is in any way concerned or interested in the Resolution at item No. 5 of the Notice.





## DIRECTORS' REPORT :

Dear Members,

Your directors are pleased to present their Sixteenth Annual Report and Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2010.

### 1. FINANCIAL PERFORMANCE

Rupees in Lacs		
	2009-10	2008-09
Income	431.29	245.64
Expenditure	130.30	110.99
Earning before Tax	300.99	134.65
Provision for Tax	5.00	13.00
Provision for Deferred Tax	(2.12)	2.39
Provision for Fringe Benefit Tax	—	1.50
Earnings after Tax	253.12	117.76
Add: Income Tax Adjustments of earlier years	—	—
Balance Brought forward	1364.29	1246.52
Balance carried forward to Balance Sheet	1617.41	1364.29

### 2. MANAGEMENT DISCUSSION AND ANALYSIS

- (a) **Industry Structure and Development:** With overall economic scenario looking positive, the company is trying to maximize its performance for earning a better value for its shareholders.
- (b) **Segment-wise operational performance:** Your Company has three segments viz. Finance, Naturopathy and Construction. During the year under review, income from the fund & naturopathy activities is Rs. 12,850,075/- compared to Rs. 16,557,363/- in the previous year and Construction activity Rs. 28,707,992/- compared to Rs. 6,298,591/- in the previous year.
- (c) **Outlook:** The macro and micro economic over view seems positive.
- (d) **Opportunities and Threats :** The slowdown in global economy could have an impact in the Indian market.
- (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.

### 3. DIVIDEND

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

### 4. DIRECTORS

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



## **5. 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.

## **6. 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.

## **7. FIXED DEPOSITS**

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

## **8. AUDITORS**

The existing Auditors M/s. Sutaria Associates, Chartered Accountants, have expressed their unwillingness to continue as the Statutory Auditors of the company for the year 2010-2011.

M/s. V N Mehta & Associates, Chartered Accountants, who have furnished to the Company the required certificate under Section 224(1 B) of the Companies Act, 1956 and therefore eligible for appointment as Auditors of the Company from the conclusion of the ensuing Annual General Meeting upto the conclusion of next Annual General Meeting.

## **9. 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.

## **10. 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 : 13<sup>th</sup> August, 2010



## 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 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. Sachin Doshi - Director – Non Executive Director
- Dr. Sharad R. Mehta - Non Executive and Independent Director
- Ms. Ami M. Shah - Non Executive and Independent Director
- Mr. S.Rammamurthy resigned with effect from 30<sup>th</sup> October, 2009.

Five Board Meeting were held during the year 2009-10 - On 30th April, 2009, 30th July 2009, 24th August 2009, 29th October 2009 and 30th January 2010.

Annual General Meeting for year ended 31st March, 2009 was held on 25th September, 2009.

Board Meeting attended by Directors:

Director	30.04.2009	30.07.2009	24.08.2009	29.10.2009	30.01.2010
Dr. Sharad Mehta	N	Y	N	N	Y
Ms. Ami Shah	N	N	N	Y	Y
*Mr. Sachin Doshi	N	N	N	Y	Y
Mr. Navin Doshi	Y	Y	Y	Y	Y
*Mr. Rammurthy	Y	Y	Y	N	N

\*He was only for part of year.

#### 3. Audit Committee

The Audit Committee comprise of:

1. Mr. Sachin Doshi - Director - Non Executive Director
2. Dr. 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 five occasions on 30/4/2009, 30/7/2009, 24/08/2009, 29/10/2009 and 30/1/2010. 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. 1,000/- for each Board meeting and Rs. 500/ for each Committee Meeting.



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

The Committee comprises of Dr. Sharad Mehta and Mr. Sachin Doshi. 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 Resolution Passed
2006-07	Dalamal House, 4 <sup>th</sup> Floor, J. B. Marg, Mumbai 400 021	26.09.2007	3.30 p.m.	1
2007-08	As above	25.09.2008	3.30 p.m.	Nil
2008-09	As above	25.09.2009	3.30 p.m.	Nil

#### 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 : 27<sup>th</sup> September, 2010  
at 3.30 p.m.
- Venue : Dalamal House  
4<sup>th</sup> Floor, J. B. Marg,  
Nariman Point,  
Mumbai 400 021.

b) Financial Calendar : 1<sup>st</sup> April, 2010 – 31<sup>st</sup> March, 2011

c) Results for the Quarter ending :

- i) June 30<sup>th</sup>, 2010 : August 13<sup>th</sup>, 2010
- ii) September 30<sup>th</sup>, 2010 : November 15<sup>th</sup>, 2010
- iii) December 31<sup>st</sup>, 2010 : February 15<sup>th</sup>, 2011
- iv) March 31<sup>st</sup>, 2011 : May 15<sup>th</sup>, 2011

d) Book Closure : 18<sup>th</sup> September 2010 to 27<sup>th</sup> September 2010  
(both days inclusive)

e) Equity Shares are Listed on Stock Exchanges at : Mumbai, National, Chennai, Ahmedabad and Kolkata

f) Demat ISIN Numbers in NSDL & CDSL : Equity Shares INE 558D01013

g) Registrar and Transfer Agents : Link Intime 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	2009	11.57	9.00
May	2009	16.53	10.00
June	2009	21.00	16.50
July	2009	17.15	14.50
August	2009	16.90	12.70
September	2009	18.05	14.00
October	2009	20.25	17.25
November	2009	22.30	19.05
December	2009	20.75	17.35
January	2010	20.85	17.80
February	2010	19.40	15.45
March	2010	18.90	15.30

- 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). Approximately 73.19% of outstanding share have been dematerialized upto 31st March 2010.

j) **According to categories of Shareholders as at 31<sup>st</sup> March, 2010.**

		No. of Shares	%
Promoters, Directors & Relatives	=	4461367	44.72
International Investors (NRI/FII's)	=	1056789	10.59
Body Corporate	=	1384700	13.89
Others	=	3072944	30.80

k) **Distribution of Shareholding :**

Distribution of Shareholding as on 31 <sup>st</sup> March, 2010	No. of Shareholders	No. of Shares	% of Shareholders
Upto 500	750	188713	1.89
501 – 1000	302	265572	2.66
1001 – 2000	123	198722	1.99
2001 – 3000	100	261703	2.62
3001 – 4000	23	85171	0.85
4001 – 5000	28	136658	1.37
5001 – 10000	57	433785	4.35
10001 and above	39	8405476	84.27
Total	1422	9975800	100

By Order of the Board

**NAVINCHANDRA B. DOSHI**  
Chairman & Managing Director

Place : Mumbai  
Date : 13<sup>th</sup> August, 2010



---

**Certificate of Chairman and Managing Director 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 31<sup>st</sup> March, 2010 and that to the best of our knowledge and belief :
  - i. these statement do not contain any materially untrue statement or omit any material fact of contain statements that might be misleading.
  - ii. these statements together present a true and fair view of the Company's affairs are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the period which are fraudulent, illegal or violate of the Company's code of conduct.
- c) I am responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, which we are aware and the steps we have taken or propose to take to rectify these deficiencies. I have indicated to the auditors and the Audit Committee that :
  - i. there have been no significant changes in internal control over financial reporting during the year;
  - ii. there have been no significant changes in accounting policies during the year; and
  - iii. there have been no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**NAVINCHANDRA B. DOSHI**  
Chairman & Managing Director

Place : Mumbai  
Date : 13<sup>th</sup> August, 2010