



**CORAL LABORATORIES LTD**

AN ISO 9001: 2008 CERTIFIED ORGANIZATION



REGD. OFFICE : SF-206, Silver Oak Complex, B.P.C. Road, Vadodara - 390 020.

CORP. OFFICE : #3B, Patanwala Compound, Opp. Shreyas Cinema, L.B.S. Marg, Ghatkopar (West), Mumbai - 400 086. India.

Tel. : +91-22-2500 5245, 2500 8208, 2500 5246. • Fax : +91-22-2500 4893. • E-mail : accounts@corallab.com • Website : www.corallab.com  
CIN NO. L24231GJ1997PL C031669

**27<sup>th</sup> September, 2018**

**To  
The Manager  
BSE Limited  
Corporate Relations Department,  
1st Floor, New Trading Ring,  
P.J. Towers, Dalal Street,  
Mumbai- 400 001**

Dear Sir,

**Ref: SCRIP CODE: 524506**

**REG: Compliance under Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation").**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation") Please find enclosed herewith Annual Report 2017-2018 being approved and adopted in the 36<sup>th</sup> Annual General Meeting of the Company held on **27<sup>th</sup> September, 2018** at 11.00 a.m. at the Registered Office of the Company situated at SF-206, Silver Oak Complex, B.P.C Road, Vadodara, Gujrat- 390020 for your record.

Thanking you and assuring you of our best co-operation always.

Yours sincerely,

**For CORAL LABORATORIES LIMITED,**

*S.S. KADKADE*

**SUSHMA KADKADE  
DIN: (07791735)  
DIRECTOR**

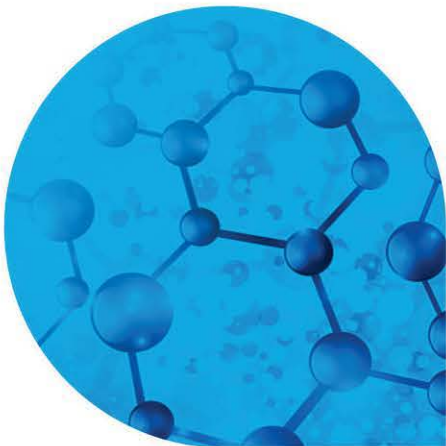
**Place: Mumbai  
Date: 27/09/2018  
Encl: as above**



# Coral Laboratories Ltd.

An ISO 9001 : 2015 Certified Organisation

*We Work for Better Tomorrow*



## ANNUAL REPORT

### 2017-18



## CORAL LABORATORIES LIMITED

### ANNUAL REPORT 2017-2018

#### CONTENTS

|   |     |
|---|-----|
| • Board of Directors .....                        | 3   |
| • Notice of Annual General Meeting .....          | 4   |
| • Explanatory Statement .....                     | 10  |
| • Director's Report .....                         | 13  |
| • Management Discussion and Analysis Report ..... | 38  |
| • Report on Corporate Governance .....            | 39  |
| • CEO/CFO Certification .....                     | 53  |
| • Certificate of Corporate Governance .....       | 54  |
| • Auditors' Report to the Shareholders .....      | 55  |
| • Balance Sheet .....                             | 68  |
| • Statement of Profit and Loss Account .....      | 69  |
| • Cash Flow Statement .....                       | 70  |
| • Notes to Financial Statements .....             | 71  |
| • Route Map of venue of AGM .....                 | 109 |



THIS PAGE IS KEPT INTENTIONALLY BLANK



## CORAL LABORATORIES LIMITED

|                           |                           |  |
|---------------------------|---------------------------|--|
| <b>BOARD OF DIRECTORS</b> | : Mr. Navin B. Doshi      | : Director (Upto 26 <sup>th</sup> May, 2017)   |
|                           | Mr. Kishor Mehta          | : Whole time Director (Upto 26 <sup>th</sup> May, 2017)                              |
|                           | Mrs. Meeta Sheth          | : Chief Financial Officer (Upto 26 <sup>th</sup> May, 2017)                          |
|                           | Mr. Chetan N. Doshi       | : Chairperson & Director   |
|                           | Mr. Girish. M. Dhameja    | : Whole-time Director  |
|                           | Mrs. Sushma. C. Chinchane | : Director and Chief Financial Officer   |
|                           | Mr. Rajesh R. Parikh      | : Independent Director   |
|                           | Mrs. Sheela R. Kamdar     | : Independent Director   |
|                           | Mr. Sanket S. Mehta       | : Independent Director   |
|                           | Ms. Nirali Mehta          | : Company Secretary and Compliance Officer<br>(w.e.f. 10 <sup>th</sup> August, 2017) |

### BOARD COMMITTEES

| AUDIT COMMITTEE   |          | NOMINATION AND REMUNERATION COMMITTEE                           |          |
|---|----------|---|----------|
| Mr. Rajesh R. Parikh  | Chairman | Mr. Rajesh R. Parikh  | Chairman |
| Mrs. Sheela R. Kamdar   | Member   | Mrs. Sheela R. Kamdar   | Member   |
| Mrs. Sushma C. Chinchane<br>(w.e.f. 26 <sup>th</sup> May, 2017) | Member   | Mrs. Sushma C. Chinchane<br>(w.e.f. 26 <sup>th</sup> May, 2017) | Member   |
| STAKEHOLDERS RELATIONSHIP COMMITTEE                             |          | CORPORATE SOCIAL RESPONSIBILITY                                 |          |
| Mr. Rajesh R. Parikh  | Chairman | Mr. Rajesh R. Parikh  | Chairman |
| Mrs. Sushma C. Chinchane<br>(w.e.f. 26 <sup>th</sup> May, 2017) | Member   | Mrs. Sheela R. Kamdar   | Member   |
|   |          | Mrs. Sushma C. Chinchane<br>(w.e.f. 26 <sup>th</sup> May, 2017) | Member   |

|                           |  |
|---------------------------|--|
| <b>REGISTERED OFFICE</b>  | : SF- 206, Silver Oak Complex, B.P.C Road Vadodara - GJ 390020<br>Website: www.corallab.com • Email -ID: cs@corallab.com   |
| • <b>CORPORATE OFFICE</b> | : #3B, Patanwala Ind. Estate, Opp. Shreyas Cinema, Beside Fitness Health,<br>L.B.S. Marg, Ghatkopar (W), Mumbai – 400086<br>Contact No.: 25005245/46<br>Website: www.corallab.com • Email -ID: cs@corallab.com |

### PLANTS:

|               |   |
|---------------|---|
| 1. DAMAN      | : Plot No.57/1, (16), Bhenslore, Dunetha, Nani Daman - 396210   |
| 2. UTTRANCHAL | : Plot No. 27 & 28, Pharma City, Selaqui, Dehradun, Uttranchal. |

### AUDITORS

: **M/S SPVM & CO.**  
(Chartered Accountants)  
(FRN: 136751W)  
201/A, GopalBhuvan CHS, Above Pallavi Restaurant,  
Junction of MV Road and Azad Road, Andheri (East), Mumbai- 400069.  
Email-ID: caviren@gmail.com

### BANKERS

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

### REGISTRAR AND TRANSFER AGENT

: **Link Intime India Private Limited**  
(Unit-Coral Laboratories Limited)  
C-101, 247 Park, L.B. S Marg, Vikhroli (West), Mumbai - 400 083  
Contact No: 022 4918 6000  
Email- ID: rnt.helpdesk@linkintime.co.in





## NOTICE

NOTICE is hereby given that the Thirty Sixth Annual General Meeting of the Company will be held on Thursday, 27<sup>th</sup> September, 2018 at 11.00 a.m. at the Registered Office of the Company at SF- 206, Silver Oak Complex, B.P.C Road, Vadodara, GJ-390020 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2018 together with the Directors' Report and Auditors Report thereon.
2. To declare dividend @ 20% i.e. Rs.2.00/- per equity share for the year 2017-2018.
3. To appoint a Director in place of Mrs. Sushma Chinchane, who retires by rotation and, being eligible, offers herself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to provisions of Sections 139 to 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. SPVM & Co., Chartered Accountants, (FRN: 136751W), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting of the Company on such remuneration as agreed upon by the Board of Directors and the Auditors, for the financial year ending March 31<sup>st</sup>, 2019."  
"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:  
"RESOLVED THAT pursuant to the provisions of Sections 148 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Ketki D. Visariya & Co., Cost Accountants, (Firm Registration Number: 00362), appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19 be paid a remuneration for the Financial Year ending March 31<sup>st</sup>, 2019, amounting to Rs.60,000/- plus Taxes as applicable."

### 6. SERVICE OF DOCUMENTS:

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

**RESOLVED THAT** pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other provisions, if any, whereby, a documents may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode or any other mode as may be prescribed, consent of the members be and is hereby accorded to charge from members such fees in advance equivalent to actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other modes of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with the requisite fees has been duly received by the company at least 10 days in advance of dispatch of documents by the Company to the shareholder;

**RESOLVED FURTHER THAT** for the purpose of giving effect to resolution the Board of Directors or Key Managerial Personnel of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or desirable to give effect to the resolution.

By Order of the Board  
For **Coral Laboratories Limited**

sd/-  
**Chetan Doshi**  
Chairman and Director  
(DIN: 00319134)

Place : Mumbai  
Date : 8<sup>th</sup> August, 2018



---

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING. PROXIES SUBMITTED ON BEHALF OF THE COMPANIES, SOCIETIES ETC., MUST BE SUPPORTED BY AN APPROPRIATE RESOLUTION/AUTHORITY, AS APPLICABLE. PURSUANT TO THE PROVISIONS OF SECTION 105 OF THE COMPANIES ACT, 2013, READ WITH THE APPLICABLE RULES THEREON, A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
2. Members/Proxies should bring duly filled attendance slips attached herewith for attending the meeting.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of the special business set out under the notice is annexed hereto.
5. Annual reports have been distributed to those Members holding shares in physical and demat form whose names appeared on the Company's Register of Members on closure of business hours i.e. Friday 17<sup>th</sup> August, 2018.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Friday 21<sup>st</sup> September, 2018 to Thursday 27<sup>th</sup> September 2018 (both days inclusive)
7. As per RBI notification, with effect from October 1, 2009, the remittance of money through ECS is replaced by National Electronic Clearing Services (NECS) and banks have been instructed to move to the NECS platform. This is in addition to the existing facility of ECS in other locations. NECS essentially operates on the new and unique bank account number, allotted by banks pursuant to implementation of Core Banking Solutions (CBS) for centralized processing of inward instructions and efficiency in handling bulk transaction.  
  
In this regard, shareholders holding shares in electronic form are requested to furnish the new 9-digit Bank Account Number allotted to them by your bank, (after implementation of CBS), along with photocopy of a cheque pertaining to the concerned account, to your Depository Participant (DP). Please send these details to the Company/Registrars, if the shares are held in physical form, immediately.
8. Members who hold shares in the dematerialized form and want to change/correct the bank account details should send the same immediately to their concerned Depository Participant and not to the Company. Members are also requested to give the MICR Code of their bank to their Depository Participants. The Company will not entertain any direct request from such members for change of address, transposition of names, deletion of name of deceased joint holder and change in the bank account details.
9. Members who are holding physical shares in identical order of names in more than one folio are requested to send to the Company or Company's Share Transfer Agent the details of such folios together with the share certificates for consolidating their holding in one folio. The share certificates will be returned to the members after making requisite changes, thereon. Members are requested to use the new share transfer form SH-4.
10. Members are requested to quote their Registered Folio Number or Demat Account Number & Depository Participant (D.P.) ID number on all correspondence with the Company.
11. Members/Proxy holders are requested to bring their copies of the Annual Report with them to the Annual General Meeting, as extra copies will not be provided.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The Nomination Form SH 13 prescribed by the Government can be obtained from the



Registrar and Transfer Agent.

13. The Securities and Exchange Board of India (SEBI) vide circular ref no. MRD/DOP/CIR-05/2007 dated April 27, 2007, made PAN the sole identification number for all participants transacting in the securities market, irrespective of the amount of transaction. In Continuation of the aforesaid circular, it is hereby clarified that for securities market transactions and off market/private transactions involving transfer of shares of listed companies in physical form, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the company /Registrar and Share Transfer Agent for registration of such transfer of shares.
14. Details under Regulation 36 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting, forms integral part of the notice.
15. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
16. Members are requested to send to the Company their queries, if any, on accounts and operations of the Company at least ten days before the meeting so that the same could be suitably answered at the meeting.
17. The dividend for the financial year 31<sup>st</sup> March, 2018, as recommended by the Board of Directors, if approved by the Members, will be paid after Annual General Meeting to those Members holding shares in physical form whose names shall appear on the Company's Register of Members on closure of business hours i.e. Thursday 20<sup>th</sup> September, 2018 and in respect of the shares held in dematerialized form the dividend will be paid to the Members whose names are furnished by the National Securities Depository Limited and the Central Depository Services (India) Limited as the beneficial owners as at the close of business hours on, Thursday 20<sup>th</sup> September, 2018.
18. The Dividend is proposed to be disbursed by way of National Electronic Clearing Service (NECS). For this purpose, the details such as, name of the Bank, name of the branch, 9-digit code number appearing on the MICR band of the cheque supplied by the Bank, account type, account number etc. are to be furnished to your DP if the shares are in electronic form or to the Registrars & Transfer Agents if they are held in physical mode.
19. Those Members who have so far not encashed their dividend warrants/demand drafts for final dividend for the year 2010 onwards, may approach the Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited, for making their claim without any further delay as the said unpaid dividends will be transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Companies Act after completion of seven years from the date of its transfer to unpaid dividend account. Further Ministry of Corporate Affairs has recently notified new Rules namely "Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016" which have come into force from September 7, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years in the name of IEPF Suspense Account. The details of unpaid / unclaimed dividend are available on our website: [www.corallab.com](http://www.corallab.com).

Hereunder are the details of Dividends paid by the Company and their proposed dates and year of transfer of unclaimed/un-encashed dividends to the designated fund of the Central Government.

| Date of Declaration of Dividend | Dividend for the year | Proposed date for transfer to Investor Education and Protection Fund (IEPF) |
|---------------------------------|-----------------------|---|
| 30th September, 2011            | 2010 - 2011           | 7th November, 2018  |
| 27th September, 2012            | 2011 - 2012           | 4th November, 2019  |
| 28th September, 2013            | 2012 - 2013           | 5th November, 2020  |
| 29th September, 2014            | 2013 - 2014           | 6th November, 2021  |
| 16th September, 2015            | 2014 - 2015           | 25th October, 2022  |
| 26th September, 2016            | 2015 - 2016           | 3rd November, 2023  |
| 19th September, 2017            | 2016 - 2017           | 27th October, 2024  |





20. Shareholders are requested to note that no claim shall lie against the Company in respect of any dividend amount which was unclaimed and unpaid for a period of 7 years and transferred to Investor Education and Protection Fund of the Central Government. However, Shareholders may claim from IEPF Authority both unclaimed dividend amount and the shares transferred to IEPF Suspense Account as per the applicable provisions of Companies Act, 2013 and rules made thereunder.

21. Company will be disclosing to the Stock Exchanges, as per Regulation 44 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of results of voting on each of the resolutions proposed in this Notice.

Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Companies (Management and Administration Rules), 2014, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their e-mail address either with the Company or with the Depository. Members who have not registered their e-mail address with the Company are requested to submit their request with their valid e-mail address to LINK INTIME (INDIA) PRIVATE LIMITED. Members holding shares in demat form are requested to register/update their e-mail address with their Depository Participant(s) directly. Members of the Company, who have registered their email-address, are entitled to receive such communication in physical form upon request.

22. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during business hours between 11.00 am to 1.00 pm except on holidays, up to and including the date of the Annual General Meeting of the Company.

23. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 36<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through E-Voting Services by National Security Depository Limited.

**The instructions for shareholders voting electronically are as under:**

**Voting through electronic means**

- a. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.
- b. The Board of Directors has appointed Mrs. Uma Lodha (Membership No. 5363) Practicing Company Secretaries as the Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
- c. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- d. A Member can vote either by remote e-voting or by ballot paper at the AGM. In case a Member votes by both the modes then the votes cast through remote e-voting shall prevail and the votes cast at the AGM shall be considered invalid.
- e. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

How to Log-in to NSDL e-Voting website?

- I. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.



- II. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
- III. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

#### 1. Your User- ID Details are given below:

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:  |
|--|---|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID<br><br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID<br><br>For example if your Beneficiary ID is 12***** then your user ID is 12*****   |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the company<br><br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

#### 2. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - i) If your email ID is registered in your Demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf File. Open the .pdf File The password to open the .pdf File is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf File contains your ‘User ID’ and your ‘initial password’.
  - ii) If your email ID is not registered, your ‘initial password’ is communicated to you on your postal address.



3. If you are unable to retrieve or have not received the “initial password” or have forgotten your password:
  - a) Click on “Forgot User Details/Password?” (If you are holding shares in your Demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com)
  - b) “Physical User Reset Password?” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat account number/folio number, your PAN, your name and your registered address.
4. After entering your password, click on Agree to “Terms and Conditions” by selecting on the check box.
5. Now, you will have to click on “Login” button.
6. After you click on the “Login” button, Home page of e-Voting will open.

**Details on Step 2 are mentioned below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of the Company,
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [lodhauma@yahoo.co.in](mailto:lodhauma@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



## Other Instructions

- I. The e-voting period commences on Monday 24<sup>th</sup> September, 2018 (9.00 a.m.) and ends on Wednesday 26<sup>th</sup> September, 2018 (5.00 p.m.). During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday 20<sup>th</sup> September, 2018, i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.
  - ii. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through ballot paper.
  - iii. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holding shares as of the cut-off date i.e. 20<sup>th</sup> September, 2018 may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
  - iv. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the Meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
  - v. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.corallab.com](http://www.corallab.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed
24. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on Thursday 27<sup>th</sup> September, 2018 are provided in Annexure 1 of this Notice.
25. **MEMBERS MAY NOTE THAT NO GIFTS/GIFT COUPONS SHALL BE DISTRIBUTED AT THE VENUE OF THE MEETING.**

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No. 5

The Board of Directors of the Company on the recommendation of the Audit Committee approved the appointment and remuneration of M/s. Ketki D. Visariya & Co., Cost Accountants, to conduct the audit of the Cost records of the Company, for the financial year ending March 31<sup>st</sup>, 2019.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rules 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is to be ratified by the Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to the Cost Auditor for the financial year ending March 31<sup>st</sup>, 2019, as set out in the Resolution for the aforesaid services to be rendered by them.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the said Resolution.

The Board of Directors recommends the Ordinary Resolution set out at the Item No.5 of the Notice for approval by the Members.

### Item No. 6

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may



request the delivery of document through any other mode by paying such fees as maybe determined by the members in the Annual General Meeting.

Accordingly, the Board recommends the passing of the Special Resolution at Item No.6 of the accompanying Notice for member's approval.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives is concerned or interested in the passing of the above resolution except to the extent of their shareholding, if any, in the Company

By Order of the Board  
For **Coral Laboratories Limited**

sd/-  
**Chetan Doshi**  
Chairman and Director  
(DIN: 00319134)

Place : Mumbai  
Date : 8<sup>th</sup> August, 2018



## ANNEXURE 1

### DETAILS OF THE DIRECTORS SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING:

(Regulation 36 of the (Listing Obligations and Disclosure Requirements) Regulations, 2015)

|  |  |
|--|--|
| Name of the Director   | <b>Mrs. Sushma Chinchane</b>   |
| Date of Appointment  | 26 <sup>th</sup> May, 2017   |
| Relationship with Directors  | None   |
| Expertise in specific functional area  | Mrs. SushmaChinchane (DIN: 07791735) aged 42 years is a graduate in Commerce. She holds an advance diploma in computer software applications from "TULEC" A Division of TATA InfoTech and a post-graduate diploma in financial management. She has a very extensive accounting knowledge of around 20 years. |
| Qualification  | B.Com Graduate   |
| Board Directorship of other companies as on March 31 <sup>st</sup> , 2018  | NIL  |
| Chairman/ Member of the Committee of the Board of Directors as on March 31 <sup>st</sup> , 2018  | Member-4<br>Chairperson-nil  |
| Chairman/ Member of the Committee of Director of other companies in which he/she is a Director as on March 31 <sup>st</sup> , 2018(Excluding Coral Laboratories Limited) | NIL  |
| a) Audit Committee   | NIL  |
| b) Stakeholders Relationship Committee   | NIL  |
| c) Nomination and Remuneration Committee   | NIL  |
| Number of shares held in the Company as on March 31 <sup>st</sup> , 2018   | NIL  |





## DIRECTOR'S REPORT

To  
The Members of Coral Laboratories Limited

Dear Member(s),

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2018.

### FINANCIAL RESULTS:

The performance during the period ended 31<sup>st</sup> March 2018 has been as under:

(₹ in Lacs)

| Particulars   | 2017-18  | 2016-17  |
|---|----------|----------|
| Income  | 9694.07  | 9883.72  |
| Expenditure   | 7889.12  | 7395.07  |
| Earnings before Tax                                       | 1804.94  | 2488.65  |
| Provision for Tax   | 550.00   | 822.00   |
| Provision for Deferred Tax                                | 10.36    | 4.74     |
| Less: Income Tax Adjustments of earlier years             | —        | 32.34    |
| Earnings after Tax  | 1244.58  | 1629.58  |
| Other Comprehensive Income (net of tax)                   | (311.77) | 2467.40  |
| Total Comprehensive Income                                | 932.81   | 4096.98  |
| Add: IND-AS Adjustment                                    | —        | —        |
| Add: Balance Brought forward                              | 10137.99 | 6240.14  |
| Less: Dividend Paid (including Dividend Distribution tax) | (214.99) | —        |
| Deferred tax liability                                    | —        | (199.13) |
| Balance carried forward to Balance Sheet                  | 10855.82 | 10137.99 |

### DIVIDEND:

Your Directors are pleased to recommend dividend for the financial year 2017-2018 on the Equity Shares of the Company of face value of Rs. 10.00/- each at the rate of 20% i.e. Rs.2/-per equity share of the Company.

### PERFORMANCE:

During the year under review, the company posted Revenue of Rs. 9694.07 lacs as compared to previous year Rs. 9883.73 lacs. However, the earnings after tax stood at Rs. 1244.59 lacs as compared to Rs. 1629.58 lacs during the previous year.

### TRANSFER TO RESERVES:

Your Company does not propose to transfer any amount to the general reserve.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

As required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015 entered with Stock Exchanges, the Management Discussion and Analysis Report is enclosed as a part of this report.



## **DISCLOSURE IN COMPLIANCE WITH THE ACCOUNTING STANDARD ON “RELATED PARTY DISCLOSURES:**

As required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) REGULATIONS, 2015 with Stock Exchanges, the disclosure in compliance with the accounting standard on “related party disclosures” are enclosed as a part of this report.

## **LISTING WITH STOCK EXCHANGES:**

The Equity Shares of the Company continues to be listed at Bombay Stock Exchange. The scrip code number of the Equity shares of the Company on BSE is 524506. The Company confirms that it has paid up to date listing fees to Bombay Stock Exchanges.

## **DEMATERIALIZATION:**

The Equity shares of the Company can be held in dematerialized form. The Company has signed the tripartite agreement with National Securities Depository Limited and Central Depository Services (India) Limited and existing Registrar & Transfer Agent for dematerialization of existing holding of the shareholders.

The International Securities Identification Number allotted to the Company is INE683E01017. The equity shares of the Company are listed at Bombay Stock Exchange Limited (BSE).

95.61% of the company's paid up Equity Share Capital is in dematerialized form as on 31<sup>st</sup> March 2018 and balance 4.39% is in physical form. The Company's Registrar and share transfer agents are Link Intime India Private Limited, C-101, 247 Park, L.B. S Marg, Vikhroli (West), Mumbai - 400 083.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR):**

During the financial Year 2017-2018, the Company has not made any contribution to Corporate Social Responsibility as the Company was identifying the right avenue. The Company has as on the date of signing the report initiated the policy of contributing towards Corporate Social Responsibility.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:**

Information required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in the Annexure - A to this report.

## **STATE OF AFFAIRS:**

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

## **INVESTOR EDUCATION AND PROTECTION FUND(IEPF):**

As per the provisions of section 124 & 125 read with rules namely “Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016”, unpaid dividends, if any will be transferred to the Investor Education and Protection Fund of the Central Government pursuant to the provisions of Companies Act after completion of seven years from the date of its transfer to unpaid dividend account. Further Ministry of Corporate Affairs has recently notified new Rules namely “Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016” which have come into force from September 7, 2016. The said Rules, amongst other matters, contain provisions for transfer of all shares in respect of which dividend has not been paid or claimed for seven consecutive years in the name of IEPF Suspense Account. The details of unpaid / unclaimed dividend are available on our website: [www.corallab.com](http://www.corallab.com).

During the Financial Year 2017-2018, the company has transferred to the Investor Education and Protection Fund (IEPF) following amount of unclaimed dividend and corresponding shares thereto as stated below:

| Particulars            | Amount of dividend transferred (in Rs.) | No. of shares transferred |
|------------------------|---|---------------------------|
| For the year 2008-2009 | Rs. 106025                              | 22712 Shares              |
| For the year 2009-2010 | Rs. 106890                              | 1661 Shares               |



## **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION:**

Your Company has taken adequate steps to adhere to all the stipulations laid down in Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance is included as a part of this Annual Report. Certificate from the M/s. Uma Lodha & Co. Practicing Company Secretaries confirming the compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is included as a part of this report.

Your Company has also been enlisted in the new SEBI compliant redressal system (SCORES) enabling the investors to register their complaints if any for speedy redressal.

## **PUBLIC DEPOSIT:**

Your Company has neither accepted nor renewed any deposit within the meaning of Section 73 and other applicable provisions, if any, of the Companies Act, 2013 and the necessary rules made there under during the year ended 31<sup>st</sup> March, 2018.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

The particulars of loans, guarantees and investment have been disclosed in the notes to the financial statements.

## **DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)**

### **(i) Changes in Directors and Key Managerial Personnel (KMP):**

There were changes in Directors or Key Managerial Personnel (KMP) in the financial year 2017-2018 as follows:

- At the Board Meeting dated 26<sup>th</sup> May, 2017, Mr. Navin Doshi (Director), Mr. Kishor Mehta (Whole-Time Director) and Mrs. Meeta Sheth (Chief Financial Officer) tendered their resignation.
- Mr. Girish Dhameja (DIN: 07798455) was appointed as an Additional Director of the Company. Accordingly, the Board appointed him as Whole-Time Director w.e.f. 26<sup>th</sup> May, 2017, subject to approval by the Members of the Company. At the AGM held on 19<sup>th</sup> September, 2017, members approved his appointment.
- Mr. Chetan Doshi (DIN: 00319134) was appointed as an Additional Director of the Company w.e.f. 26<sup>th</sup> May, 2017, subject to approval by the Members of the Company. At the AGM held on 19<sup>th</sup> September, 2017, members approved his appointment.
- Mr. Sanket Mehta (DIN: 05309112) was appointed as an Additional Director and Independent Director of the Company w.e.f. 26<sup>th</sup> May, 2017, subject to approval by the Members of the Company. At the AGM held on 19<sup>th</sup> September, 2017, members approved his appointment.
- Mrs. Sushma C. Chinchane (DIN: 07791735) was appointed as an Additional Director and Chief Financial Officer of the Company w.e.f. 26<sup>th</sup> May, 2017. At the AGM held on 19<sup>th</sup> September, 2017 members approved her appointment.
- Ms. Nirali Mehta has been appointed as Company Secretary and Compliance Officer of the company with effect from 10<sup>th</sup> August, 2017.

## **DECLARATION OF INDEPENDENCE:**

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013.

## **BOARD EVALUATION:**

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of the Companies Act, 2013 and as per Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



The performance of the Board was evaluated by the Board after seeking inputs from all the Directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the individual Directors based on the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc.

In a separate meeting of independent Directors, performance of Non-Independent Directors, performance of the board as a whole and performance of the Chairperson was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed in the board meeting that followed the meeting of the independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

#### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your company has an effective Internal Control and Risk – Mitigation System, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's Internal Control System is commensurate with its size, scale and complexities of its operations. The internal and operational audit is entrusted to M/s. Hardik Shah & Associates, a Chartered Accountants firm. The main thrust of internal audit is to test and review controls, appraisal of risks and business processes, besides benchmarking controls with best practices in the industry.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

The Audit Committee of the Board of Directors, Statutory Auditors and the Business Heads are periodically apprised of the internal audit findings and corrective actions taken. Audit plays a key role in providing assurance to the Board of Directors. Significant audit observation and corrective actions taken by the management are presented to the Audit Committee of the Board. To maintain its objectivity and independence, the internal Audit function reports to the Chairperson of the Audit Committee.

#### **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULARS OF EMPLOYEES:**

The information required under Section 197 of the Companies Act, 2013 read with Companies Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in "Annexure [D]" to this Report.

#### **DIRECTORS RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(3)(c) of the Companies Act, 2013, Directors of your Company hereby state and confirm that

- (a) In the preparation of the Annual Accounts for the year ended 31st March 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (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; and



- (e) The Directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### COMMITTEES:

##### (i) Audit Committee:

The Board has constituted a well-qualified Audit Committee with majority of them are Independent Directors including Chairperson of the committee. They possess sound knowledge on accounts, audit, finance, taxation, internal controls etc. Mr. Rajesh R. Parikh acts as Chairman to the Audit committee.

The Composition of Audit Committee comprises the following:

| Sr.No. | Name of the Director   | Designation in Committee | Nature of Directorship          |
|--------|--|--------------------------|---------------------------------|
| 1.     | Mr. Rajesh R. Parikh   | Chairman                 | Non-Executive (Independent)     |
| 2.     | Mrs. Sheela R. Kamdar  | Member                   | Non-Executive(Independent)      |
| 3.     | Mrs. Sushma Chinchane<br>(w.e.f. 26 <sup>th</sup> May, 2017) | Member                   | Non- Executive –Non-Independent |

##### (i) Nomination and Remuneration Committee:

The Composition of Nomination and Remuneration Committee comprises the following:

| Sr.No. | Name of the Director   | Designation in Committee | Nature of Directorship          |
|--------|--|--------------------------|---------------------------------|
| 1.     | Mr. Rajesh R. Parikh   | Chairman                 | Non-Executive (Independent)     |
| 2.     | Mrs. Sheela R. Kamdar  | Member                   | Non-Executive(Independent)      |
| 3.     | Mrs. Sushma Chinchane<br>(w.e.f. 26 <sup>th</sup> May, 2017) | Member                   | Non- Executive –Non-Independent |

##### (ii) Stakeholders Relationship Committee:

The Composition of Stakeholders Relationship Committee comprises the following:

| Sr.No. | Name of the Director   | Designation in Committee | Nature of Directorship          |
|--------|--|--------------------------|---------------------------------|
| 1.     | Mr. Rajesh R. Parikh   | Chairman                 | Non-Executive (Independent)     |
| 2.     | Mrs. Sushma Chinchane<br>(w.e.f. 26 <sup>th</sup> May, 2017) | Member                   | Non- Executive –Non-Independent |

##### (iii) Corporate Social Responsibility Committee:

The Composition of Corporate Social Responsibility Committee comprises the following:

| Sr.No. | Name of the Director   | Designation in Committee | Nature of Directorship          |
|--------|--|--------------------------|---------------------------------|
| 1.     | Mr. Rajesh R. Parikh   | Chairman                 | Non-Executive (Independent)     |
| 2.     | Mrs. Sheela R. Kamdar  | Member                   | Non-Executive(Independent)      |
| 3.     | Mrs. Sushma Chinchane<br>(w.e.f. 26 <sup>th</sup> May, 2017) | Member                   | Non- Executive –Non-Independent |



## AUDITORS AND AUDITORS' REPORT:

### STATUTORY AUDITORS:

M/s. SPVM & CO., Chartered Accountants, (FRN: 136751W), the Statutory Auditors of the Company hold the office up to the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment for the financial year 2018-2019. Your Company has received written consent and a certificate stating that they satisfy the criteria provided under Section 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and that the appointment, if made, shall be in accordance with the applicable provisions of the Companies Act, 2013 and rules issued there under.

As required under Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee and the Board of Directors recommend the appointment of M/s. SPVM & CO., Chartered Accountants, (FRN: 136751W) as Auditors of your Company for the financial year 2018- 19 from the conclusion of this Annual General Meeting (AGM) till the conclusion of the upcoming Annual General Meeting of the Company (subject to ratification of their appointment at every AGM).

The Auditors' Report for the financial year 2017-18, does not contain any qualification, reservation or adverse remark.

### SECRETARIAL AUDITOR /SECRETARIAL AUDIT REPORT:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed M/S Uma Lodha & Co., Practicing Company Secretary to conduct the Secretarial Audit of your Company. The Secretarial Audit Report is annexed herewith as "Annexure - [C]" to this Report.

Certain reservations and observations made in the secretarial audit report with regard to following:

- ***Non- engagement of graduate/ technician apprentices as prescribed under The Apprentices (Amendment) Act, 1973, 1986 & 2014.***
- ***Non-compliance regarding publication under Regulation 47 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.***

However, the Company would ensure in future that all the provisions are complied with to the fullest extent and the website of the Company is updated regularly.

### COST AUDIT:

The Board of Director of Your Company has re-appointed M/s. Ketki D. Visariya & Co. Cost Accountants, to conduct audit of your Company's cost records for the Financial Year 2018-2019 at a remuneration of Rs. 60,000/- (Rupees Sixty Thousand only). As required under the provisions of Companies Act, 2013, the remuneration of Cost Auditor as approved by the Board of Directors is subject to ratification by the shareholders at the ensuing Annual General Meeting.

The Cost Audit Report will be filed within the prescribed period of 180 days from the close of the Financial Year.

### WEB ADDRESS OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Companies Act, 2013 and the Extract of Annual Return (Form No. MGT-9) as on the financial year ended on 31st March, 2018 has been uploaded on the website of the Company and weblink of the same is [www.corallab.com](http://www.corallab.com).

### NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND AUDIT COMMITTEES:

Your Board of Directors has duly met 4(Four) times during the financial year i.e. on 26<sup>th</sup> May 2017, 10<sup>th</sup> August 2017, 06<sup>th</sup> November, 2017 and 25<sup>th</sup> January 2018 respectively in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.





The Audit Committee has duly met 4 (Four) times during the financial year i.e. 26<sup>th</sup> May 2017, 10<sup>th</sup> August 2017, 06<sup>th</sup> November 2017 and 25<sup>th</sup> January 2018 respectively in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minute Book maintained for the purpose.

#### **VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

In pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism for Directors and employees to report genuine concerns has been established.

The purpose of the "Whistle Blower Policy" is to allow employees to raise concerns about unacceptable, improper or unethical practices being followed in the organization. They will be protected against any adverse action and/or discrimination as a result of such a reporting, provided it is justified and made in good faith. The Chairman of the Audit Committee has been designated for receiving and recording any complaints under this policy.

The Vigil Mechanism Policy has been uploaded on the website of the Company at <http://www.corallab.com/pdf/Whistle-Blower-Policy.pdf>

#### **RELATED PARTY TRANSACTIONS:**

All related party transactions that were entered into during the financial year were in the ordinary course of the business. There are no materially significant related party transactions made by the company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict with interest of the company at large.

Transactions with related parties entered by the Company in the normal course of business are periodically placed before the Audit Committee for its omnibus approval and the particulars of contracts entered during the year as per Form AOC-2 is enclosed as Annexure-E. The Board of Directors of the Company has, on the recommendation of the Audit Committee, adopted a policy to regulate transactions between the Company and its Related Parties, in compliance with the applicable provisions of the Companies Act 2013, the Rules there under and the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015. This Policy was considered and approved by the Board has been uploaded on the website of the Company at <http://www.corallab.com/pdf/Related-Party-Transaction-Policy.pdf>

#### **CODE OF CONDUCT:**

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees during day to day business operations of the company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behavior of any form and the Board has laid down the directives to counter such acts. The code laid down by the Board is known as "code of business conduct" which forms an Appendix to the Code. The Code has been posted on the Company's website <http://www.corallab.com/pdf/Code-of-Conduct-Coral-Lab.pdf>

The Code lays down the standard procedure of business conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders. The Code gives guidance through examples on the expected behavior from an employee in a given situation and the reporting structure.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code. All Management Staff were given appropriate training in this regard.

#### **RISK MANAGEMENT:**

Pursuant to section 134 (3) (n) of the Companies Act, 2013 & Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is not required to constitute a business risk management committee. Hence it is not applicable to the Company for the year under review.

At present the company has not identified any element of risk which may threaten the existence of the company.



#### **PREVENTION OF INSIDER TRADING:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Board Directors and the designated employees have confirmed compliance with the Code.

#### **SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS:**

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

#### **General**

- a) Your Company has not issued Equity Shares with differential rights as to dividend, voting or otherwise; and
- b) Your Company does not have any ESOP scheme for its employees/Directors.

#### **DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy against sexual harassment in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

During the financial year 2017-18, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31<sup>st</sup> March, 2018.

#### **ACKNOWLEDGMENT:**

We take this opportunity to express our deep sense of gratitude to Securities and Exchange Board of India, Bombay Stock Exchange Limited, Registrar of Companies, National Securities Depository Limited, Central Depository Services (India) Limited, M/s. Link Intime India Private Limited, Bankers, Shareholders and other Government Agencies for their continued support.

By Order of the Board  
**For Coral Laboratories Limited**

Sd/-  
**Chetan Doshi**  
Chairman & Director  
(DIN: 00319134)

Sd/-  
**Girish Dhameja**  
Whole-Time Director  
(DIN: 07798455)

Sd/-  
**Sushma Chinchane**  
CFO & Director  
(DIN: 07791735)

Place : Mumbai  
Date : 8<sup>th</sup> August, 2018



# ANNEXURE-A

Information required under section 134(3)(m) of the Companies Act, 2013  
read with Rule 8 of the Companies (Accounts) Rules, 2014

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

| <b>A</b>  | <b>Power &amp; Fuel Consumption</b>             | <b>2017-18</b> | <b>2016-17</b>  |
|-----------|---|----------------|-----------------|
| <b>1</b>  | <b>Electricity</b>                              |                |                 |
|           | Purchase Unit in Lacs                           | 22.01          | 22.95           |
|           | Total Amount (Rs. in Lacs)                      | 128.91         | 125.56          |
|           | Rate per Unit                                   | 5.86           | 5.47            |
| <b>2</b>  | <b>Furnace Oil</b>                              |                |                 |
|           | Quantity (Ltrs.) in Lacs                        | 0.44           | 0.41            |
|           | Total Amount (Rs. in Lacs)                      | 26.10          | 23.04           |
|           | Average Rate per Ltr.(Rs. in Lacs)              | 58.93          | 55.65           |
| <b>3</b>  | <b>Gas</b>                                      |                |                 |
|           | Quantity (Kgs) in Lacs                          | 0.51           | 0.64            |
|           | Total Amount (Rs. in Lacs)                      | 28.51          | 34.53           |
|           | Average Rate per Kg. (Rs. in Lacs)              | 56.10          | 53.72           |
| <b>B.</b> | <b>Expenditure on R &amp; D</b>                 | <b>Nil</b>     | <b>Nil</b>      |
| <b>C.</b> | <b>1) Foreign Exchange Earning (Rs.in Lacs)</b> | <b>5796.48</b> | <b>5,402.09</b> |
|           | <b>2) Foreign Exchange Used (Rs. In Lacs)</b>   | <b>578.22</b>  | <b>424.40</b>   |



## Annexure [B] to Board's Report

### Extract of Annual Return as on 31st March, 2018

#### Form No. MGT-9

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

|    |   |   |   |
|----|---|---|---|
| 1. | Corporate Identity Number (CIN)   | : | L24231GJ1997PLC031669   |
| 2. | Registration Date   | : | 06/02/1997  |
| 3. | Name of the Company   | : | Coral Laboratories Limited  |
| 4. | Category/Sub-Category of the Company                                      | : | Company Limited by Shares<br>Indian Non- Government Company   |
| 5. | Address of the Registered Office and contact details                      | : | SF- 206, Silver Oak Complex,<br>B.P.C Road Vadodara, GJ 390020.<br>Contact : 022-25005245 / 46                                    |
| 6. | Whether listed Company (Yes/No)   | : | YES   |
| 7. | Name, Address and Contact details of Registrar and Transfer Agent, if any | : | Link Intime India Private Limited<br>C-101, 247 Park, L.B. S Marg,<br>Vikhroli (West), Mumbai - 400 083<br>Contact : 022-25946970 |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

| Sr. No. | Name and Description of main products/services | NIC Code of the product /service | % to the total turnover of the Company |
|---------|--|----------------------------------|--|
| 1.      | Formulation of Medicine                        | 21                               | 100%                                   |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

| Sr. No. | Name and Address of the Company | CIN/GIN | Holding/ Subsidiary of the Company | % of Shares held | Applicable Section |
|---------|---------------------------------|---------|------------------------------------|------------------|--------------------|
| 1       | NIL                             | NIL     | NIL                                | NIL              | NIL                |



#### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

##### i. Category-wise Share Holding

| Category of Shareholders                                     | No. of Shares held at the beginning of the year (As on 1st April 2017) |                |                |                   | No. of Shares held at the end of the year (As on 31st March 2018) |                |                |                   | % Change during the year |
|--|--|----------------|----------------|-------------------|---|----------------|----------------|-------------------|--------------------------|
|  | Demat  | Physical       | Total          | % of Total Shares | Demat   | Physical       | Total          | % of Total Shares |                          |
| <b>A. Promoters</b>  |  |                |                |                   |   |                |                |                   |                          |
| (1) <b>Indian</b>  |  |                |                |                   |   |                |                |                   |                          |
| a) Individual/HUF  | 1841453  | 0              | 1841453        | 51.54             | 1841453   | 0              | 1841453        | 51.54             | 0                        |
| b) Central Govt.   | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| c) State Govt.(s)  | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| d) Bodies Corporate  | 713351   | 0              | 713351         | 19.97             | 713351  | 0              | 713351         | 19.97             | 0                        |
| e) Banks/FI  | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| f) Any Other.  | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| <b>Sub-Total (A) (1):-</b>                                   | <b>2554804</b>   | <b>0</b>       | <b>2554804</b> | <b>71.51</b>      | <b>2554804</b>  | <b>0</b>       | <b>2554804</b> | <b>71.51</b>      | <b>0</b>                 |
| (2) <b>Foreign</b>   |  |                |                |                   |   |                |                |                   |                          |
| a) NRIs- Individuals   | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| b) Other-Individuals   | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| c) Bodies Corp.  | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| d) Banks/FI  | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| e) Any Other   | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| <b>Sub-total (A)(2) :-</b>                                   | <b>0</b>   | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>  | <b>0</b>       | <b>0</b>       | <b>0</b>          | <b>0</b>                 |
| <b>Total Shareholding of Promoter (A) = (A) (1) + (A)(2)</b> |  | <b>2554804</b> | <b>0</b>       | <b>2554804</b>    | <b>71.51</b>  | <b>2554804</b> | <b>0</b>       | <b>2554804</b>    | <b>71.510</b>            |
| <b>B. Public Shareholding</b>                                |  |                |                |                   |   |                |                |                   |                          |
| 1. Institutions  |  |                |                |                   |   |                |                |                   |                          |
| a) Mutual Funds  | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| b) Bank/FI   | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| c) Central Govt.   | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| d) State Govt(s)   | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| e) Venture Capital Funds                                     | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| f) Insurance Companies                                       | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| g) FIs   | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| h) Foreign Venture Capital Funds                             | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| i) Foreign portfolio investment                              | 10000  | 0              | 10000          | 0.28              | 71662   | 0              | 71662          | 2.01              | 1.73                     |
| j) Others (specify)  | 0  | 0              | 0              | 0                 | 0   | 0              | 0              | 0                 | 0                        |
| <b>Sub-Total (B)(1):-</b>                                    | <b>10000</b>   | <b>0</b>       | <b>10000</b>   | <b>0.28</b>       | <b>71662</b>  | <b>0</b>       | <b>71662</b>   | <b>2.01</b>       | <b>1.73</b>              |



| Category of Shareholders   | No. of Shares held at the beginning of the year (As on 1st April 2017) |               |                |                   | No. of Shares held at the end of the year (As on 31st March 2018) |               |                |                   | % Change during the year |
|--|--|---------------|----------------|-------------------|---|---------------|----------------|-------------------|--------------------------|
|  | Demat  | Physical      | Total          | % of Total Shares | Demat   | Physical      | Total          | % of Total Shares |                          |
| <b>2. Non-Institutions</b>   |  |               |                |                   |   |               |                |                   |                          |
| a) Bodies Corp.  |  |               |                |                   |   |               |                |                   |                          |
| i) Indian  | 83517  | 500           | 84017          | 2.35              | 82263   | 500           | 82763          | 2.32              | (0.03)                   |
| ii) Overseas   |  |               |                |                   |   |               |                |                   |                          |
| b) Individuals   |  |               |                |                   |   |               |                |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs.1 lakh.         | 577851   | 142907        | 720758         | 20.17             | 527174  | 115052        | 642226         | 17.97             | 2.20                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh | 90908  | 0             | 90908          | 2.55              | 79850   | 0             | 79850          | 2.24              | 0.31                     |
| c) Others  |  |               |                |                   |   |               |                |                   |                          |
| Non – Resident Indians   | 26258  | 12070         | 38328          | 1.07              | 26558   | 10200         | 36758          | 1.03              | (0.04)                   |
| Non- Resident Indians (Non Repatriable)  | 6964   | 0             | 6964           | 0.19              | 5744  | 0             | 5744           | 0.16              | (0.03)                   |
| Hindu Undivided Family   | 29350  | 0             | 29350          | 0.82              | 25733   | 0             | 25733          | 0.72              | (0.10)                   |
| Clearing Member/ Market Maker  | 6371   | 0             | 6371           | 0.18              | 17638   | 0             | 17638          | 0.49              | 0.31                     |
| Foreign Companies  | 0  | 31100         | 31100          | 0.87              | 0   | 31100         | 31100          | 0.87              | 0                        |
| IEPF   | 0  | 0             | 0              | 0                 | 24322   | 0             | 24322          | 0.68              | 0.68                     |
| <b>Sub-Total (B)(2)</b>  | <b>821219</b>  | <b>186577</b> | <b>1007796</b> | <b>28.21</b>      | <b>789282</b>   | <b>156852</b> | <b>946134</b>  | <b>26.48</b>      | <b>(1.73)</b>            |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                               | <b>831219</b>  | <b>186577</b> | <b>1017796</b> | <b>28.49</b>      | <b>860944</b>   | <b>156852</b> | <b>1017796</b> | <b>28.49</b>      | <b>0</b>                 |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           |  | <b>0</b>      | <b>0</b>       | <b>0</b>          | <b>0</b>  | <b>0</b>      | <b>0</b>       | <b>0</b>          | <b>0</b>                 |
| <b>Grand Total (A+B+C)</b>   | <b>3386023</b>   | <b>186577</b> | <b>3572600</b> | <b>100</b>        | <b>3415748</b>  | <b>156852</b> | <b>3572600</b> | <b>100</b>        | <b>0</b>                 |





iii). Shareholding of Promoters:

| Sr. No. | Shareholder's Name                    | Shareholding at the beginning of the year i.e. 01.04.2017 |                                  |   | Shareholding at the end of the year i.e. 31.03.2018 |                                  |  | % change in share holding during the year |
|---------|---------------------------------------|---|----------------------------------|---|---|----------------------------------|--|---|
|         |                                       | No. of shares   | % of total shares of the Company | % of Shares pledged/ encumbered to total shares | No. of shares                                       | % of total shares of the Company | % of shares Pledged / encumbered to total shares |   |
| 1.      | Kundan Navinchandra Doshi             | 529073  | 14.81                            | 0   | 529073  | 14.81                            | 100  | 0   |
| 2.      | Navin Bachubhai Doshi                 | 284001  | 7.95                             | 0   | 284001  | 7.95                             | 100  | 0   |
| 3.      | Coral India Finance & Housing Limited | 713351  | 19.97                            | 0   | 713351  | 19.97                            | 0  | 0   |
| 4.      | Chetan Navinchandra Doshi             | 440453  | 12.33                            | 0   | 1028379   | 28.79                            | 0  | 16.46                                     |
| 5.      | Sachin Navinchandra Doshi             | 587926  | 16.46                            | 0   | 0   | 0                                | 0  | (16.46)                                   |
|         | <b>TOTAL</b>                          | <b>2554804</b>  | <b>71.51</b>                     | <b>0</b>  | <b>2554804</b>                                      | <b>71.51</b>                     | <b>22.76</b>                                     | <b>0</b>                                  |

iii). Change in Promoters' Shareholding:

| Sr. No. | Name of the Shareholder  | Shareholding at the beginning of the year |   | Cumulative Shareholding at the end of the year |   |
|---------|--|---|---|--|---|
|         |  | No. of Shares                             | % of total shares of the company  | No. of Shares                                  | % of total shares of the company                      |
| 1       | <b>Sachin Navinchandra Doshi</b>   |   |   |  |   |
|         | <b>At the beginning of the year</b>  | <b>587926</b>                             | <b>16.46</b>  | <b>-</b>                                       | <b>-</b>  |
|         | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc. | <b>Date</b>                               | <b>Increase / (Decrease) in Shareholding</b>  | <b>Reason</b>                                  | <b>Cumulative Shareholding at the end of the year</b> |
|         |  | 24.08.2017                                | <b>Decrease in Shareholding:</b><br>Transfer of <b>587926</b> fully paid up Equity shares to Mr. Chetan Doshi | Inter se transfer                              | 0      0  |
|         | <b>At the end of the year</b>  | <b>-</b>                                  | <b>-</b>  | <b>NIL</b>                                     | <b>NIL</b>  |



iii). Change in Promoters' Shareholding:

| Sr. No.                | Name of the Shareholder  | Shareholding at the beginning of the year |   | Cumulative Shareholding at the end of the year |  |       |
|------------------------|--|---|---|--|--|-------|
|                        |  | No. of Shares                             | % of total shares of the company  | No. of Shares                                  | % of total shares of the company               |       |
| 1                      | Chetan Navinchandra Doshi  |   |   |  |  |       |
|                        | At the beginning of the year   | 440453                                    | 12.33   | -  | -  |       |
|                        | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc. | Date                                      | Increase / (Decrease) in Shareholding   | Reason   | Cumulative Shareholding at the end of the year |       |
|                        |  | 24.08.2017                                | Decrease in Shareholding: Transfer of <b>587926</b> fully paid up Equity shares to Mr. Chetan Doshi | Inter se transfer                              | 1028379  | 28.79 |
| At the end of the year |  | -   | -   | -  | 1028379  | 28.79 |

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

| Sr. No. | For Each of the Top 10   | Shareholding at the beginning of the year |                                  | Cumulative Shareholding at the end of the year |                                  |
|---------|--|---|----------------------------------|--|----------------------------------|
|         |  | No. of shares                             | % of total shares of the Company | No. of shares                                  | % of total shares of the Company |
| 1       | Meeta Samir Sheth  | 64590                                     | 1.81                             | 64590  | 1.81                             |
| 2.      | LTS Investment Fund Ltd  | 0   | 0                                | 58462  | 1.64                             |
| 3       | Noetic Finance Private Limited   | 44422                                     | 1.24                             | 44422  | 1.24                             |
| 4       | Sukaran Investments Ltd.   | 31100                                     | 0.87                             | 31100  | 0.87                             |
| 5       | Investor Education and Protection Fund Authority Ministry of Corporate Affairs | 0   | 0                                | 24322  | 0.68                             |
| 6       | Sunil Gangwal  | 0   | 0                                | 17449  | 0.49                             |
| 7       | Ela Anil Sheth   | 12950                                     | 0.36                             | 12950  | 0.36                             |
| 8       | Samra Jan  | 11506                                     | 0.32                             | 11000  | 0.31                             |
| 9       | Fidelity Northstar Fund  | 10000                                     | 0.28                             | 10000  | 0.28                             |
| 10      | Rambabu Veldi  | 10552                                     | 0.30                             | 9181   | 0.26                             |



v) **Shareholding of Directors and Key Managerial Personnel:**

| Sr. No.   | For Each of the Directors and KMP  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding at the end of the year |                                  |
|-----------|--|---|----------------------------------|--|----------------------------------|
|           |  | No. of shares                             | % of total shares of the Company | No. of shares                                  | % of total shares of the Company |
| <b>1.</b> | <b>Mr. Navin B.Doshi*</b>  |   |                                  |  |                                  |
|           | At the beginning of the year   | 284001                                    | 7.95                             | 284001   | 7.95                             |
|           | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase /decrease (e.g.allotment/transfer/bonus/sweat equity etc.   | -   | -                                | -  | -                                |
|           | At the End of the year   |   |                                  | 284001   | 7.95                             |
| <b>2.</b> | <b>Mr. Kishor Mehta*</b>   |   |                                  |  |                                  |
|           | At the beginning of the year   | 500                                       | 0.01                             | 500  | 0.01                             |
|           | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase /decrease (e.g.allotment/transfer/bonus/sweat equity etc.   | -   | -                                | -  | -                                |
|           | At the End of the year   |   |                                  | 500  | 0.01                             |
| <b>3.</b> | <b>Mrs. Meeta Seth*</b>  |   |                                  |  |                                  |
|           | At the beginning of the year   | 64590                                     | 1.81                             | 64590  | 1.81                             |
|           | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase /decrease (e.g.allotment/transfer/bonus/sweat equity etc.   | -   | -                                | -  | -                                |
|           | At the End of the year   |   |                                  | 64590  | 1.81                             |
| <b>4.</b> | <b>Mr. Chetan Doshi</b>  |   |                                  |  |                                  |
|           | At the beginning of the year   | 440453                                    | 12.33                            |  |                                  |
|           | • Increase (24.08.2017)  | 587926                                    | 16.46                            | 1028379  | 28.79                            |
|           | At the End of the year   | -   | -                                | 1028379  | 28.79                            |
| <b>5.</b> | <b>Mr. Girish M Dhameja</b>  |   |                                  |  |                                  |
|           | At the beginning of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
|           | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc. | -   | -                                | -  | -                                |
|           | At the End of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
| <b>6.</b> | <b>Mr. Rajesh R. Parikh</b>  |   |                                  |  |                                  |
|           | At the beginning of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
|           | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc. | -   | -                                | -  | -                                |
|           | At the End of the year   | NIL                                       | NIL                              | NIL  | NIL                              |



**v) Shareholding of Directors and Key Managerial Personnel: (Cont.)**

| Sr. No.    | For Each of the Directors and KMP  | Shareholding at the beginning of the year |                                  | Cumulative Shareholding at the end of the year |                                  |
|------------|--|---|----------------------------------|--|----------------------------------|
|            |  | No. of shares                             | % of total shares of the Company | No. of shares                                  | % of total shares of the Company |
| <b>7.</b>  | <b>Mrs. Sheela R. Kamdar</b>   |   |                                  |  |                                  |
|            | At the beginning of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
|            | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc. | -   | -                                | -  | -                                |
|            | At the End of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
| <b>8.</b>  | <b>Mr. Sanket S Mehta</b>  |   |                                  |  |                                  |
|            | At the beginning of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
|            | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc. | -   | -                                | -  | -                                |
|            | At the End of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
| <b>9.</b>  | <b>Mrs. Sushma Chinchane</b>   |   |                                  |  |                                  |
|            | At the beginning of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
|            | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc. | -   | -                                | -  | -                                |
|            | At the End of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
| <b>10.</b> | <b>Ms. Nirali Mehta</b>  |   |                                  |  |                                  |
|            | At the beginning of the year   | NIL                                       | NIL                              | NIL  | NIL                              |
|            | Date wise Increase / Decrease in Shareholding during the year specifying the reason for increase / decrease (e.g. allotment/transfer/bonus/sweat equity etc. | -   | -                                | -  | -                                |
|            | At the End of the year   | NIL                                       | NIL                              | NIL  | NIL                              |

**\*At the Board Meeting dated 26<sup>th</sup> May, 2017 Mr. Navin Doshi (Director), Mr. Kishor Mehta (Whole-Time Director) and Mrs. Meeta Sheth (Chief Financial Officer) tendered their resignation.**

**V. INDEBTEDNESS:** The Company has no indebtedness with respect to secured and unsecured loans or deposits during the financial year 2017-18.



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

### A. Remuneration to Managing Director, Whole-Time Directors and/or Manager

| Sr. No. | Particulars of Remuneration  | Name of MD/WT/Manager                       |  | Total Amount     |
|---------|--|---|--|------------------|
|         |  | Mr. Kishor R. Mehta<br>(Upto 26th May 2017) | Mr. Girish M. Dhameja<br>(w.e.f.26th May 2017) |                  |
|         |  | <b>Whole-Time Director</b>                  | <b>Whole-Time Director</b>                     |                  |
| 1.      | Gross Salary<br>(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | 1,09,513                                    | 18,19,716                                      | 19,29,229        |
|         | (b). Value of perquisites u/s17(2) Income-tax Act, 1961  | 4,606                                       | 60,000   | 64,606           |
|         | (c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961                              | Nil   | Nil  | Nil              |
| 2.      | Stock Option   | Nil   | Nil  | Nil              |
| 3.      | Sweat Equity   | Nil   | Nil  | Nil              |
| 4.      | Commission   | Nil   | Nil  | Nil              |
|         | - As % of Profit   | Nil   | Nil  | Nil              |
|         | - Others specify   | Nil   | Nil  | Nil              |
| 5.      | Others, please specify (PF)  | 3600  | 21600  | 25200            |
|         | Ceiling as per the Act   | 84,00,000                                   | 84,00,000                                      | -                |
|         | <b>Total</b>   | <b>1,17,720</b>                             | <b>19,01,316</b>                               | <b>20,19,036</b> |

### B. Remuneration of other Directors:

#### I Independent Directors:

| Particulars of Remuneration                 | Name of Directors           |                              |                           | Total Amount    |
|---|-----------------------------|------------------------------|---------------------------|-----------------|
|   | <b>Mr. Rajesh R. Parekh</b> | <b>Mrs. Sheela R. Kamdar</b> | <b>Mr. Sanket S Mehta</b> |                 |
| Fees for attending Board Committee meetings | 49,000                      | 41,000                       | 20000                     | 1,10,000        |
| Commission                                  | Nil                         | Nil                          | Nil                       | Nil             |
| Others                                      | Nil                         | Nil                          | Nil                       | Nil             |
| <b>Total (1)</b>                            | <b>49,000</b>               | <b>41,000</b>                | <b>20000</b>              | <b>1,10,000</b> |



II. Other Non-Executive Directors:

| Other Non-Executive Directors               | Navin Doshi<br>(Director)<br>Upto 26.05.2017 | Mr. Chetan Doshi<br>(Director) | Mrs. Sushma Chinchane<br>(Director) |
|---|--|--------------------------------|-------------------------------------|
| Fees for attending Board Committee meetings | Nil  | Nil                            | Nil                                 |
| Commission                                  | Nil  | Nil                            | Nil                                 |
| Others (Remuneration)                       | 5,51,613                                     | Nil                            | Nil                                 |
| <b>Total (2)</b>                            | 5,51,613                                     | Nil                            | Nil                                 |
| <b>Total B = (1+2)</b>                      | <b>5,51,613</b>                              | <b>Nil</b>                     | <b>Nil</b>                          |
| Ceiling as per the Act                      | -  |                                |                                     |

C. Remuneration to Key Managerial Personnel other than MD/Manager/ WTD:

| Sr. No. | Particulars of Remuneration  | KEY MANAGERIAL PERSONNEL |   |  |   | Total            |
|---------|--|--------------------------|---|--|---|------------------|
|         |  | CEO                      | CFO<br>(Mrs. Meeta Seth)<br>Upto 26.05.2017 | Company Secretary<br>(Ms Nirali Mehta) | CFO<br>(Mrs. Sushma Chinchane)<br>w.e.f. 26.05.2017 |                  |
| 1.      | Gross Salary   |                          |   |  |   |                  |
|         | (a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 | Nil                      | 1,39,250                                    | 2,44,026                               | 10,82,201   | 14,65,477        |
|         | (b). Value of perquisites u/s17(2) Income-tax Act, 1961                              | Nil                      | Nil   | NIL                                    | 53,250  | 53,250           |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961               | Nil                      | Nil   | NIL                                    | NIL   | NIL              |
| 2.      | Stock Option   | Nil                      | Nil   | NIL                                    | NIL   | NIL              |
| 3.      | Sweat Equity   | Nil                      | Nil   | NIL                                    | NIL   | NIL              |
| 4.      | Commission   |                          |   |  |   |                  |
|         | - As % of Profit   |                          |   |  |   |                  |
|         | - Others specify   | Nil                      | Nil   | NIL                                    | NIL   | NIL              |
| 5.      | Others, please specify (PF)  | Nil                      | 3600  | 8052                                   | 21600   | 33252            |
|         | <b>Total</b>   | <b>Nil</b>               | <b>1,41,050</b>                             | <b>2,52,078</b>                        | <b>11,57,051</b>                                    | <b>15,51,979</b> |





#### VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

| Type                         | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/ Compounding fees imposed | Authority (RD/NCLT/ Court) | Appeal made if any (give details) |
|------------------------------|------------------------------|-------------------|--|----------------------------|-----------------------------------|
| A. COMPANY                   |                              |                   |  |                            |                                   |
| Penalty                      | NOT APPLICABLE               |                   |  |                            |                                   |
| Punishment                   |                              |                   |  |                            |                                   |
| Compounding                  |                              |                   |  |                            |                                   |
| B. DIRECTORS                 |                              |                   |  |                            |                                   |
| Penalty                      | NOT APPLICABLE               |                   |  |                            |                                   |
| Punishment                   |                              |                   |  |                            |                                   |
| Compounding                  |                              |                   |  |                            |                                   |
| C. OTHER OFFICERS IN DEFAULT |                              |                   |  |                            |                                   |
| Penalty                      | NOT APPLICABLE               |                   |  |                            |                                   |
| Punishment                   |                              |                   |  |                            |                                   |
| Compounding                  |                              |                   |  |                            |                                   |

By Order of the Board  
For **Coral Laboratories Limited**

Sd/-  
**Chetan Doshi**  
Chairman/Director  
(DIN: 00319134)

Place : Mumbai  
Date : 8<sup>th</sup> August, 2018



---

ANNEXURE C

**Form MR-3  
SECRETARIAL AUDIT REPORT**

**[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2018**

To  
The Members of  
**Coral Laboratories Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provision and the adherence to good corporate practices by M/s. Coral Laboratories Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the M/s. Coral Laboratories Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minutes' books, forms and returns filed and other records maintained by M/s. Coral Laboratories Limited for the financial year ended 31<sup>st</sup> March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (regulation) Act, 1956 (SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations any Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999); Not applicable to the Company for the year under review;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not applicable to the Company for the year under review;



- (f) The Securities and Exchange Board of India (Registrars to issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares), Regulations, 2009; not applicable to the Company for the year under review;
- (h) The Securities and Exchange Board of India (buyback of Securities) Regulations, 1998; not applicable to the Company for the year under review.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines etc. mentioned above, to the extent applicable:

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

Based on the compliance mechanism established by the Company and on the basis of the representation letter issued by the Company and taken on records by the Board of Directors at their meeting(s), we are of the opinion that the management has:

Adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and Complied with the following laws applicable to the Company:

- (a) Drugs Act, 1940;
- (b) Food Safety and Standards Act, 2006
- (c) The Trade Marks Act, 1999
- (d) Water (Prevention and Control of Pollution) Act, 1974;
- (e) Air (Prevention and Control of Pollution) Act, 1981;
- (f) Environment Protection Act, 1986;
- (g) Industrial Disputes Act, 1947;
- (h) Payment of Wages Act, 1936;
- (i) The Minimum Wages Act, 1948;
- (j) Employees' State Insurance Act, 1948;
- (k) The Employees Provident Fund and Miscellaneous Provisions Act, 1952;
- (l) The Payment of Bonus Act, 1965;
- (m) The Payment of Gratuity Act, 1972;
- (n) The Child Labour (Prohibition and Regulation) Act, 1986;
- (o) The Contract Labour (Regulation and Abolition) Act, 1970;
- (p) The Sexual Harassment of Women at workplace (Prevention, Prohibition, and Redressal) Act, 2013.
- (q) The Apprentices (Amendment) Act, 1973, 1986 and 2014.
- (r) Acts as prescribed under Shop and Establishment Act of various local authorities.

Based on information received and records maintained, we further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- ***Default in engagement of Graduate/ Technician/ Technician (Voc.) apprentices under The Apprentices (Amendment) Act, 1973, 1986 and 2014.***
- ***Non-compliance regarding publication under Regulation 47 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.***

We further report that during the audit period there were no major events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **Uma Lodha & Co.**  
Practicing Company Secretaries

Sd/-  
Uma Lodha  
Proprietor  
FCS No.: 5363  
C.P. No.2593

Place : Mumbai  
Date : 8<sup>th</sup> August, 2018

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE C(I)' and forms an integral part of this report.



---

## ANNEXURE C(I)

To,  
The Members,  
**Coral Laboratories Limited**

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **Uma Lodha & Co.**  
Practicing Company Secretaries

Sd/-  
Uma Lodha  
Proprietor  
FCS No.: 5363  
C.P. No.2593

Place : Mumbai  
Date : 8<sup>th</sup> August, 2018



**Annexure [D] to Board's Report**  
**Information required under Section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

**a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:**

| Executive Directors  | Total Remuneration (Rs.) | Ratio to median remuneration |
|----------------------|--------------------------|------------------------------|
| Mr. Girish M Dhameja | 19,01,316                | 12.67%                       |
| Mr. Kishor Mehta     | 1,17,720                 | 0.78%                        |

**Notes:**

1. The aforesaid details are calculated on the basis of remuneration for the financial year 2017-18
2. Median remuneration of the Company for all its employee is Rs.1,50,074/- for the financial year 2017-18
3. Median remuneration of the Company for all its employee is Rs.46,346/- for the financial year 2016-17

**b. The percentage increase in remuneration of each Director, Chief financial officer, company secretary in the financial year:**

| Directors, Chief Executive Officer, Chief Financial Officer | % increase in remuneration in the financial year |
|---|--|
| Mr. Girish M Dhameja (Whole-Time Director)                  | 10.59%   |
| Mrs. Sushma Chinchane (CFO)                                 | 9.25%  |
| Ms. Nirali Mehta (Company Secretary)                        | NIL  |
| Mr. Navin Doshi (Director)                                  | NIL  |
| Mrs. Meeta Sheth (CFO upto 26.05.2017)                      | NIL  |

**c. The percentage increase in the median remuneration of all employees in the financial year 2017-2018:**

|  | 2017-18 (Rs.) | 2016-17 (Rs.) | Change (%) (Increase) |
|--|---------------|---------------|-----------------------|
| Median remuneration of all employees per annum | 1,50,074      | 46,346        | 69.12%                |

**d. The number of permanent employees on the rolls of Company as on 31st March, 2018:**

|                         |            |
|-------------------------|------------|
| Executive/Manager cadre | 2          |
| Staff                   | 156        |
| Operators/Workmen       | —          |
| <b>Total</b>            | <b>158</b> |

**e. Average percentile increased already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average annual increase was around Rs 2572.65/- . However, during the course of the year the total increase is approximately a Rs.4,06,479/- after accounting for promotions and other event-based compensation revisions.

Increase in the managerial remuneration for the year was around 19.60%.

**f. Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company.



## Annexure [E] to Board's Report

### FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

#### 1. Details of contracts or arrangements or transactions not at Arm's length basis:

| Sr. No. | Particulars   | Details |
|---------|---|---------|
| a)      | Name (s) of the related party & nature of relationship  | NIL     |
| b)      | Nature of contracts/arrangements/transaction  |         |
| c)      | Duration of the contracts/arrangements /transaction   |         |
| d)      | Salient terms of the contracts or arrangements or transaction including the value, if any                           |         |
| e)      | Justification for entering into such contracts or arrangements or transactions                                      |         |
| f)      | Date of approval by the Board   |         |
| g)      | Amount paid as advances, if any   |         |
| h)      | Date on which the special resolution was passed in General meeting as required under first proviso to section n 188 |         |

#### 2. Details of material contracts or arrangements or transactions at Arm's length basis:

| Sr. No. | Particulars  | Details |
|---------|--|---------|
| a)      | Name (s) of the related party  | NIL     |
| b)      | Nature of Relation ship  |         |
| c)      | Nature of contracts /arrangements /transaction                                 |         |
| d)      | Duration of the contracts/arrangements / transaction                           |         |
| e)      | Salient terms of the contracts or arrangements or transaction                  |         |
| f)      | Justification for entering into such contracts or arrangements or transactions |         |
| g)      | Date of approval by the Board  |         |
| h)      | Amount incurred during the year (Rs. In lakhs)                                 |         |





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

**a. Performance:**

The Company's export has increased to Rs. 5796.48 lacs from the previous year's Rs. 5402.09 Lacs

**b. Opportunities:**

The Company is in the process of looking forward to enhance its exports in order to increase the valuation of the company as a whole

**c. 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.

**d. Outlook:**

Given the strain on the economic scenario, your Directors are trying their best to maximize the profits of the Company and the stake holders as a whole.

**f. Internal control systems and their adequacy:**

The Company's defined organizational structure, documented policy guidelines and adequate internal controls ensure efficiency of operations, compliance with internal policies, applicable laws and regulations, protection of resources and assets and accurate reporting of financial transactions. The Company continuously upgrades these systems in line with best available practices.

**g. Discussion on financial performance with respect to operational performance:**

|   | (₹ in Lacs) |          |
|---|-------------|----------|
| Particulars   | 2017-18     | 2016-17  |
| Income  | 9694.07     | 9883.72  |
| Expenditure   | 7889.12     | 7395.07  |
| Earnings before Tax                                       | 1804.94     | 2488.65  |
| Provision for Tax   | 550.00      | 822.00   |
| Provision for Deferred Tax                                | 10.36       | 4.74     |
| Less: Income Tax Adjustments of earlier years             | -           | 32.34    |
| Earnings after Tax  | 1244.58     | 1629.58  |
| Other Comprehensive Income (net of tax)                   | (311.77)    | 2467.40  |
| Total Comprehensive Income                                | 932.81      | 4096.98  |
| Add: IND-AS Adjustment                                    | -           | -        |
| Add: Balance Brought forward                              | 10137.99    | 6240.14  |
| Less: Dividend Paid (including Dividend Distribution tax) | (214.99)    | -        |
| Deferred tax liability                                    | -           | (199.13) |
| Balance carried forward to Balance Sheet                  | 10855.82    | 10137.99 |

**h. Material developments in Human Resources / Industrial Relations front, including number of people employed:**

Human resources continue to be one of the critical assets of the organization. Attracting relevant talent remains the Company's key focus. It pays special attention to training, welfare and safety of its people, strengthening human capabilities.

By Order of the Board  
For **Coral Laboratories Limited**

Sd/-  
**Chetan Doshi**  
Chairman/Director  
(DIN: 00319134)

Place : Mumbai  
Date : 8<sup>th</sup> August, 2018



## CORPORATE GOVERNANCE REPORT

The Directors present the Company's Report on Corporate Governance for the year ended March 31st, 2018, in terms of Regulation 34(3) read with schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Coral Laboratories Limited ("The Company") governance philosophy is based on trusteeship, transparency and accountability. As a corporate citizen, our business fosters a culture of ethical behavior and disclosures aimed at building trust of our stakeholders. The Company's Code of Business Conduct and Ethics, Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders and the Charter-Business for Peace are an extension of our values and reflect our commitment to ethical business practices, integrity and regulatory compliances.

The Company's governance framework is based on the following principles:

- Appropriate composition and size of the Board, with each member bringing in expertise in their respective domains;
- Availability of information to the members of the Board and Board Committees to enable them to discharge their fiduciary duties;
- Timely disclosure of material operational and financial information to the stakeholders;
- Systems and processes in place for internal control; and
- Proper business conduct by the Board, Senior Management and Employees.

A Report on compliance with the principles of Corporate Governance as prescribed by The Securities and Exchange Board of India (SEBI) in Chapter IV read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. is given below:

### GOVERNANCE STRUCTURE

The Corporate Governance structure at Coral is as follows:

#### Board of Directors

The Board is entrusted with an ultimate responsibility of the management, Directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

#### Committees of the Board:

The Board has constituted the following Committees viz, Audit Committee, Remuneration and Nomination Committee, Corporate Social Responsibility (CSR) Committee and the Stakeholders' Relationship Committee. Each of the said Committee has been mandated to operate within a given framework.

### 2. THE BOARD OF DIRECTORS

#### Composition and Category of Directors

The Board is broad-based and consists of eminent individuals from industry, management, technical, financial and marketing background. The Company is managed by the Board of Directors in coordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Company has a judicious mix of Executive and Non-Executive Directors. As on March 31st, 2018, the present Board comprises of 6 (six) members consisting of 1 (One) executive Director and 5 (Five) Non-Executive Directors out of which 3 (three) are Independent Directors. The details of each member of the Board along with the number of Directorship/Committee Membership are as given below:

| Name of the Director  | Category  |
|-----------------------|---|
| Mr. Chetan Doshi      | Chairman & Director (w.e.f 26 <sup>th</sup> May, 2017)                  |
| Mr. Girish Dhameja    | Whole-time Director (w.e.f 26 <sup>th</sup> May, 2017)                  |
| Mr. Sanket Mehta      | Independent Director (w.e.f 26 <sup>th</sup> May, 2017)                 |
| Mrs. Sushma Chinchane | Director and Chief Financial Officer (w.e.f 26 <sup>th</sup> May, 2017) |
| Mr. Rajesh R. Parikh  | Independent Director  |
| Mrs. Sheela R. Kamdar | Independent Director  |



### Board Meetings Held During the Year:

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company and its subsidiaries. The Board Meetings are pre-scheduled and a tentative annual calendar of the Board is circulated to the Directors well in advance to facilitate the Directors to plan their schedules. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. The notice and detailed agenda along with the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. The directors who were not able to attend the meeting physically have attended the meetings through facility of Video Conferencing. This ensures timely and informed decisions by the Board. The Board reviews the performance of the Company vis-à-vis the budgets/targets.

In the Financial year 2017-18 the Board of Directors had duly met 4 (Four) times during the financial year i.e. on, 26<sup>th</sup> May 2017, 10<sup>th</sup> August 2017, 06<sup>th</sup> November, 2017 and 25<sup>th</sup> January 2018.

The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### The details of nature of Directorships, number of Directorships, Committee Chairpersonships/memberships held by them in other public Companies and Shareholding

| Name of the Director                                      | No. of Board Meetings attended | Attendance at previous AGM on 19th September 2017 | No. of outside Directorship held (Excluding Coral Laboratories Limited) | No. of Membership/ Chairpersonship in other Board Committees (Excluding Coral Laboratories Limited) |             | Executive / Non-Executive     |
|---|--------------------------------|---|---|---|-------------|-------------------------------|
|   |                                |   |   | Member  | Chairperson |                               |
| Mr. Kishor R. Mehta (upto 26 <sup>th</sup> May, 2017)     | 1                              | NA  | 1   | 2   | NIL         | Executive Non-Independent     |
| Mr. Navin B. Doshi (upto 26 <sup>th</sup> May, 2017)      | 1                              | NA  | 1   | NIL   | NIL         | Non-Executive-Non-Independent |
| Mrs. Sheela Kamdar  | 4                              | Yes   | 1   | 2   | 2           | Non-Executive (Independent)   |
| Mr. Rajesh R. Parikh                                      | 4                              | Yes   | NIL   | NIL   | NIL         | Non-Executive (Independent)   |
| Mr. Chetan Doshi (w.e.f. 26 <sup>th</sup> May, 2017)      | 2                              | Yes   | NIL   | NIL   | NIL         | Non-Executive-Non-Independent |
| Mr. Sanket Mehta (w.e.f. 26 <sup>th</sup> May, 2017)      | 4                              | No  | NIL   | NIL   | NIL         | Non-Executive (Independent)   |
| Mr. Girish Dhameja (w.e.f. 26 <sup>th</sup> May, 2017)    | 4                              | Yes   | NIL   | NIL   | NIL         | Executive-Non-Independent     |
| Mrs. Sushma Chinchane (w.e.f. 26 <sup>th</sup> May, 2017) | 4                              | Yes   | NIL   | NIL   | NIL         | Non-Executive-Non-Independent |

### Notes:

- ➔ Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
- ➔ Chairpersonship/Membership of Committee only includes Audit Committee and Stakeholders' Relationships Committee in Indian Public Limited companies other than Coral Laboratories Limited.
- ➔ Members of the Board of the Company do not have membership of more than ten Board-level Committees or Chairperson of more than five such Committees.

**Independent Directors:**

The Non-Executive Independent Directors fulfill the conditions of independence specified in Section 149 of the Companies Act, 2013 and Regulation 16(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been issued and disclosed on website of the Company viz. [www.corallab.com](http://www.corallab.com).

**Information placed before the Board:**

The Company provides the information as set out in Regulation 17 read with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Board and the Board Committees to the extent it is applicable and relevant. Such information is submitted either as part of the agenda papers in advance of the respective meetings or by way of presentations and discussions during the meeting.

**Post Meeting Mechanism:**

The important decisions taken at the Board/Board Committee meetings are communicated to the concerned departments/divisions.

**Board Support:**

The Company Secretary attends the Board meetings and advises the Board on Compliances with applicable laws and governance.

**No. of Shares held by Non-Executive Directors:**

| Sr. No. | Name of Director                  | Category                          | No. of Shares held | % of the paid up capital |
|---------|-----------------------------------|-----------------------------------|--------------------|--------------------------|
| 1       | Mrs. Sheela Kamdar                | Non-Executive (Independent)       | NIL                | NIL                      |
| 2       | Mr. Rajesh R. Parikh              | Non-Executive (Independent)       | NIL                | NIL                      |
| 3       | Mr. Sanket S Mehta                | Non-Executive (Independent)       | NIL                | NIL                      |
| 4       | Mrs. Sushma Chinchane             | Non-Executive (Non- Independent)  | NIL                | NIL                      |
| 5       | Mr. Chetan Doshi                  | Non-Executive ( Non- Independent) | 1028379            | 28.79                    |
| 6       | Mr. Navin Doshi (Upto 26.05.2017) | Non-Executive ( Non- Independent) | 284001             | 7.95                     |

**Familiarization Programme for Directors:**

At the time of appointing a Director, a formal letter of appointment is given to them, which inter alia explains the role, function, duties and responsibilities expected of them as a Director of the Company. The Directors are also explained in detail the Compliance required from the under Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other various statutes and an affirmation is obtained. The Managing Director also has a one to one discussion with the newly appointed Director to familiarize them with the Company's operations. Further, on an ongoing basis as a part of Agenda of Board / Committee Meetings, presentations are regularly made to the Independent Directors on various matters inter-alia covering the Company's and its subsidiaries/associates businesses and operations, industry and regulatory updates, strategy, finance, risk management framework, role, rights, responsibilities of the Independent Directors under various statutes and other relevant matters. The details of the familiarization Programme for Directors are available on the Company's website [www.corallab.com/Familiarization-Program-for-Independent-Directors.pdf](http://www.corallab.com/Familiarization-Program-for-Independent-Directors.pdf)

**1. Governance Codes:****Code of Business Conduct & Ethics:**

The Company has adopted Code of Business Conduct & Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual Compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website [www.corallab.com](http://www.corallab.com)

**Conflict of Interests:**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairpersonships and notifies changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of the Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.



#### **Insider Trading Code:**

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The PIT Regulations has come into effect from May 15, 2015 and replaced the earlier Regulations. The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company.

The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations.

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website viz [www.corallab.com/investors.html](http://www.corallab.com/investors.html)

#### **4. AUDIT COMMITTEE:**

##### **Terms of Reference:**

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and Cost Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Review of Forex policy, Management Discussions and Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

##### **Functions of Audit Committee:**

The Audit Committee, while reviewing the Annual Financial Statements also reviews the applicability of various Accounting Standards (AS) referred to in Section 133 of the Companies Act, 2013. Compliance of the Accounting Standards as applicable to the Company has been ensured in the preparation of the Financial Statements for the year ended March 31, 2018.

The Audit Committee bridges the gap between the Internal Auditors and the Statutory Auditors. To ensure good Governance, the Company has been rotating Partners of Statutory Auditors. The Statutory Auditors are responsible for performing Independent audit of the Company's financial statements in accordance with the generally accepted auditing practices and issuing reports based on such audits, while the Internal Auditors are responsible for the internal risk controls.

Besides the above, Whole Time Director, Director, Chief Financial Officer, Business Heads of the Company's Divisions, the representatives of the Statutory Auditors and the Internal Auditors are Permanent invitees to the Audit Committee Meetings. The Company follows best practices in financial reporting. The Company has been reporting on quarterly basis, the Unaudited Financial Results as required by the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company's quarterly Unaudited Standalone Financial Results are made available on the web-site [www.corallab.com/investors.html](http://www.corallab.com/investors.html) and are also sent to the Stock Exchanges where the Company's equity shares are listed for display at their respective websites. The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy and Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof.

##### **Internal Controls and Governance Processes:**

The Company continuously invests in strengthening its internal control and processes. The Audit Committee along with the CFO formulates a detailed plan to the Internal Auditors for the year, which is reviewed at the Audit Committee Meetings. The Internal Auditors attend the meetings of Audit Committee at regular intervals and submit their recommendations to the Audit Committee and provide a road map for the future.

##### **Composition:**

Audit Committee of the Board of Directors ("the Audit Committee") is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process. The composition, quorum, powers, role and scope are in accordance with Section 177 of the Companies Act, 2013 and the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All members of the Audit Committee are financially literate and bring in expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. It functions in accordance with its terms



of reference that defines its authority, responsibility and reporting function. The Audit Committee was reconstituted due to the resignation of Mr. Kishor Mehta was replaced by Mrs. Sushma Chinchane at the meeting of Board of Director held on 26<sup>th</sup> May, 2017.

#### **Meetings and Attendance:**

The Audit Committee met four times during the Financial Year 2017-18. The maximum gap between two meetings was not more than 120 days. The Committee met on 26<sup>th</sup> May 2017, 10<sup>th</sup> August 2017, 06<sup>th</sup> November, 2017 and 25<sup>th</sup> January 2018. The necessary quorum was present for all Meetings. Mr. Rajesh Parikh, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

The Table below provides the Composition and Attendance of Audit Committee members:

| Sr. No. | Name of the Director  | Position                       | Category                               | No. of Meetings Attended |
|---------|-----------------------|--------------------------------|--|--------------------------|
| 1       | Mr. Rajesh Parikh     | Chairman                       | Non-Executive Independent              | 4                        |
| 2       | Mrs. Sheela Kamdar    | Member                         | Non- Executive Independent             | 4                        |
| 3       | Mr. Kishor Mehta      | Member (upto 26th May, 2017)   | Executive Director                     | 1                        |
| 4       | Mrs. Sushma Chinchane | Member (w.e.f. 26th May, 2017) | Non-Executive Non-Independent Director | 4                        |

## **5. REMUNERATION AND NOMINATION COMMITTEE:**

#### **Terms of Reference:**

The Board has framed the Remuneration and Nomination Committee Charter which ensure effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which are as follows.

Reviewing the overall compensation policy, service agreements and other employment conditions of Managing/Whole-time Director(s) and Senior Management (one level Below the Board):

1. To help in determining the appropriate size, diversity, and composition of the Board;
2. To recommend to the Board appointment/reappointment and removal of Directors;
3. To frame criteria for determining qualifications, positive attributes and independence of Directors;
4. To recommend to the Board remuneration payable to the Directors (while fixing the remuneration to Executive Directors the restrictions contained in the Companies Act, 2013 is to be considered);
5. To create an evaluation framework for Independent Directors and the Board;
6. To provide necessary reports to the Managing Director after the evaluation process is completed by the Directors;
7. To assist in developing a succession plan for the Board;
8. To assist the Board in fulfilling responsibilities entrusted from time-to-time;
9. Delegation of any of its powers to any Member of the Committee or the Compliance officer.

#### **Composition:**

The Composition of Remuneration and Nomination Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee was reconstituted due to the resignation Mr. Navin Doshi was replaced by Mrs. Sushma Chinchane at the meeting of Board of Director held on 26<sup>th</sup> May, 2017.

#### **Meeting and Attendance:**

The Remuneration and Nomination Committee met Four during the year i.e. on 26<sup>th</sup> May, 2017, 10<sup>th</sup> August, 2017 and 06<sup>th</sup> November, 2017, 25<sup>th</sup> January 2018. The necessary quorum was present for the Meeting. Mr. Rajesh Parikh, Chairman of the Remuneration and Nomination Committee was present at the last Annual General Meeting of the Company.





The Table below provides the Composition and Attendance of Remuneration and Nomination Committee members:

| Sr. No. | Name of the Director  | Position                                   | Category                               | No. of Meetings Attended |
|---------|-----------------------|--|--|--------------------------|
| 1       | Mr. Rajesh Parikh     | Chairman                                   | Non-Executive Independent Director     | 4                        |
| 2       | Mrs. Sheela Kamdar    | Member                                     | Non- Executive Independent Director    | 4                        |
| 3       | Mr. Navin Doshi       | Member (upto 26 <sup>th</sup> May, 2017)   | Non-Executive Non-Independent Director | 1                        |
| 4       | Mrs. Sushma Chinchane | Member (w.e.f. 26 <sup>th</sup> May, 2017) | Non-Executive Non-Independent Director | 4                        |

#### Performance Evaluation Criteria of the Board:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual evaluation of its own performance, its Committees and Directors individually. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Directors express their satisfaction with the evaluation.

#### 6. REMUNERATION POLICY:

##### A. Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of remuneration and Sitting Fees. Mr. Navin Doshi is paid Rs 5,51,613 upto 26.05.2017 as a remuneration. Mr. Rajesh Parikh, Mr. Sanket S Mehta and Mrs. Sheela Kamdar are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid to Non-Executive Directors during the Financial Year 2017-18 was Rs.1,10,000/-. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

##### B. Remuneration to Executive Directors:

The appointment and remuneration of Executive Directors including Managing Director is governed by the recommendation of the Remuneration and Nomination Committee, resolutions passed by the Board of Directors and shareholders of the Company. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between them and the Company. The remuneration package of Managing Director Comprises of salary, perquisites and allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings. Annual increments are linked to performance and are decided by the Remuneration and Nomination Committee and recommended to the Board for approval thereof.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. Presently, the Company does not have a stock options scheme for its Directors. The Remuneration and Nomination Policy is displayed on the Company's website viz. [www.corallab.com/investors.html](http://www.corallab.com/investors.html).

Details of the remuneration paid to the Executive Directors of the Company for the financial year ended 31<sup>st</sup> March, 2018 is as follows:

(Amount in Rs.)

| Sr. No. | Name of the Director                                     | Salary + PF Contribution | Perquisites | Total     |
|---------|--|--------------------------|-------------|-----------|
| 1.      | Mr. Kishor Mehta (upto 26 <sup>th</sup> May, 2017)       | 1,13,114                 | 4,606       | 1,17,720  |
| 2.      | Mr. Girish M Dhameja (w.e.f. 26 <sup>th</sup> May, 2017) | 18,41,316                | 60,000      | 19,01,316 |

Company has not granted any stock options to any of its Directors.



### Criteria for selection, appointment and remuneration of Directors and KMPs

The Nomination and Remuneration (N&R) Committee has adopted policies which, inter alia, deals with the manner of selection, appointment and remuneration of Directors and KMPs.

#### Criteria of selection of Non-Executive Directors

- A Director shall possess appropriate skills, experience and knowledge in one or more fields of capital market, banking, finance, regulatory, administration, legal, commercial, science and technology or other disciplines related to the company's business.
- In case of appointment of Independent Directors, the N&R Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge its function and duties effectively.
- The N&R Committee shall ensure that the candidate identified for appointment as a Director are qualified for appointment as Directors pursuant to Companies Act, 2013 and SECC Regulations, 2012.
- The N&R Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for appointment as Director.

Qualification, expertise and experience of the Directors in their respective fields;

Personal, Professional or business standing;

Diversity of the Board

### Remuneration policy for Whole Time Director and Chief Financial Officer

The appointment, reappointment, remuneration payable and variation in terms of appointment are subject to the approval of the Nomination and Remuneration Committee/Board/Shareholders and SEBI pursuant to the provisions of the Companies Act, 2013.

### Senior Management and other employees

Remuneration to Key Managerial Personnel (KMP), Senior Management and all other Officers comprises of Fixed and Variable components. The same are reviewed annually based on the performance appraisal ratings and annual increments on fixed pay and Performance Linked Bonus on variable pay is paid against the individual ratings of all officers.

### 7. STAKEHOLDERS RELATIONSHIP COMMITTEE:

This Committee has been constituted for allotment of shares of the Exchange issued / to be issued, from time to time and to look into the redressal of shareholder and investors complaints and is also in line with the prevailing guidelines on corporate governance.

#### Terms of Reference:

The Board has clearly defined the terms of reference for this committee, which generally meets once a quarter. The Committee looks into the matters of Shareholders / Investors grievances along with other matters listed below:

- approval of transfer of shares/debentures and issue of duplicate/split/consolidation/sub-division of share/ debenture certificates;
- opening/modification of operation and closing of bank accounts;
- grant of special/general Power of Attorney in favour of employees of the Company from time to time in connection with the conduct of the business of the Company particularly with Government and Quasi Government Institutions;
- to fix record date/book closure of share/debenture transfer book of the Company from time to time;
- to appoint representatives to attend the General Meeting of other companies in which the Company is holding shares;
- to change the signatories for availment of various facility from Banks/Financial Institutions;
- to grant authority to execute and sign foreign exchange contracts and derivative transactions;
- to carry out any other duties that may be delegated to the Committee by the Board of Directors from time-to time.

The Secretarial Department of the Company and the Registrar and Share Transfer Agent, Link Intime (India) Private Limited attend to all grievances of the shareholders received directly or through SEBI, Stock Exchanges, Ministry of Corporate Affairs, Registrar of Companies, etc. The Minutes of the Stakeholders' Relationship Committee Meetings are circulated to the Board





and noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors.

Shareholders are requested to furnish their updated telephone numbers and e-mail addresses to facilitate prompt action.

#### **Composition, Meeting and Attendance:**

This Stakeholders Relationship Committee comprises of two Directors. Mr. Rajesh Parikh Non-Executive, Independent Director is the Chairman of the Stakeholders Relationship Committee. The table below highlights the composition and attendance of the Members of the Committee. The necessary quorum was present for all Meetings. The Committee was reconstituted due to the resignation Mr. Navin Doshi was replaced by Mrs. Sushma Chinchane at the meeting of Board of Directors held on 26th May, 2017.

The Stakeholders Relationship Committee met four times during the Financial Year 2017-18. The maximum gap between two meetings was not more than 120 days. The Committee met on 26<sup>th</sup> May 2017, 10<sup>th</sup> August 2017, 06<sup>th</sup> November, 2017 and 25<sup>th</sup> January 2018.

| Sr. No. | Name of the Director   | Position | Category                  | No. of Meetings Attended |
|---------|--|----------|---------------------------|--------------------------|
| 1       | Mr. Rajesh Parikh  | Chairman | Non-Executive Independent | 4                        |
| 2       | Mr. Navin B. Doshi<br>(Upto 26 <sup>th</sup> May, 2017)      | Member   | Non-Executive Director    | 1                        |
| 3.      | Mrs. Sushma Chinchane<br>(w.e.f. 26 <sup>th</sup> May, 2017) | Member   | Non-Executive Director    | 4                        |

#### **Name and designation of Compliance officer**

Ms. Nirali Mehta is appointed as Company Secretary and Compliance Officer of the Company.

#### **Details of shareholders' complaints received, solved and pending share transfers:**

The total number of complaints received was 6 and resolved during the year ended March 31<sup>st</sup>, 2018 was 6. The number of pending share transfers and pending requests for dematerialization as on March 31<sup>st</sup>, 2018 were Nil.

Shareholders'/Investors' complaints and other correspondence are normally attended to within 15 working days except where constrained by disputes or legal impediments.

No investor grievances remained unattended / pending for more than thirty days as on March 31<sup>st</sup>, 2018.

| Nature of Complaints                                    | Complaints Received | Complaints Redressed |
|---|---------------------|----------------------|
| Non-receipt of Dividend                                 | 1                   | 1                    |
| Non-receipt of shares lodged for transfer               | 0                   | 0                    |
| Non-receipt of Duplicate/Consolidated Share Certificate | 2                   | 2                    |
| Non-Receipt of demat/remat request                      | 0                   | 0                    |
| Others  | 3                   | 3                    |
| <b>Total</b>  | <b>6</b>            | <b>6</b>             |

#### **8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

##### **Composition:**

The Corporate Social Responsibility (CSR) Committee comprises of three Directors. Mr. Rajesh R. Parikh, Non-Executive Independent Director is the Chairman of the Corporate Social Responsibility (CSR) Committee. The Committee was reconstituted due to the resignation Mr. Navin Doshi. He was replaced by Mrs. Sushma Chinchane at the meeting of Board of Directors held on 26<sup>th</sup> May, 2017.



The table below highlights the composition and attendance of the Members of the Committee.

The Composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. As per Section 135 of the Companies Act, 2013. The Company formulated CSR Policy, which is uploaded on the website of the Company viz. [www.corallab.com/investors.html](http://www.corallab.com/investors.html).

#### Terms of Reference:

- To review the existing CSR Policy and to make it more comprehensive so as to indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- To provide guidance on various CSR activities to be undertaken by the Company and to monitor process.
- The Composition of the CSR Committee as at March 31<sup>st</sup>, 2018 and the details of meetings of the Committee are as under:

The CSR Committee met only Four times during the year on 26<sup>th</sup> May 2017, 10<sup>th</sup> August 2017, 06<sup>th</sup> November, 2017 and 25<sup>th</sup> January 2018.

| Sr. No. | Name of the Director                                   | Position | Category                           | No. of Meetings Attended |
|---------|--|----------|------------------------------------|--------------------------|
| 1       | Mr. Rajesh R. Parikh                                   | Chairman | Non-Executive Independent Director | 4                        |
| 2       | Mrs. Sheela R. Kamdar                                  | Member   | Non-Executive Independent Director | 4                        |
| 3.      | Mr. Navin B. Doshi<br>(Upto 26 <sup>th</sup> May 2017) | Member   | Non-Executive Director             | 1                        |
| 4.      | Mrs. Sushma Chinchane                                  | Member   | Non-Executive Director             | 4                        |

#### 9. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on 29<sup>th</sup> March, 2018 inter alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of performance of the Chairperson of the Company, considering the views of the Executive and Non-Executive Directors;
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present for this Meeting

#### 10. GENERAL BODY MEETINGS

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

| Year      | Location  | Date       | Time      | No. of Special Resolution Passed |
|-----------|---|------------|-----------|----------------------------------|
| 2014-2015 | 308 / 5 Village & Post – Poiycha (Ran)<br>Taluka Savli, Baroda – 391 780 (Gujarat)  | 16.09.2015 | 12.30 P.M | 1                                |
| 2015-2016 | 308 / 5 Village & Post – Poiycha (Ran)<br>Taluka, Savli, Baroda – 391 780 (Gujarat) | 26.09.2016 | 11.00 A.M | NIL                              |
| 2016-2017 | SF- 206, Silver Oak Complex,<br>B.P.C Road Vadodara – 390020, Gujarat               | 19.09.2017 | 11.00 A.M | NIL                              |



Details of Special Resolutions passed in previous three Annual General Meetings.

| Date of Annual General Meeting | Number of Special Resolutions passed | Details of Special Resolutions Passed  |
|--------------------------------|--------------------------------------|--|
| 16.09.2015                     | 1                                    | 1) Consent and approval to pay remuneration to Mr. Navin B. Doshi (DIN: 00232287), Non- Executive Director of the Company. |
| 26.09.2016                     | NIL                                  | NA   |
| 19.09.2017                     | NIL                                  | NA   |

All special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

#### Postal Ballot

During the year, no resolutions were passed through postal ballot.

#### Whether any special resolution is proposed to be conducted through postal ballot

No special resolution is proposed to be conducted through postal ballot.

#### Extraordinary General Meeting:

During the year, no extraordinary General Meeting of the members was held.

#### 11. DISCLOSURES:

##### ➔ Disclosures on materially significant Related Party Transactions (RPT) that may have potential conflict with the interests of company at large.

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on arm's length basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with Related Parties during the financial year. Related party transactions have been disclosed under the note B of significant accounting policies and notes forming part of the financial statements in accordance with "Accounting Standard 18".

A statement in summary form of transactions with Related Parties in ordinary course of business and arm's length basis is periodically placed before the Audit committee for review and recommendation to the Board for their approval. As required under Regulation 23(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated a policy on dealing with Related Party Transactions. The Policy is available on the website of the Company viz. <http://www.corallab.com/investors.html>.

None of the transactions with Related Parties were in conflict with the interest of the Company. All the transactions are in the ordinary course of business and have no potential conflict with the interest of the Company at large and are carried out on an arm's length or fair value basis.

##### ➔ Details of Non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:

The Company has complied with all requirements Specified under Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for Non-compliance of any matter related to the capital markets during the last three years.

##### ➔ Vigil Mechanism / Whistle Blower Policy:

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The Whistle Blower Policy is displayed on the Company's website viz. <http://www.corallab.com/investors.html>.



➔ **Compliance with the conditions of Corporate Governance**

The Company has complied with the conditions of corporate governance as stipulated in Listing Agreement as well as SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

➔ **Disclosure of Accounting Treatment:**

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

➔ **Risk Management:**

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

➔ **Policy for determining 'material' subsidiaries:**

The Company does not have any material subsidiary as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

➔ **Compliances with Governance Framework**

The Company is in compliance with all mandatory requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

➔ **CFO Certification**

The Certificate from CFO as required under Part D of Schedule V of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 containing declaration as to affirming compliance with the Code of Conduct for the financial year 2017-18 is attached at the end of this report.

**12. MEANS OF COMMUNICATION:**

(I) The Unaudited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ii) The approved financial results are forthwith sent to the Stock Exchanges and are published in a national English newspaper which are Business Standard and Western Times (English). In addition, the same are published in local language (Gujrati) newspaper which is Western Times (Gujrati), within forty-eight hours of approval thereof. Presently the same are not sent to the shareholders separately.

The Company's financial results and official press releases are displayed on the Company's Website - <http://www.corallab.com/investors.html>.

(iii) Any presentation made to the institutional investors or / and analysts are also posted on the Company's website. Management Discussion and Analysis forms part of the Annual Report, which is sent to the shareholders of the Company.

(iv) The quarterly results, shareholding pattern, quarterly compliances and all other corporate communication to the Stock Exchanges viz. BSE Limited are filed electronically. The Company has complied with filing submissions through BSE's BSE Listing Centre.

(v) A separate dedicated section under "Investors Relation", on the Company's website gives information on unclaimed dividends, shareholding pattern, quarterly/half yearly results and other relevant information of interest to the investors / public.

BSE Listing is a web-based application designed by BSE for corporate. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, all special resolutions set out in the notices for the Annual General Meetings were passed by the shareholders at the respective meetings with requisite majority.

(vi) Corporate announcements, amongst others are also filed electronically on the Listing Centre.



### 13. GENERAL SHAREHOLDER INFORMATION:

#### Annual General Meeting

|   |   |   |
|---|---|---|
| Date and time   | : | Thursday, 27 <sup>th</sup> September, 2018  |
| Venue   | : | SF- 206, Silver Oak Complex, B.P.C Road, Vadodara Gujarat -390020                     |
| Financial Year Ending   | : | 1 <sup>st</sup> April, 2017 to 31st March, 2018                                       |
| Date of Book Closure  | : | Friday, 21 <sup>st</sup> September, 2018 to Thursday 27 <sup>th</sup> September, 2018 |
| Dividend Payment date<br>Final Dividend 2017-2018 recommended by the Board of Directors at its Meeting held on 23 <sup>rd</sup> May, 2018 | : | Re. 2 per Share<br>(Subject to approval of the shareholders)                          |
| Listing on Stock Exchange and Stock Code  | : | Equity Shares of the Company are listed at BSE Limited, (Scrip Code 524506)           |
| Face Value of Equity Shares   | : | Rs.10/- each.   |

Annual Listing fees for Financial Year 2018-19 has been paid to BSE.

### 14. DIVIDEND:

The Board of Directors at their meeting held on 23<sup>rd</sup> May 2018, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Re. 2 per share, on equity shares of the Company for the Financial Year 2017-2018, The Dividend shall be paid to the members whose names appear on Company's Register of Members on 20<sup>th</sup> September, 2018 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on 20<sup>th</sup> September, 2018 in furnished by NSDL and CDSL for this purpose. The dividend if declared at the Annual General Meeting shall be paid on or after 27<sup>th</sup> September, 2018.

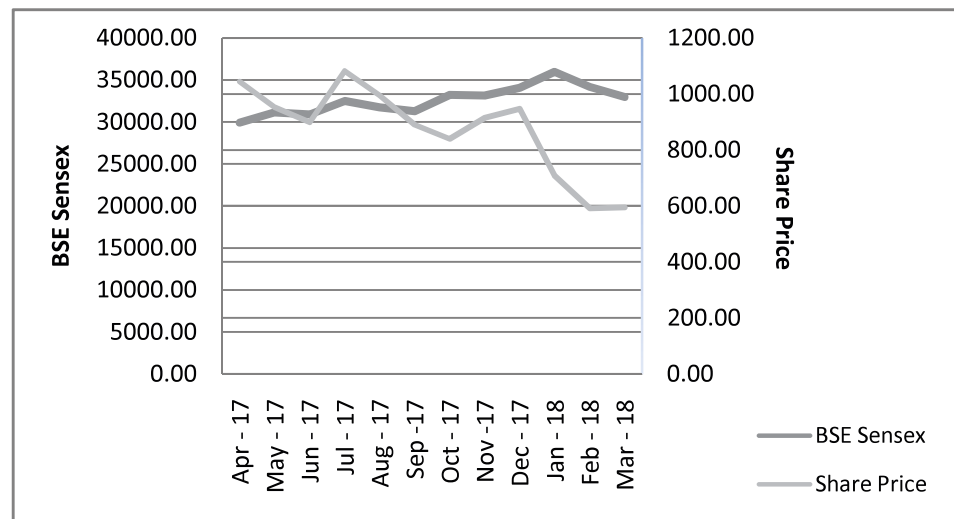
#### Monthly High/Low price of Equity Shares of the Company during the financial year 2017-2018 on BSE Limited

| Month           | BSE Limited (BSE)        |                         |
|-----------------|--------------------------|-------------------------|
|                 | Month's High Price (Rs.) | Month's Low Price (Rs.) |
| April, 2017     | 1175.00                  | 732.05                  |
| May, 2017       | 1183.00                  | 901.00                  |
| June, 2017      | 969.90                   | 834.00                  |
| July, 2017      | 1190.00                  | 860.00                  |
| August, 2017    | 1170.00                  | 827.00                  |
| September, 2017 | 1025.00                  | 866.30                  |
| October, 2017   | 910.00                   | 723.50                  |
| November, 2017  | 1030.00                  | 780.00                  |
| December, 2017  | 1000.00                  | 864.00                  |
| January, 2018   | 990.00                   | 670.00                  |
| February, 2018  | 710.00                   | 570.00                  |
| March, 2018     | 617.00                   | 500.00                  |

Source: www.bseindia.com



#### Graphical Representation of Performance of Coral Laboratories Limited share price in comparison with BSE Sensex:



#### Registrar and Transfer Agent

For any queries relating to the shares of the Company, correspondence may please be addressed to Link Intime (India) Private Limited at:

C-101, 247 Park, L.B. S Marg,  
Vikhroli (West), Mumbai - 400 078  
Tel: (022) 4918 6000  
Fax: (022) 4918 6060  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

#### Share Transfer System

The transfer of shares in physical form is processed and completed by Registrar & Transfer Agent within a period of seven days from the date of receipt thereof provided all the documents are in order. In case of shares in electronic form, the transfers are processed by NSDL/CDSL through respective Depository Participants. In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Practicing Company Secretary carries out audit of the System of Transfer and a certificate to that effect is issued.

#### Distribution of Shareholding:

| Distribution of Shareholding as on 31 <sup>st</sup> March, 2018 | No. of Shareholders | % of Shareholders | No. of Shares  | % of Shares   |
|---|---------------------|-------------------|----------------|---------------|
| Upto 500  | 3558                | 92.6804           | 344278         | 9.6366        |
| 501 – 1000  | 150                 | 3.9073            | 118233         | 3.3094        |
| 1001 – 2000   | 67                  | 1.7452            | 97852          | 2.7390        |
| 2001 – 3000   | 22                  | 0.5731            | 53415          | 1.4951        |
| 3001 – 4000   | 8                   | 0.2084            | 28837          | 0.8072        |
| 4001 – 5000   | 5                   | 0.1302            | 23241          | 0.6505        |
| 5001 – 10000  | 16                  | 0.4168            | 113784         | 3.1849        |
| 10001 and above   | 13                  | 0.3386            | 2792960        | 78.1772       |
| <b>Total</b>  | <b>3839</b>         | <b>100.00</b>     | <b>3572600</b> | <b>100.00</b> |



### Shareholding Pattern as on 31<sup>st</sup> March, 2018

| Sr. No.    | Category of Shares                      | No. of Shares  | % of total shares |
|------------|---|----------------|-------------------|
| <b>(A)</b> | <b>Promoter &amp; Promoter Group:</b>   |                |                   |
|            | (a) Individuals/ Hindu Undivided Family | 1841453        | 51.54             |
|            | (b) Bodies Corporate                    | 713351         | 19.97             |
|            | <b>Sub Total:</b>                       | <b>2554804</b> | <b>71.51</b>      |
| <b>(B)</b> | <b>Public Shareholding:</b>             |                |                   |
|            | 1. Institutions                         |                |                   |
|            | (a) Mutual Funds/UTI                    | -              | -                 |
|            | (b) Financial Institutions/Banks        | -              | -                 |
|            | (c) Foreign Institutional Investors     | 71662          | 2.01              |
|            | 2. Non-Institutions                     |                |                   |
|            | (a) Bodies Corporate                    | 82763          | 2.32              |
|            | (b) Individuals                         | 722076         | 20.21             |
|            | (c) Non-Resident Indians                | 36758          | 1.03              |
|            | & Non-Resident (Non Repatriable)        | 5744           | 0.16              |
|            | (d) Trust(s)                            | -              | -                 |
|            | (e) Hindu Undivided Family              | 25733          | 0.72              |
|            | (f) Clearing Members                    | 17638          | 0.49              |
|            | (g) Foreign Companies                   | 31100          | 0.87              |
|            | (e) IEPF                                | 24322          | 0.68              |
|            | <b>Sub Total:</b>                       | <b>1017796</b> | <b>28.49</b>      |
|            | <b>GRAND TOTAL</b>                      | <b>3572600</b> | <b>100</b>        |

**Dematerialization of Shares:** Trading in Equity Shares of the Company is permitted only in dematerialized form with effect from 1<sup>st</sup> January 2002 as per notification issued by the Securities and Exchange Board of India (SEBI). Approximately 95.61% of outstanding share have been dematerialized upto 31<sup>st</sup> March, 2018.

### Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their impact on equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31<sup>st</sup> March, 2018.

### ADDRESS FOR CORRESPONDENCE:

#3B Patanwala Compound,  
Opp. Shreyas Cinema, LBSMarg, Ghatkopar (West),  
Mumbai – 400086.  
Contact: 2500 5245/46  
Website: www.corallab.com  
E-mail for Investors: cs@corallab.com

Shareholders are requested to quote their folio no. / DP ID & Client ID, e-mail address, telephone number and full address while corresponding with the Company and its Registrar & Transfer Agent.

### As per Regulation 34(3) read with Schedule V of Listing Regulation, the details of the shares in the Suspense Account are as follows:

| Aggregate Number of Shareholding and the outstanding Shares in the suspense account lying at the beginning of the year | Number of shareholders who approached the Company for transfer of shares from suspense account during the year | Number of shareholders to whom shares were transferred from suspense account during the year | Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year | That the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares |
|--|--|--|--|---|
| 1  | 2  | 3  | 4  | 5   |
| NIL  | NIL  | NIL  | NIL  | NIL   |



---

### **CFO / Whole-Time Director Certification**

We the undersigned in our respective capacities as Chief Financial Officer and Whole-Time Director of Coral Laboratories Limited to the best of our knowledge we hereby certify that:

- (a) We have reviewed financial statement and the cash flow statement for the year ended 31<sup>st</sup> March, 2018 and that to the best of our knowledge and belief:
  - (i) These statements 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 and fair view of the Company's affairs and 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 year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility 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, of which we have aware and the steps taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that -
  - (i) there has not been any significant changes in internal control over financial reporting during the year under reference;
  - (ii) there has not been any significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) there has not been any instances during the year of significant fraud of which we had 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.

#### **For Coral Laboratories Limited**

Sd/-  
**Girish Dhameja**  
Whole-Time Director

Sd/-  
**Sushma Chinchane**  
Chief Financial Officer

Place : Mumbai  
Date : 8<sup>th</sup> August, 2018





---

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
**The Members of Coral Laboratories Limited**

We have examined the compliance of conditions of Corporate Governance by **Coral Laboratories Limited** (the Company) for the year ended March 31<sup>st</sup>, 2018 as stipulated in the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015") for the period 1<sup>st</sup> April, 2017 to 31<sup>st</sup> March, 2018.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Uma Lodha & Co.**  
Practicing Company Secretaries

Sd/-  
**Uma Lodha**  
Proprietor  
C.P. No. 2593

Place : Mumbai  
Date : 8<sup>th</sup> August, 2018



## INDEPENDENT AUDITORS' REPORT

TO  
THE MEMBERS OF CORAL LABORATORIES LIMITED

### Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of **CORAL LABORATORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31<sup>st</sup>, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made there under including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in



accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 26, 2017 and May 30, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

**Our opinion is not qualified in respect of this matter.**

**Report on Other Legal and Regulatory Requirements**

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
  - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
    - (i) The Company does not have any pending litigations as at March 31, 2018 which would impact its financial position.
    - (ii) The Company does not have long-term contracts including derivative contracts as at March 31, 2018.
    - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
    - (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For **SPVM & Co.**  
Firm Registration Number: 136751W  
Chartered Accountants

**CA Viren N Mehta**  
Partner  
Membership Number 109480

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2018



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 11 (f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of CORAL LABORATORIES LIMITED on the financial statements for the year ended March 31, 2018 Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")]

We have audited the internal financial controls over financial reporting of **CORAL LABORATORIES LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide Reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



---

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by The Institute of Chartered Accountants of India (ICAI).

For **SPVM & Co.**  
Chartered Accountants  
(Firm's Registration No. 136751W)

**CA Viren Mehta**  
Partner  
Membership No. 109480

Place : Mumbai,  
Date : 23<sup>rd</sup> May, 2018



## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 10 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of **CORAL LABORATORIES LIMITED** on the financial statements for the year ended March 31, 2018

- 1) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;  
  
(b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.  
  
(c) The title deeds of immovable properties are held in the name of the company.  
  
(d) Depreciation is not provided during the year as the assets were not put to use.
- 2) (a) The management has conducted the physical verification of inventory at reasonable intervals.  
  
(b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) According to information & explanation given to us, maintenance of cost record under Sub Section (1) of Section 148 of the Companies Act, 2013 as prescribed by Central Government is not applicable to company.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.  
  
(b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and government and debenture holders.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.



- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **SPVM & Co.**  
Chartered Accountants  
(Firm's Registration No. 136751W)

**CA Viren Mehta**  
Partner  
Membership No. 109480

Place : Mumbai  
Date : 23<sup>rd</sup> May , 2018



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 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. The Registered office of the company is situated at SF-206, silver oak complex, BTC Road, Vadodara 390020.

### Note 2A. Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation and presentation of financial statements

The accounting policies are applied consistently to all the periods presented in the financial statements, including the preparation of the opening Ind AS Balance Sheet as at April 1, 2016 being the date of transition to Ind AS.

The financial statements have been prepared in accordance with the historical cost convention except for the following:

- certain financial assets that are measured at fair value;
- defined benefit plans - plan assets measured at fair value; and

All assets and liabilities have been classified as current or non-current as per the company's normal operating cycle (twelve months) and other criteria set out in the Schedule III to the Companies Act, 2013.

#### (b) Foreign currency transactions

##### (i) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which each entity operates ("functional currency"). The financial statements are presented in Indian Rupees (INR), which is the functional currency of the company.

##### (ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency at the exchange rates on the date of transaction. Foreign exchange gains and losses resulting from settlement of such transactions and from translation of monetary assets and liabilities at the year-end exchange rates are generally recognized in the profit and loss.

#### (c) Property, Plant and Equipment

##### (i) Recognition and measurement:

Property, plant and equipment are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment loss, if any. Historical Cost includes taxes, duties, freight and other incidental expenses related to acquisition and installation. Elements of cost also include the initial estimate of the costs of restoring the site of leased premises, referred to as 'site restoration', the obligation for which the Company incurs when the premises are taken on lease. Subsequent expenditure are capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the entity. Direct cost as well as related incidental 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 yet depreciated. There is no revaluation of fixed assets carried out during the year.





## (ii) Depreciation:

Depreciation is provided on the straight line method on the basis of the rates determined based on the estimated useful lives of the assets which are higher than the rates prescribed under Schedule II to the Companies Act, 2013, in order to reflect the actual usage of the assets.

Estimated useful lives of items of property, plant and equipment are as follows:

| Category   | Useful life   |
|--|---------------|
| Computer hardware, related peripherals etc.                | 3 to 6 years  |
| Technologically advanced machineries                       | 2 to 20 years |
| Other plant and equipment                                  | 2 to 20 years |
| Furniture and fixtures (Including lease hold improvements) | 10 years      |

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation on additions during the year is charged from the month in which the assets are capitalized and for deletions up to the month prior to the month in which the asset is disposed off.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised within the statement of profit and loss. Repairs and maintenance cost are recognized in the statement of profit and loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Property, plant and equipment recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, plant and equipment.

## (d) Intangible Assets

Intangible assets are amortised over their respective individual estimated useful lives on a straight line basis, but not exceeding the period given here under:

| Category           | Useful life |
|--------------------|-------------|
| Computer softwares | 5 years     |

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its Intangible assets recognised as at April 1, 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the Intangible assets.

## (e) Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation / amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows



(cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**(f) Financial Instruments**

**Financial assets**

The Company classifies its financial assets in the following measurement categories:

- a. Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss),
- b. and those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

**Initial recognition:**

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**Subsequent measurement:**

The Company classifies its financial assets in the following categories:

- i) Financial assets at amortized cost- Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method, less any impairment loss.

- ii) Fair value through other comprehensive income (FVTOCI) - Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVTOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- iii) Financial assets at FVTPL- Financial assets that do not meet the criteria for amortised cost or fair value through other comprehensive income (FVTOCI) are measured at fair value through profit or loss (FVTPL), with fair value gain and losses recognized in Profit and loss account.
- iv) Impairment of financial assets - The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be



reliably estimated.

### **Financial liabilities**

#### **Initial recognition and measurement**

Financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at the amortised cost unless at initial recognition, they are classified as fair value through profit and loss

#### **Subsequent measurement:**

Financial liability are subsequently measured at amortised cost using effective interest method. For trade and other payable maturing within one year from the balance sheet date, the carrying value approximates fair value due to shortmaturity of these investments

### **(g) Inventories**

- i) 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.
- ii) The company has a policy of writing off 20% of Stores and Spares purchased during the year in Daman and Dehradun Plant.
- iii) The company has identified slow moving stock for more than 3 years old and it is valued at Cost or Net Realizable value whichever is lower.

### **(h) Employee Benefits**

#### **Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering the service are recognised in the period in which the employee renders the related service.

#### **Long Term Employee Benefits**

##### **(i) Defined Contribution Plans**

Provident Fund: Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis.

##### **(ii) Defined Benefit Plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year, carried out by an independent actuary and contributed to employees Gratuity Fund.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating the terms of the related obligation.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit



to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

## **(I) Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

## **(j) Income Tax**

### **i) Current Income Tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses, if any.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### **ii) Deferred Tax:**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.



---

**(k) Revenue recognition**

**Sale of goods and services**

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts net of discounts / rebates, returns, other customer incentives and value added taxes. The company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the company's activities. The company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**Interest income**

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

**Investment income**

Incomes from investments are accounted on an accrual basis. Dividend income is accounted when right to receive dividend is established.

**Other income**

Incomes from Export incentive such as duty drawback and sale of License are booked on cash basis.

**(l) Cash and Cash Equivalents**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at bank, cash in hand and book overdraft. In the balance sheet, book overdraft is shown within other current financial liabilities as they are not considered an integral part of company's cash management.

**(m) Earnings per share**

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

**(n) Contingent Liabilities and Contingent Assets**

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is disclosed, where an inflow of economic benefits is probable. A contingent assets is not recognised unless the recovery is virtually certain.

**(o) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 2B: Critical accounting judgment, estimates and assumptions



The preparation of the financial statements requires management to exercise judgment and to make estimates and assumptions. These estimates and associated assumptions are based on historical experiences and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affect only that period, or in the period of the revision and future periods if the revision affects both current and future period.

The areas involving critical estimates or judgements are:

**(a) Useful lives of Property plant and equipment and Intangible assets**

Depreciation and amortisation is based on management estimates of the future useful lives of the property, plant and equipment and intangible assets. Estimates may change due to technological developments, competition, changes in market conditions and other factors and may result in changes in the estimated useful life and in the depreciation and amortisation charges.

**(b) Taxation**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period for its recoverability against probable future profits.

**(c) Employee Benefits**

The present value of the gratuity obligations depends on a number of factors that are determined on an actuarial basis using a various assumptions. One of the critical assumptions used in determining the net cost (income) for these obligations include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

**(d) Provisions**

Provisions are based on management's best estimate of the liabilities based on the facts known at the balance sheet date.



## BALANCE SHEET AS AT 31st MARCH, 2018

(₹ in Lacs)

| Particulars   | Note No. | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---|----------|---------------------------|---------------------------|--------------------------|
| <b>ASSETS</b>   |          |                           |                           |                          |
| <b>Non-current assets</b>                                     |          |                           |                           |                          |
| Property, plant and equipment                                 | 3        | 2,116.74                  | 1,704.66                  | 1,692.83                 |
| Capital work-in-progress                                      |          |                           | 23.45                     |                          |
| Investment properties   | 3        | 107.36                    | 109.55                    | 111.73                   |
| Intangible assets   | 4        | 7.28                      | 8.61                      | 3.96                     |
| Financial assets  |          |                           |                           |                          |
| i. Investments  | 5        | 4,498.30                  | 3,860.48                  | 457.73                   |
| ii. Loans   | 6        | 55.69                     | 53.48                     | 222.03                   |
| Other non-current assets                                      | 7        | -                         | -                         | -                        |
| <b>Total non-current assets</b>                               |          | <b>6,785.37</b>           | <b>5,760.23</b>           | <b>2,488.28</b>          |
| <b>Current assets</b>   |          |                           |                           |                          |
| Inventories   | 8        | 1,755.01                  | 2,073.33                  | 1,328.66                 |
| Financial assets  |          |                           |                           |                          |
| i. Trade receivables  | 9        | 3,161.25                  | 3,063.74                  | 2,780.72                 |
| ii. Cash and cash equivalents                                 | 10       | 180.18                    | 416.43                    | 271.39                   |
| iii. Bank balances other than cash and cash equivalents above | 11       | 957.62                    | 807.23                    | 608.96                   |
| iv. Loans   | 6        | 934.08                    | 859.79                    | 905.35                   |
| Other current assets  | 7        | 181.79                    | 80.39                     | 66.02                    |
| Current tax asset   |          | 63.38                     | 50.91                     | 5.76                     |
| <b>Total current assets</b>                                   |          | <b>7,233.31</b>           | <b>7,351.82</b>           | <b>5,966.85</b>          |
| <b>TOTAL ASSETS</b>   |          | <b>14,018.68</b>          | <b>13,112.05</b>          | <b>8,455.13</b>          |
| <b>EQUITY AND LIABILITIES</b>                                 |          |                           |                           |                          |
| <b>Equity</b>   |          |                           |                           |                          |
| Equity share capital  | 12       | 357.26                    | 357.26                    | 357.26                   |
| Other equity  |          | 11,276.33                 | 10,558.50                 | 6,660.66                 |
| <b>Total equity</b>   |          | <b>11,633.59</b>          | <b>10,915.76</b>          | <b>7,017.92</b>          |
| <b>LIABILITIES</b>  |          |                           |                           |                          |
| <b>Non-current liabilities</b>                                |          |                           |                           |                          |
| Financial liabilities   |          |                           |                           |                          |
| i. Borrowings   | 13       |                           |                           |                          |
| ii. Trade Payable   | 14       | 10.78                     | 10.78                     | 10.78                    |
| iii. Other financial liabilities                              | 15       | 8.77                      | 8.06                      | 8.12                     |
| Provisions  | 16       | 27.80                     | 19.97                     | 17.21                    |
| Deferred tax liabilities (Net)                                |          | 318.07                    | 307.71                    | 96.08                    |
| Other Non-Current liabilities                                 | 17       |                           |                           |                          |
| <b>Total non-current liabilities</b>                          |          | <b>365.42</b>             | <b>346.52</b>             | <b>132.19</b>            |
| <b>Current liabilities</b>                                    |          |                           |                           |                          |
| Financial liabilities   |          |                           |                           |                          |
| i. Borrowings   | 13       | 173.57                    | 217.18                    | 37.36                    |
| ii. Trade payables  | 14       | 1,282.56                  | 1,003.85                  | 969.05                   |
| iii. Other financial liabilities                              | 15       | 12.99                     | 59.32                     | 144.27                   |
| Provisions  | 16       | 59.82                     | 74.81                     | 60.36                    |
| Current tax liabilities (Net)                                 |          |                           |                           |                          |
| Other current liabilities                                     | 17       | 490.73                    | 494.61                    | 93.99                    |
| <b>Total current liabilities</b>                              |          | <b>2,019.67</b>           | <b>1,849.77</b>           | <b>1,305.03</b>          |
| <b>TOTAL LIABILITIES</b>                                      |          | <b>2,385.09</b>           | <b>2,196.29</b>           | <b>1,437.22</b>          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                           |          | <b>14,018.68</b>          | <b>13,112.05</b>          | <b>8,455.13</b>          |

See accompanying notes to the Financial Statements

1-34

In terms of our report attached

For and on Behalf of the Board of Directors

For **SPVM & CO**  
Chartered Accountants

Mr. Girsh M. Dhameja

Mrs. Sushma C. Chinchane

Ms. Nirali Mehta

**CA Viren N Mehta**  
Partner  
Membership No. 109480

Sd/-  
Whole-Time Director  
DIN:07798455

Sd/-  
Director & CFO  
DIN:07791735

Sd/-  
Company Secretary  
ACS 50573

Place : Mumbai  
Date : 23rd May, 2018

Place : Mumbai  
Date : 23rd May, 2018

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH 2018



(₹ in Lacs)

| Particulars   | Note No.    | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|---|-------------|--------------------------------|--------------------------------|
| <b>Income</b>   |             |                                |                                |
| Revenue from operations                                       | 18          | 9,247.35                       | 9,547.05                       |
| Other income  | 19          | 446.71                         | 336.67                         |
| <b>Total income</b>   |             | <b>9,694.07</b>                | <b>9,883.72</b>                |
| <b>Expenses</b>   |             |                                |                                |
| Cost of materials consumed                                    | 20(a)       | 5,128.58                       | 5,048.36                       |
| Purchases of stock-in-trade                                   | 20(a)       | 125.39                         | 84.98                          |
| Changes in inventories of finished goods and work-in-progress | 20(b)       | 103.60                         | (266.24)                       |
| Employee benefits expense                                     | 21          | 856.66                         | 675.55                         |
| Finance costs   | 22          | 3.33                           | 3.43                           |
| Depreciation and amortisation expense                         | 3           | 156.08                         | 155.69                         |
| Other expenses  | 23          | 1,515.50                       | 1,693.29                       |
| <b>Total expenses</b>   |             | <b>7,889.12</b>                | <b>7,395.07</b>                |
| <b>Profit from operation before Exceptional items and Tax</b> |             | <b>1,804.94</b>                | <b>2,488.65</b>                |
| <b>Exceptional Item</b>                                       |             |                                |                                |
| Short provision of Income tax of earlier year                 |             | -                              | 32.34                          |
| <b>Profit before Tax</b>                                      |             | <b>1,804.94</b>                | <b>2,456.32</b>                |
| Income tax expense  |             |                                |                                |
| - Current tax   | 24(a)       | 550.00                         | 822.00                         |
| - Deferred tax  | 24(a)       | 10.36                          | 4.74                           |
| <b>Total tax expense</b>                                      |             | <b>560.36</b>                  | <b>826.74</b>                  |
| <b>Profit for the year</b>                                    |             | <b>1,244.58</b>                | <b>1,629.58</b>                |
| <b>Discontinued operations</b>                                |             |                                |                                |
| Profit from discontinued operations before tax                |             | -                              | -                              |
| Tax expense of discontinued operations                        |             | -                              | -                              |
| <b>Profit for the Period</b>                                  |             | <b>1,244.58</b>                | <b>1,629.58</b>                |
| Items that will not be reclassified to profit or loss         |             | (311.77)                       | 2,475.17                       |
| Income tax relating to above                                  |             | -                              | 7.77                           |
| <b>Other Comprehensive Income for the year</b>                |             | <b>(311.77)</b>                | <b>2,467.40</b>                |
| <b>Total Comprehensive Income for the year</b>                |             | <b>932.81</b>                  | <b>4,096.98</b>                |
| <b>See accompanying notes to the Financial Statements</b>     | <b>1-34</b> |                                |                                |

In terms of our report attached

For and on Behalf of the Board of Directors

For **SPVM & CO**  
Chartered Accountants

Mr. Girsh M. Dhameja

Mrs. Sushma C. Chinchane

**CA Viren N Mehta**  
Partner  
Membership No. 109480

Sd/-  
Whole-Time Director  
DIN:07798455

Sd/-  
Director & CFO  
DIN:07791735

Place : Mumbai  
Date : 23rd May, 2018

Place : Mumbai  
Date : 23rd May, 2018





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2018

(₹ in Lacs)

| Particulars   | For the year ended<br>31st March, 2018 | For the year ended<br>31st March, 2017 |
|---|--|--|
| <b>A Net cash generated/(used) in Operating Activities</b>                                  |  |  |
| Profit before tax   | 1,804.94                               | 2,488.65                               |
| <b>Adjustments for:</b>   |  |  |
| Depreciation and amortization expense   | 156.08                                 | 155.69                                 |
| Interest income   | (89.33)                                | (148.82)                               |
| Finance costs   | 3.33                                   | 3.43                                   |
| Expenses accounted through OCI  | (12.26)                                | (0.06)                                 |
| Loss on Sale of Fixed Assets  | -                                      | 5.38                                   |
| <b>Operating Profit before working capital changes</b>                                      | <b>1,862.76</b>                        | <b>2,504.28</b>                        |
| <b>Adjustments for:</b>   |  |  |
| (Increase)/decrease in Trade receivables  | (97.51)                                | (283.03)                               |
| (Increase)/decrease in Other Bank Balance   | (150.40)                               | (198.27)                               |
| (Increase)/decrease in Inventories  | 318.32                                 | (744.67)                               |
| (Increase)/decrease in Other Current Assets (Current & Non Current)                         | (102.35)                               | (16.11)                                |
| Increase / (decrease) in Loan Current & Non Current   | (75.34)                                | 216.16                                 |
| Increase/(decrease) in Trade Payables   | 209.20                                 | 34.81                                  |
| Increase/(decrease) in Other Financial Liability (Current & Non Current)                    | (44.68)                                | 45.74                                  |
| Increase/(decrease) in provisions (Current & Non Current)                                   | (7.16)                                 | 17.20                                  |
| Increase/(decrease) in Other Current Liabilities  | (3.87)                                 | 400.61                                 |
| <b>Cash generated from operations</b>   | <b>46.21</b>                           | <b>(527.56)</b>                        |
| Taxes paid (Net of refunds)   | 562.47                                 | 899.49                                 |
| <b>Net cash flow from operating activities</b>  | <b>1,346.50</b>                        | <b>1,077.22</b>                        |
| <b>B Net cash generated/(used) from Investing Activities</b>                                |  |  |
| Purchases of Property, Plant & Equipment  | (472.83)                               | (200.88)                               |
| Proceeds from sale of Property, Plant & Equipment   |  |  |
| Interest received   | 89.33                                  | 148.82                                 |
| Purchase of investments   | (937.32)                               | (927.51)                               |
| Proceeds from sales of Investments  |  |  |
| Bank balances not considered as cash and cash equivalents                                   |  |  |
| <b>Net Cash generated/ (used) in Investing Activities</b>                                   | <b>(1,320.82)</b>                      | <b>(979.57)</b>                        |
| <b>C Net cash generated/(used) from Financing Activities</b>                                |  |  |
| Repayment of borrowings   | (43.61)                                | 179.81                                 |
| Payment of Dividend (Including DDT)   | (214.99)                               | (129.00)                               |
| Finance costs   | (3.33)                                 | (3.43)                                 |
| <b>Net cash flow from / (used in) financing activities</b>                                  | <b>(261.93)</b>                        | <b>47.38</b>                           |
| <b>D Net cashflow generated / (used)</b>  | <b>(236.25)</b>                        | <b>145.04</b>                          |
| Cash & Cash Equivalents as at beginning of the year   | 416.43                                 | 271.39                                 |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents | -                                      | -                                      |
| <b>Cash &amp; Cash equivalents as at end of the year</b>                                    | <b>180.18</b>                          | <b>416.43</b>                          |

"The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows "

In terms of our report attached

For and on Behalf of the Board of Directors

For **SPVM & CO**  
Chartered Accountants

Mr. Girsh M. Dhameja

Mrs. Sushma C. Chinchane

**CA Viren N Mehta**  
Partner  
Membership No. 109480

Sd/-  
Whole-Time Director  
DIN:07798455

Sd/-  
Director & CFO  
DIN:07791735

Place : Mumbai  
Date : 23rd May, 2018

Place : Mumbai  
Date : 23rd May, 2018



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Statement of changes in Equity

#### A. Equity share capital (Rs. in Lacs)

| Particulars                     | Notes | Amount        |
|---------------------------------|-------|---------------|
| <b>As at April 1, 2016</b>      |       | <b>357.26</b> |
| Changes in equity share capital | 20    | -             |
| <b>As at March 31, 2017</b>     |       | <b>357.26</b> |
| Changes in equity share capital | 20    | -             |
| <b>As at March 31, 2018</b>     |       | <b>357.26</b> |

#### B. Other equity (₹ in lacs)

| Particulars   | Notes | Attributable to owners of the Company |                   |                            |                    |
|---|-------|---------------------------------------|-------------------|----------------------------|--------------------|
|   |       | Reserves and surplus                  |                   | Other reserves             | Total other equity |
|   |       | General Reserve                       | Retained Earnings | FVOCI - Equity investments |                    |
| <b>Balance at April 1, 2016</b>                     |       | <b>420.51</b>                         | <b>6,240.14</b>   | -                          | <b>6,660.66</b>    |
| Profit for the year                                 |       | -                                     | 1,629.57          | -                          | 1,629.57           |
| Other comprehensive income                          |       | -                                     |                   | 2,467.40                   | 2,467.40           |
| <b>Total comprehensive income for the year</b>      |       | <b>-</b>                              | <b>1,629.57</b>   | <b>2,467.40</b>            | <b>4,096.97</b>    |
| Deferred tax liability of earlier year              |       | -                                     | (199.13)          | -                          | (199.13)           |
| <b>Balance at March 31, 2017</b>                    |       | <b>420.51</b>                         | <b>7,670.59</b>   | <b>2,467.40</b>            | <b>10,558.50</b>   |
| Profit for the year                                 |       | -                                     | 1,244.59          | -                          | 1,244.59           |
| Other comprehensive income                          |       | -                                     | -                 | (311.77)                   | (311.77)           |
| <b>Total comprehensive income for the year</b>      |       | <b>-</b>                              | <b>1,244.59</b>   | <b>(311.77)</b>            | <b>932.82</b>      |
| Dividend paid (Including dividend distribution tax) |       | -                                     | (214.99)          | -                          | (214.99)           |
| <b>Balance at March 31, 2018</b>                    |       | <b>420.51</b>                         | <b>8,700.18</b>   | <b>2,155.63</b>            | <b>11,276.33</b>   |

The accompanying notes are an integral part of these financial statements.  
As per our report of even date.

In terms of our report attached

For and on Behalf of the Board of Directors

For **SPVM & CO**  
Chartered Accountants

Mr. Girsh M. Dhameja

Mrs. Sushma C. Chinchane

**CA Viren N Mehta**  
Partner  
Membership No. 109480

Sd/-  
Whole-Time Director  
DIN:07798455

Sd/-  
Director & CFO  
DIN:07791735

Place : Mumbai  
Date : 23rd May, 2018

Place : Mumbai  
Date : 23rd May, 2018



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Property, plant and equipment

(₹ in Lacs)

| Particulars  | Land<br>(Freehold) | Factory<br>Building | Buildings     | Plant and<br>Machinery | Furniture and<br>Fixtures | Office<br>Equipment | Computer<br>Hardwares | Computer<br>Server | Vehicles      | Total           |
|--|--------------------|---------------------|---------------|------------------------|---------------------------|---------------------|-----------------------|--------------------|---------------|-----------------|
| <b>Year ended 31st March, 2017</b>                     |                    |                     |               |                        |                           |                     |                       |                    |               |                 |
| <b>Gross carrying amount</b>                           |                    |                     |               |                        |                           |                     |                       |                    |               |                 |
| Deemed cost as at 1st April, 2016                      | 93.40              | 1,019.32            | 216.37        | 1,641.94               | 183.22                    | 25.55               | 55.99                 | -                  | 127.26        | 3,363.05        |
| Additions  | -                  | 12.06               |               | 175.76                 | 0.92                      | 1.52                | 9.08                  | 3.07               | -             | 202.40          |
| Disposals  | (1.74)             | (86.88)             |               | (233.05)               | (20.00)                   | (5.69)              | (14.93)               |                    | -             | (362.29)        |
| <b>Closing gross carrying amount</b>                   | <b>91.66</b>       | <b>944.50</b>       | <b>216.37</b> | <b>1,584.66</b>        | <b>164.14</b>             | <b>21.38</b>        | <b>50.13</b>          | <b>3.07</b>        | <b>127.26</b> | <b>3,203.16</b> |
| Opening Accumulated Depreciation as at 1st April, 2016 | -                  | 356.38              | 40.11         | 920.51                 | 144.07                    | 19.61               | 46.51                 | -                  | 31.30         | 1,558.49        |
| Depreciation and amortisation charge during the year   | -                  | 31.64               | 3.96          | 84.83                  | 10.24                     | 2.32                | 5.59                  | 0.28               | 15.01         | 153.87          |
| Eliminated on disposal of assets                       | -                  | (63.89)             | -             | (218.90)               | (20.00)                   | (5.69)              | (14.93)               |                    |               | (323.40)        |
| <b>Closing accumulated depreciation</b>                | <b>-</b>           | <b>324.14</b>       | <b>44.07</b>  | <b>786.44</b>          | <b>134.30</b>             | <b>16.25</b>        | <b>37.17</b>          | <b>0.28</b>        | <b>46.30</b>  | <b>1,388.95</b> |
|  |                    |                     |               |                        |                           |                     |                       |                    |               |                 |
| <b>Net carrying amount as at 31st March, 2017</b>      | <b>91.66</b>       | <b>620.36</b>       | <b>172.30</b> | <b>798.22</b>          | <b>29.83</b>              | <b>5.13</b>         | <b>12.97</b>          | <b>2.78</b>        | <b>80.96</b>  | <b>1,814.21</b> |
| <b>Year ended 31st March, 2018</b>                     |                    |                     |               |                        |                           |                     |                       |                    |               |                 |
| <b>Gross carrying amount</b>                           |                    |                     |               |                        |                           |                     |                       |                    |               |                 |
| Opening gross carrying amount as at 1st April, 2017    | 91.66              | 941.66              | 216.37        | 1,584.39               | 158.51                    | 21.38               | 50.13                 | 3.07               | 127.26        | 3,194.42        |
| Additions  | -                  | 11.35               | 73.73         | 407.81                 | 47.21                     | 9.21                | 7.77                  | 7.08               | -             | 564.16          |
| Disposals  | -                  | -                   | -             |                        |                           |                     |                       |                    |               | -               |
| <b>Closing gross carrying amount</b>                   | <b>91.66</b>       | <b>953.01</b>       | <b>290.09</b> | <b>1,992.21</b>        | <b>205.71</b>             | <b>30.58</b>        | <b>57.91</b>          | <b>10.15</b>       | <b>127.26</b> | <b>3,758.58</b> |
| <b>Accumulated depreciation</b>                        |                    |                     |               |                        |                           |                     |                       |                    |               |                 |
| Opening Accumulated Depreciation as at 1st April, 2017 | -                  | 324.14              | 44.07         | 783.33                 | 128.67                    | 16.25               | 37.17                 | 0.28               | 46.30         | 1,380.21        |
| Depreciation during the year                           | -                  | 29.24               | 7.55          | 82.75                  | 12.46                     | 2.52                | 5.21                  | 1.11               | 13.44         | 154.28          |
| Eliminated on disposal of assets                       | -                  | -                   |               |                        |                           |                     |                       |                    |               |                 |
| <b>Closing accumulated depreciation</b>                | <b>-</b>           | <b>353.38</b>       | <b>51.62</b>  | <b>866.08</b>          | <b>141.13</b>             | <b>18.76</b>        | <b>42.37</b>          | <b>1.40</b>        | <b>59.75</b>  | <b>1,534.49</b> |
|  |                    |                     |               |                        |                           |                     |                       |                    |               |                 |
| <b>Net carrying amount as at 31st March, 2018</b>      | <b>91.66</b>       | <b>599.63</b>       | <b>238.47</b> | <b>1,126.13</b>        | <b>64.58</b>              | <b>11.82</b>        | <b>15.53</b>          | <b>8.75</b>        | <b>67.52</b>  | <b>2,224.10</b> |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 4 - Intangible assets

(₹ in Lacs )

| Particulars  | Computer Software |
|--|-------------------|
| <b>Year ended 31st March, 2017</b>                     |                   |
| <b>Gross carrying amount</b>                           |                   |
| Deemed cost as at 1st April, 2016                      | 10.07             |
| Additions  | 6.48              |
| <b>Closing gross amount</b>                            | <b>16.55</b>      |
| <b>Accumulated depreciation</b>                        | <b>6.12</b>       |
| Amortisation charge during the year                    | 1.83              |
| <b>Closing accumulated depreciation</b>                |                   |
| <b>Net carrying amount as at 31st March, 2017</b>      | <b>7.95</b>       |
| <b>Year ended 31st March, 2018</b>                     | <b>8.61</b>       |
| <b>Gross carrying amount</b>                           |                   |
| Opening Gross carrying amount as at 1st April, 2017    | 16.55             |
| Additions  | 0.47              |
| <b>Closing gross amount</b>                            | <b>17.03</b>      |
| <b>Accumulated depreciation</b>                        |                   |
| Opening Accumulated Depreciation as at 1st April, 2017 | 7.95              |
| Amortisation charge during the year                    | 1.80              |
| <b>Closing accumulated depreciation</b>                | <b>9.75</b>       |
| <b>Net carrying amount as at 31st March, 2018</b>      | <b>7.28</b>       |

### Note 5 - Non-current investments

| Particulars   | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| Investment in equity instruments (fully paid-up) at FVOCI (quoted)  |                           |                           |                          |
| Equity Instrument ( Investment in others)   |                           |                           |                          |
| 4680 Shares of Apar Inds fully paid up<br>(31st March, 2017: 4680, 1st April, 2016: 4680)<br>Equity Shares of ₹ 10/- each           | 34.07                     | 35.08                     | 22.62                    |
| 12668 Shares of Carborundum Univ, fully paid up<br>(31st March, 2017: 14858 ,1st April, 2016: 7038 )<br>Equity shares of ₹ 1/- each | 44.01                     | 43.16                     | 12.88                    |
| 2928 Shares of Container Corp, fully paid up<br>(31st March, 2017 : 0, 1st April, 2016: 0)<br>Equity shares of ₹ 5/- each.          | 36.46                     |                           |                          |
| 56446 Shares of Fedral Bank, fully paid up<br>(31st March, 2017 : 62046, 1st April, 2016: 0)<br>Equity shares of ₹ 2/- each.        | 50.35                     | 56.74                     |                          |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars  | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| 15469 Shares of Kalpataru Power, fully paid up<br>(31st March, 2017 : 15469, 1st April, 2016: 9724)<br>Equity shares of ₹ 2/- each.    | 74.91                     | 49.92                     | 22.08                    |
| 26537 Shares of Kec International Ltd, fully paid up<br>(31st March, 2017 : 26901, 1st April, 2016: 0)<br>Equity shares of ₹ 2/- each. | 103.43                    | 56.12                     |                          |
| 5141 Shares of New India Assu, fully paid up<br>(31st March, 2017 : 0, 1st April, 2016: 0)<br>Equity shares of ₹ 5/- each.             | 36.65                     |                           |                          |
| 11700 Shares of Simplex Infra, fully paid up<br>(31st March, 2017 : 11700, 1st April, 2016: 8291)<br>Equity shares of ₹ 2/- each.      | 62.10                     | 36.04                     | 23.37                    |
| 770 Shares of Sundaram Finance, fully paid up<br>(31st March, 2017 : 770, 1st April, 2016: 0)<br>Equity shares of ₹ 10/- each.         | 15.31                     | 12.43                     |                          |
| 6598 Shares of Tata Communication, fully paid up<br>(31st March, 2017 : 4043, 1st April, 2016: 0)<br>Equity shares of ₹ 10/- each.     | 40.92                     | 29.19                     |                          |
| 14430 Shares of Tech Mahindra, fully paid up<br>(31st March, 2017 : 8470, 1st April, 2016: 2950)<br>Equity shares of ₹ 5/- each.       | 92.16                     | 38.89                     | 14.77                    |
| 51327 Shares of TV18BRDCST, fully paid up<br>(31st March, 2017 : 0, 1st April, 2016: 0)<br>Equity shares of ₹ 2/- each.                | 34.44                     |                           |                          |
| 999 Shares of Albert Devid, fully paid up<br>(31st March, 2017 : 999, 1st April, 2016: 2457)<br>Equity shares of ₹ /- 10 each.         | 3.66                      | 3.17                      | 8.71                     |
| 7000 Shares of Coal India LT, fully paid up<br>(31st March, 2017 : 7000, 1st April, 2016: 2000)<br>Equity shares of ₹ /- 10 each.      | 19.83                     | 20.50                     | 6.44                     |
| 10000 Shares of Pipavav Def, fully paid up<br>(31st March, 2017 : 10000, 1st April, 2016: 10000)<br>Equity shares of ₹ /- 10 each.     | 2.74                      | 6.72                      | 6.84                     |
| 4700 Shares of GSFC, fully paid up<br>(31st March, 2017 : 4700, 1st April, 2016: 4700)<br>Equity shares of ₹ /- 10 each.               | 0.14                      | 0.15                      | 0.94                     |
| 4392 Shares of Abirla Fashan, fully paid up<br>(31st March, 2017 : 4392, 1st April, 2016: 0)<br>Equity shares of ₹ /- 10 each.         |                           | 6.76                      |                          |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars   | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| 2289 Shares of Biocon Ltd, fully paid up<br>(31st March, 2017 : 2289 , 1st April, 2016: 0 )<br>Equity shares of ₹ /- 5 each.                    |                           | 25.92                     |                          |
| 8813 Shares of Coramandal International,<br>fully paid up. (31st March, 2017 : 8813,<br>1st April, 2016: 8813 )<br>Equity shares of ₹ 1/- each. |                           | 27.48                     | 15.74                    |
| 18196 Shares of Greaves Cotton, fully paid up<br>(31st March, 2017 : 18196 , 1st April, 2016: 9880)<br>Equity shares of ₹ 2/- each.             |                           | 31.76                     | 13.66                    |
| 39537 Shares of Kirloskar Ferro, fully paid up<br>(31st March, 2017 : 39537 , 1st April, 2016: 32817)<br>Equity shares of ₹ 5/- each.           |                           | 38.07                     | 17.20                    |
| 13550 Shares of Mahindra CIE, fully paid up<br>(31st March, 2017 : 13550 , 1st April, 2016: 0 )<br>Equity shares of ₹ 10/- each.                |                           | 28.79                     |                          |
| 3792 Shares of Ramco Cement, fully paid up<br>(31st March, 2017 : 3792 , 1st April, 2016: 3573 )<br>Equity shares of ₹ 1/- each.                |                           | 25.51                     | 13.55                    |
| 5182 Shares of Sun Pharmaceutical, fully paid up<br>(31st March, 2017 : 5182 , 1st April, 2016: )<br>Equity shares of ₹ 1/- each.               |                           | 35.66                     |                          |
| 2064 Shares of Voltas Ltd, fully paid up<br>(31st March, 2017 : 2064 , 1st April, 2016: )<br>Equity shares of ₹ 1/- each.                       |                           | 8.51                      |                          |
| 497 Shares of Vardhaman Text,<br>fully paid up Equity shares of ₹ 10/- each.  |                           |                           | 3.78                     |
| 1756 Shares of Mahindra Lifespace, fully paid up<br>Equity shares of ₹ 10/- each.   |                           |                           | 8.08                     |
| 1421 Shares of Kotak Bank, fully paid up<br>Equity shares of ₹ 5/- each.  |                           |                           | 9.65                     |
| 14289 Shares of JMC Projects, fully paid up<br>Equity shares of ₹ 10/- each.  |                           |                           | 32.46                    |
| 7999 Shares of Godrej Properties, fully paid up<br>Equity shares of ₹ 5/- each.   |                           |                           | 24.99                    |
| 7222 Shares of Deepak Nitrit, fully paid up<br>Equity shares of ₹ 2/- each.   |                           |                           | 4.12                     |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Particulars  | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| 1000 Shares of Neelkamal L, fully paid up<br>Equity shares of ₹ 10/- each.   |                           |                           | 9.81                     |
| 5000 Shares of Navkar Copper, fully paid up<br>Equity shares of ₹ 10/- each.   |                           |                           | 8.40                     |
| 1000 Shares of Natco Pharma, fully paid up<br>Equity shares of ₹ 2/- each.   |                           |                           | 4.42                     |
| 1000 Shares of Housing Devel, fully paid up<br>Equity shares of ₹ 2/- each.  |                           |                           | 10.78                    |
| 3200 Shares of GHCL Ltd, fully paid up<br>Equity shares of ₹ 10/- each.  |                           |                           | 3.25                     |
| 1000 Shares of Ceas Ltd, fully paid up<br>Equity shares of ₹ 10 /- each.   |                           |                           | 4.26                     |
| 3746 Shares of Aurobindo Pharma, fully paid up<br>Equity shares of ₹ 1/- each.   |                           |                           | 27.05                    |
| 4211 Shares of Arvind Ltd, fully paid up<br>Equity shares of ₹ 10/- each.  |                           |                           | 12.01                    |
| <b>Equity Instrument ( Investment in Associated Concern)</b><br>6496000 Shares of Coral India Finance & Housing Ltd,<br>Fully Paid up.(31st March, 2017 1299200 at Rs.10 each,<br>1st April,2016 1299200 at Rs.10 Each )<br>Equity Shares of Rs.2/- Each | 2078.73                   | 2419.76                   | 115.87                   |
| <b>Total (equity instruments)</b>  | <b>2,729.89</b>           | <b>3,036.33</b>           | <b>457.73</b>            |
| <b>Mutual Fund</b><br>6559204.592 Units of SBI Growth Fund<br>(31st March, 2017:3253048, 1st April, 2016: 0 )  | 1768.41                   | 824.14                    | 0.00                     |
| <b>Total (Mutual Fund)</b>   | <b>1768.41</b>            | <b>824.14</b>             | <b>0.00</b>              |
| <b>Total investments</b>   | <b>4498.30</b>            | <b>3860.48</b>            | <b>457.73</b>            |
| <b>Total investments</b>   |                           |                           |                          |
| Aggregate amount of quoted investments and<br>market value thereof   | 4498.30                   | 3860.48                   | 457.73                   |
| Aggregate amount of unquoted investments   | 0.00                      | 0.00                      | 0.00                     |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note 6 - Loan

(₹ in Lacs)

| Particulars                      | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|----------------------------------|---------------------------|---------------------------|--------------------------|
| <b>Non-Current</b>               |                           |                           |                          |
| Other Deposit                    | 29.12                     | 20.41                     | 15.20                    |
| Fixed Deposits with Bank         | 0.36                      | 3.48                      | 139.66                   |
| Balance with Revenue Department  | 21.83                     | 29.60                     | 66.00                    |
| Advance for capital goods        | 4.38                      | -                         | 1.17                     |
| <b>Total Non-Current</b>         | <b>55.69</b>              | <b>53.48</b>              | <b>222.03</b>            |
| <b>Current</b>                   |                           |                           |                          |
| Loan to others                   | 220.00                    | 560.84                    | 810.00                   |
| Loan To staff                    | 3.57                      | 0.59                      | 0.92                     |
| Balance with Revenue Departments | 710.52                    | 298.36                    | 94.43                    |
| <b>Total Current</b>             | <b>934.08</b>             | <b>859.79</b>             | <b>905.35</b>            |

### Note 7 - Other assets

| Particulars                         | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|-------------------------------------|---------------------------|---------------------------|--------------------------|
| <b>Non-Current</b>                  |                           |                           |                          |
| Capital Advances                    |                           |                           |                          |
| <b>Total Non-Current</b>            | <b>-</b>                  | <b>-</b>                  | <b>-</b>                 |
| <b>Current</b>                      |                           |                           |                          |
| Prepaid expenses                    | 35.76                     | 36.15                     | 5.81                     |
| Advance other than capital advances | 123.40                    | 19.95                     | 18.17                    |
| Prepaid Insurance                   | 6.16                      | 5.23                      | 5.33                     |
| Margin Money with Bank of Baroda    | 0.46                      | 0.46                      | 0.46                     |
| Unclaimed Dividend                  | 7.40                      | 8.35                      | 10.10                    |
| Others                              | 8.60                      | 10.24                     | 26.16                    |
| <b>Total Current</b>                | <b>181.79</b>             | <b>80.39</b>              | <b>66.02</b>             |

### Note 8 - Inventories

| Particulars          | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|----------------------|---------------------------|---------------------------|--------------------------|
| <b>Raw materials</b> | <b>758.95</b>             | <b>860.44</b>             | <b>553.89</b>            |
| Packing materials    | 478.73                    | 558.65                    | 409.89                   |
| Finished goods       | 246.29                    | 435.23                    | 231.29                   |
| Work-in-progress     | 167.90                    | 114.56                    | 68.14                    |
| Stores and spares    | 98.18                     | 88.56                     | 65.44                    |
| Stock in Trade       | 4.91                      | 2.51                      | -                        |
| Goods in Transit     | 0.05                      | 13.38                     | -                        |
| <b>Total</b>         | <b>1,755.01</b>           | <b>2,073.33</b>           | <b>1,328.66</b>          |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 9 - Trade receivables

(₹ in Lacs)

| Particulars                                    | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| Trade receivables (Unsecured, considered good) | 3,161.25                  | 3,063.74                  | 2,780.72                 |
| <b>Total</b>                                   | <b>3,161.25</b>           | <b>3,063.74</b>           | <b>2,780.72</b>          |

### Note 10 - Cash and cash equivalents

| Particulars                | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|----------------------------|---------------------------|---------------------------|--------------------------|
| Cash on Hand               | 9.69                      | 7.76                      | 6.14                     |
| <b>Balances with banks</b> |                           |                           |                          |
| - In current accounts      | 122.30                    | 123.66                    | 89.01                    |
| - Bank OD account          | 0.16                      | 0.54                      | 0.11                     |
| - In EEFC accounts         | 48.03                     | 284.47                    | 176.12                   |
| <b>Total</b>               | <b>180.18</b>             | <b>416.43</b>             | <b>271.39</b>            |

### Note 11 - Bank balances other than cash and cash equivalents above

(₹ in Lacs)

| Particulars  | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| Deposits   |                           |                           |                          |
| <b>In earmarked accounts</b>   |                           |                           |                          |
| - Unpaid dividend accounts   |                           |                           |                          |
| - Balances held as margin money or security against borrowings, guarantees and other commitments | 957.62                    | 807.23                    | 608.96                   |
| <b>Total</b>   | <b>957.62</b>             | <b>807.23</b>             | <b>608.96</b>            |

### Note 12 - Equity Share capital and other equity

#### Equity share capital

##### (i) Authorised share capital

(₹ in Lacs)

| Particulars            | Number of shares | Amount   |
|------------------------|------------------|----------|
| As at 1st April, 2016  | 10,000,000       | 1,000.00 |
| As at 31st March, 2017 | 10,000,000       | 1,000.00 |
| As at 31st March, 2018 | 10,000,000       | 1,000.00 |

##### (ii) Issued, Subscribed & fully paid up Share Capital

(₹ in Lacs)

| Particulars            | Number of shares | Amount |
|------------------------|------------------|--------|
| As at 1st April, 2016  | 35,72,600        | 357.26 |
| As at 31st March, 2017 | 35,72,600        | 357.26 |
| As at 31st March, 2018 | 35,72,600        | 357.26 |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Terms and rights attached to equity shares

The Company has only one class of equity shares having face value of 10 each. Each holder of Equity share is entitled to one vote per share.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company.

The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors has recommended dividend of 2 per Equity share of 10/- each subject to the shareholders approval in the ensuing 36th Annual General Meeting.

### (iii) Details of shareholders holding more than 5% shares in the Company

| Particulars                       | As at 31st March, 2018 |           | As at 31st March, 2017 |           | As at 1st April, 2016 |           |
|-----------------------------------|------------------------|-----------|------------------------|-----------|-----------------------|-----------|
|                                   | Number of shares       | % Holding | Number of shares       | % Holding | Number of shares      | % Holding |
| Chetan N Doshi                    | 1,028,379              | 28.79%    | 440,453                | 12.33%    | 440,453               | 12.33%    |
| Coral India Finance & Housing Ltd | 713,351                | 19.97%    | 713,351                | 19.97%    | 715,351               | 20.02%    |
| Navin B Doshi                     | 284,001                | 7.95%     | 284,001                | 7.95%     | 284,001               | 7.95%     |
| Kundan Navin Doshi                | 529,073                | 14.81%    | 529,073                | 14.81%    | 529,073               | 14.81%    |
| Sachin Navin Doshi                | -                      | -         | 587,926                | 16.46%    | 587,926               | 16.46%    |

### Reserves and surplus

(₹ in Lacs)

| Particulars                             | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| Capital Reserve                         |                           |                           |                          |
| General Reserve                         | 420.51                    | 420.51                    | 420.51                   |
| Surplus in statement of profit and loss | 10,855.81                 | 10,137.99                 | 6,240.14                 |
| <b>Total</b>                            | <b>11,276.33</b>          | <b>10,558.50</b>          | <b>6,660.66</b>          |

### Surplus in statement of profit and loss

| Particulars  | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|--|--------------------------------|--------------------------------|
| <b>Opening balance</b>   | <b>10,137.99</b>               | <b>6,240.14</b>                |
| Profit for the year  | 1,244.59                       | 1,629.58                       |
| Items of other comprehensive income recognised directly in retained earnings | (311.77)                       | 2,467.40                       |
| Defer Tax Liability of earlier years   |                                | (199.13)                       |
| Dividends paid (including dividend distribution tax)                         | (214.99)                       | -                              |
| <b>Closing balance</b>   | <b>10,855.82</b>               | <b>10,137.99</b>               |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 13 - Current borrowings

(₹ in lacs)

| Particulars                      | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|----------------------------------|---------------------------|---------------------------|--------------------------|
| <b>Loans repayable on demand</b> |                           |                           |                          |
| From banks                       | 119.80                    | 217.18                    | 37.36                    |
| Cash Credit                      | -                         | -                         | -                        |
| Bill Discounting                 | 53.76                     | -                         | -                        |
| <b>Total</b>                     | <b>173.57</b>             | <b>217.18</b>             | <b>37.36</b>             |

### Note 14 - Trade payables

| Particulars                            | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| <b>Non Current</b>                     |                           |                           |                          |
| Trade payables(other than Acceptances) | 10.78                     | 10.78                     | 10.78                    |
| <b>Total Non Currnet</b>               | <b>10.78</b>              | <b>10.78</b>              | <b>10.78</b>             |
| <b>Current</b>                         |                           |                           |                          |
| Trade payables(other than Acceptances) | 1,282.56                  | 1,003.85                  | 969.05                   |
| <b>Total Currnet</b>                   | <b>1,282.56</b>           | <b>1,003.85</b>           | <b>969.05</b>            |

This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED) has been determined to the extent such parties have been identified on the basis of information available with the company and relied by the auditors.

| Particulars  | 31st March, 2018 | 31st March, 2017 |
|--|------------------|------------------|
| (i) Principal amount remaining unpaid to any supplier as at the end of the accounting year   | 159.06           | 188.86           |
| (ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year  | -                | -                |
| (iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day  | -                | -                |
| (iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act                                  | -                | -                |
| (v) The amount of interest accrued and remaining unpaid at the end of the accounting year  | -                | -                |
| (vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 | -                | -                |

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSME.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 15 - Other financial liabilities

(₹ in lacs)

| Particulars               | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---------------------------|---------------------------|---------------------------|--------------------------|
| <b>Non Current</b>        |                           |                           |                          |
| Deposits payable          | 7.50                      | 7.50                      | 7.50                     |
| Employee Retention        | 1.27                      | 0.56                      | 0.62                     |
| <b>Total Non Current</b>  | <b>8.77</b>               | <b>8.07</b>               | <b>8.12</b>              |
| <b>Current</b>            |                           |                           |                          |
| Statutory Liabilities     | 4.87                      | 50.25                     | 4.46                     |
| Deposits payable          | 0.72                      | 0.72                      | 0.72                     |
| Unclaimed Dividend        | 7.40                      | 8.35                      | 10.10                    |
| Proposed Dividend and DDT | -                         | -                         | 129.00                   |
| <b>Total Current</b>      | <b>12.99</b>              | <b>59.32</b>              | <b>144.27</b>            |

### Note 16 - Provisions

| Particulars                     | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---------------------------------|---------------------------|---------------------------|--------------------------|
| <b>Non-Current</b>              |                           |                           |                          |
| Gratuity payable                | 27.80                     | 19.97                     | 17.21                    |
| <b>Total Non-Current</b>        | <b>27.80</b>              | <b>19.97</b>              | <b>17.21</b>             |
| <b>Current</b>                  |                           |                           |                          |
| Provision for Employee Benefits | 35.07                     | 48.80                     | 28.35                    |
| Gratuity Payable                | 4.70                      | 4.06                      | -                        |
| Other Provision                 | 20.05                     | 21.95                     | 32.01                    |
| <b>Total Current</b>            | <b>59.82</b>              | <b>74.81</b>              | <b>60.36</b>             |

#### Defined contribution plans

The Company makes Provident Fund and Employee State Insurance Contributions to defined contribution plans for qualifying employees. Contribution are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contribution are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

The Company recognised year ended 31st March 2018 ₹ 20.12 lakhs (Year ended 31st March, 2017 ₹ 18.39 lakhs) for Provident Fund contributions and ₹ 5.27 lakhs (Year ended 31st March, 2017 ₹ 3.32 lakhs) for employee State Insurance contributions in the Statement of Profit and Loss.

#### Defined benefit plans

##### Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Gratuity

|   | Present value of obligation | Fair value of plan assets | Net amount   |
|---|-----------------------------|---------------------------|--------------|
| <b>As at 1st April, 2016</b>  | <b>21.82</b>                |                           |              |
| Current service cost  | 3.25                        | -                         | 3.25         |
| Past service cost   | -                           | -                         | -            |
| Interest expense/(income)   | 1.75                        | -                         | 1.75         |
| <b>Total amount recognised in statement of profit and loss</b>                | <b>26.81</b>                | <b>-</b>                  | <b>26.81</b> |
| Remeasurements  |                             |                           |              |
| Return on plan assets, excluding amount included in interest expense/(income) |                             |                           |              |
| (Gain)/loss from change in demographic assumptions                            | 1.08                        |                           | 1.08         |
| (Gain)/loss from change in financial assumptions                              | (1.02)                      | -                         | (1.02)       |
| Experience (gains)/losses   | -                           | -                         | -            |
| Actual Return on Plan assets  |                             |                           |              |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>0.06</b>                 | <b>-</b>                  | <b>0.06</b>  |
| Employer contributions  |                             |                           |              |
| Benefit payments  | (1.42)                      |                           | (1.42)       |
| <b>As at 31st March, 2017</b>   | <b>25.45</b>                | <b>-</b>                  | <b>25.45</b> |

|   | Present value of obligation | Fair value of plan assets | Net amount   |
|---|-----------------------------|---------------------------|--------------|
| <b>As at 31st March, 2017</b>   | <b>25.45</b>                | <b>-</b>                  | <b>25.45</b> |
| Current service cost  | 3.95                        | -                         | 3.95         |
| Interest expense/(income)   | 1.93                        | -                         | 1.93         |
| <b>Total amount recognised in statement of profit and loss</b>                | <b>31.32</b>                | <b>-</b>                  | <b>31.32</b> |
| Remeasurements  | -                           | -                         | -            |
| Return on plan assets, excluding amount included in interest expense/(income) | -                           |                           | -            |
| (Gain)/loss from change in demographic assumptions                            | -                           |                           | -            |
| (Gain)/loss from change in financial assumptions                              | 5.65                        |                           | 5.65         |
| Experience (gains)/losses   | (1.22)                      |                           | (1.22)       |
| Actual Return on Plan assets  | -                           |                           | -            |
| <b>Total amount recognised in other comprehensive income</b>                  | <b>4.43</b>                 | <b>-</b>                  | <b>4.43</b>  |
| Amount required to be spent as per Section 135 of the Act                     |                             |                           |              |
| Benefit payments  | (3.25)                      |                           | (3.25)       |
| <b>As at 31st March, 2018</b>   | <b>32.50</b>                | <b>-</b>                  | <b>32.50</b> |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ in Lacs)

|   | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| Present value of funded obligations         | -                         | -                         | -                        |
| Fair value of plan assets                   | -                         | -                         | -                        |
| <b>Surplus of funded plan</b>               |                           |                           |                          |
| Unfunded plan                               | 3.50                      | 25.45                     | 21.82                    |
| <b>Surplus / (Deficit) of Gratuity plan</b> | <b>3.50</b>               | <b>25.45</b>              | <b>21.82</b>             |

The significant actuarial assumptions were as follows:

### Gratuity

| Particulars                    | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--------------------------------|---------------------------|---------------------------|--------------------------|
| Discount rate                  | 7.87%                     | 7.57%                     | 8.01%                    |
| Salary escalation rate         | 7%                        | 5%                        | 5%                       |
| Expected Return on plan assets | NA                        | NA                        | NA                       |

### Note 17 - Other liabilities

| Particulars                     | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---------------------------------|---------------------------|---------------------------|--------------------------|
| <b>Non-Current</b>              |                           |                           |                          |
| Deferred Income                 |                           |                           |                          |
| Advance from customers          |                           |                           |                          |
| <b>Total Non-Current</b>        | -                         | -                         | -                        |
| <b>Current</b>                  |                           |                           |                          |
| Deferred Income                 |                           |                           |                          |
| Statutory dues                  |                           |                           |                          |
| Payable for Capital Goods       | 0.57                      | 0.57                      | -                        |
| Advance received from customers | 490.16                    | 494.04                    | 93.99                    |
| <b>Total Current</b>            | <b>490.73</b>             | <b>494.61</b>             | <b>93.99</b>             |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 18 - Revenue from operations

(₹ in Lacs)

| Particulars             | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|-------------------------|--------------------------------|--------------------------------|
| Sale of Products        | 8,987.48                       | 9,111.78                       |
| Sale of services        | -                              | 20.73                          |
| Other operating revenue | 259.88                         | 414.54                         |
| <b>Total</b>            | <b>9,247.35</b>                | <b>9,547.05</b>                |

### Note 19 - Other income

| Particulars   | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|---|--------------------------------|--------------------------------|
| Interest Income   | 89.33                          | 148.82                         |
| Rent Income   | 30.00                          | 30.00                          |
| Net gain on foreign currency transactions   | 112.28                         | 9.85                           |
| Other non-operating income (net of expenses directly attributable to such income) | 215.11                         | 148.00                         |
| <b>Total</b>  | <b>446.71</b>                  | <b>336.67</b>                  |

### Note 20(a) - Cost of material consumed

| Particulars                        | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|------------------------------------|--------------------------------|--------------------------------|
| <b>Raw material Consumed :</b>     |                                |                                |
| Opening stock                      | 860.44                         | 553.89                         |
| Add:Purchases                      | 3,276.49                       | 3,337.92                       |
|                                    | <b>4,136.93</b>                | <b>3,891.81</b>                |
| Less : Transfer                    | 23.54                          | (7.17)                         |
| Less : Closing Stock               | 758.95                         | 860.44                         |
|                                    | <b>3,354.44</b>                | <b>3,038.55</b>                |
| <b>Packing Material Consumed :</b> |                                |                                |
| Opening stock                      | 558.65                         | 409.89                         |
| Add:Purchases                      | 1,695.71                       | 2,157.89                       |
|                                    | <b>2,254.37</b>                | <b>2,567.78</b>                |
| Less : Transfer                    | 1.50                           | (0.69)                         |
| Less : Closing Stock               | 478.73                         | 558.65                         |
|                                    | <b>1,774.14</b>                | <b>2,009.82</b>                |
| <b>Total</b>                       | <b>5,128.58</b>                | <b>5,048.36</b>                |
| Trading Purchases                  | 125.39                         | 84.98                          |
| <b>Total</b>                       | <b>125.39</b>                  | <b>84.98</b>                   |
| <b>Total</b>                       | <b>5,253.96</b>                | <b>5,133.34</b>                |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note 20(b) - Changes in inventories of finished goods and work in progress

(₹ in lacs)

| Particulars                                     | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|---|--------------------------------|--------------------------------|
| <b>Inventories at the end of the year</b>       |                                |                                |
| i) Finished goods                               | 251.20                         | 429.72                         |
| ii) Work in progress                            | 167.90                         | 114.56                         |
| ii) Stock in trade                              | -                              | 21.40                          |
|   | 419.10                         | 565.68                         |
| <b>Inventories at the beginning of the year</b> |                                |                                |
| i) Finished goods                               | 386.74                         | 231.29                         |
| ii) Work in progress                            | 114.56                         | 68.14                          |
| ii) Stock in Trade                              | 21.40                          | -                              |
|   | 522.69                         | 299.43                         |
| <b>Net increase / decrease</b>                  | <b>103.60</b>                  | <b>(266.24)</b>                |

### Note 21 - Employee benefit expenses

| Particulars                                | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|--|--------------------------------|--------------------------------|
| Salaries and Wages                         | 804.96                         | 632.41                         |
| Contributions to provident and other funds | 27.30                          | 24.69                          |
| Staff Welfare Expenses                     | 24.40                          | 18.45                          |
| <b>Total</b>                               | <b>856.66</b>                  | <b>675.55</b>                  |

### Note 22 - Finance costs

| Particulars          | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|----------------------|--------------------------------|--------------------------------|
| Interest expense on: |                                |                                |
| Bank Interest        | 0.94                           | 0.01                           |
| CC Renewal Charges   | 1.90                           | 1.32                           |
| Interest Others      | 0.49                           | 2.10                           |
| <b>Total</b>         | <b>3.33</b>                    | <b>3.43</b>                    |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 23 - Other expenses

(₹ in Lacs)

| Particulars                                 | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|---|--------------------------------|--------------------------------|
| Power and fuel                              | 184.26                         | 184.29                         |
| Manufacturing Expenses                      | 385.18                         | 789.52                         |
| Stores and spares consumed                  | 26.09                          | 22.16                          |
| Sales tax Dues                              | 1.00                           | 0.43                           |
| Repairs & maintenance                       | 132.98                         | 145.05                         |
| Rent  | 29.80                          | 9.62                           |
| Rates and taxes                             | 18.41                          | 34.51                          |
| Insurance                                   | 7.74                           | 7.85                           |
| Telephone Expenses                          | 14.48                          | 11.99                          |
| Postage and telephone expense               | 38.69                          | 31.57                          |
| Printing and stationery                     | 39.97                          | 42.07                          |
| Legal and professional                      | 45.53                          | 42.85                          |
| Directors' Sitting Fees                     | 1.10                           | 0.36                           |
| Sales Pramotion Expesnes                    | 114.18                         | 26.66                          |
| Payments to auditors (Refer Note (i) below) | 3.60                           | 1.40                           |
| Travelling expense                          | 102.81                         | 64.04                          |
| Freight Charges                             | 58.26                          | 59.55                          |
| Loading & Unloading Expenses                | 6.28                           | 19.89                          |
| Advertisement                               | 2.30                           | 2.82                           |
| Security Expenes                            | 16.53                          | 20.35                          |
| Loss on Sale of Assets                      | -                              | 5.38                           |
| Bank Charges & commission                   | 16.86                          | 16.23                          |
| Miscellaneous Expenses                      | 269.47                         | 154.69                         |
| <b>Total</b>                                | <b>1,515.50</b>                | <b>1,693.29</b>                |

| Particulars                                      | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|--|--------------------------------|--------------------------------|
| <b>(i) Details of payment to auditors</b>        |                                |                                |
| Payments to the auditors comprises (net of tax): |                                |                                |
| To statutory auditors'                           |                                |                                |
| - Statutory audit                                | 3.60                           | 1.25                           |
| - Tax audit                                      | -                              | 0.15                           |
| - Other Services                                 |                                |                                |
| <b>Total</b>                                     | <b>3.60</b>                    | <b>1.40</b>                    |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note 24 - Taxation

#### 24 a) - Income tax expense

(₹ in lacs)

| Particulars                                     | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|---|--------------------------------|--------------------------------|
| Current tax                                     |                                |                                |
| Current tax on profits for the year             | 550.00                         | 822.00                         |
| Adjustments for current tax of earlier years    | -                              | 32.34                          |
| <b>Total current tax expense</b>                | <b>550.00</b>                  | <b>854.34</b>                  |
| Deferred tax                                    |                                |                                |
| decrease/(increase) in deferred tax assets      |                                |                                |
| (decrease)/increase in deferred tax liabilities | 10.36                          | 12.51                          |
| <b>Total deferred tax expense/(benefit)</b>     | <b>10.36</b>                   | <b>12.51</b>                   |
| <b>Income tax expense</b>                       | <b>560.36</b>                  | <b>866.85</b>                  |

#### 24 b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

|   |                 |                 |
|---|-----------------|-----------------|
| <b>Profit for the year</b>                              | <b>1,804.94</b> | <b>2,488.65</b> |
| Statutory tax rate applicable to entity                 | 34.608%         | 34.608%         |
| <b>Tax expense at applicable tax rate</b>               | <b>624.65</b>   | <b>861.27</b>   |
| Tax effects of following in calculating taxable income: |                 |                 |
| Additional deduction claimed under Income tax Act       |                 |                 |
| Differential tax on Income of the year                  |                 |                 |
| Expenses not allowed as per Income tax Act              | (64.30)         | (2.20)          |
| Effect of change in substantively enacted rate          |                 |                 |
| <b>Income tax expense</b>                               | <b>560.36</b>   | <b>859.07</b>   |

#### 24 c)- Deferred tax liabilities

The balance comprises temporary differences attributable to:

|  | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| <b>Deferred tax liabilities:</b>                       |                           |                           |                          |
| Difference between Accounting and Tax WDV (Cumulative) | 318.07                    | 307.71                    | 96.08                    |
| <b>Total deferred tax liabilities</b>                  | <b>318.07</b>             | <b>307.71</b>             | <b>96.08</b>             |
| <b>Deferred tax assets:</b>                            |                           |                           |                          |
| Total deferred tax assets                              | -                         | -                         | -                        |
| <b>Net deferred tax liabilities</b>                    | <b>318.07</b>             | <b>307.71</b>             | <b>96.08</b>             |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 25 - Fair value measurements

#### (I) Financial instruments by category

(₹ in lacs)

| Particulars  | Note | As at March 31, 2018 |                 |                 | As at March 31, 2017 |               |                 | As at April 1, 2016 |          |                 |
|--|------|----------------------|-----------------|-----------------|----------------------|---------------|-----------------|---------------------|----------|-----------------|
|  |      | FVOCI                | FVPL            | Amortised cost  | FVOCI                | FVPL          | Amortised cost  | FVOCI               | FVPL     | Amortised cost  |
| <b>Financial assets</b>                            |      |                      |                 |                 |                      |               |                 |                     |          |                 |
| Equity Investments                                 | 5    | 2,729.88             | 1,768.41        | -               | 3,036.33             | 824.14        | -               | 457.73              | -        | -               |
| Trade receivables                                  | 9    | -                    | -               | 3,161.25        | -                    | -             | 3,063.74        | -                   | -        | 2,780.72        |
| Cash and cash equivalents                          | 10   | -                    | -               | 180.18          | -                    | -             | 416.43          | -                   | -        | 271.39          |
| Bank balances other than cash and cash equivalents | 11   | -                    | -               | 957.62          | -                    | -             | 807.23          | -                   | -        | 608.96          |
| Loans  | 6    | -                    | -               | 989.77          | -                    | -             | 913.28          | -                   | -        | 1,127.38        |
| <b>Total financial assets</b>                      |      | <b>2,729.88</b>      | <b>1,768.41</b> | <b>5,288.83</b> | <b>3,036.33</b>      | <b>824.14</b> | <b>5,200.69</b> | <b>457.73</b>       | <b>-</b> | <b>4,788.45</b> |
| <b>Financial liabilities</b>                       |      |                      |                 |                 |                      |               |                 |                     |          |                 |
| Borrowings   | 13   | -                    | -               | 173.57          | -                    | -             | 217.18          | -                   | -        | 37.36           |
| Trade payables                                     | 14   | -                    | -               | 1,293.34        | -                    | -             | 1,014.63        | -                   | -        | 979.82          |
| Other Financial Liabilities                        | 15   | -                    | -               | 21.76           | -                    | -             | 67.38           | -                   | -        | 152.39          |
| <b>Total financial liabilities</b>                 |      | <b>-</b>             | <b>-</b>        | <b>1,488.67</b> | <b>-</b>             | <b>-</b>      | <b>1,299.19</b> | <b>-</b>            | <b>-</b> | <b>1,169.57</b> |

#### (ii) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

| Financial asset and liabilities measured at fair value - recurring fair value measurements: | Notes | Level 1         | Level 2  | Level 3  | Total           |
|---|-------|-----------------|----------|----------|-----------------|
| <b>As at March 31, 2018</b>   |       |                 |          |          |                 |
| <b>Financial Asset</b>  |       |                 |          |          |                 |
| <b>Financial Investment at FVOCI</b>  |       |                 |          |          |                 |
| Equity Instruments  | 5     | 2,729.88        | -        | -        | 2,729.88        |
| <b>Financial Investment at FVPL</b>   |       |                 |          |          |                 |
| Investments in Mutual Funds   |       | -               | -        | -        | -               |
| <b>Total Financial Assets</b>   |       | <b>2,729.88</b> | <b>-</b> | <b>-</b> | <b>2,729.88</b> |

| Financial asset and liabilities measured at fair value - recurring fair value measurements: | Notes | Level 1         | Level 2  | Level 3  | Total           |
|---|-------|-----------------|----------|----------|-----------------|
| <b>As at March 31, 2017</b>   |       |                 |          |          |                 |
| <b>Financial Assets</b>   |       |                 |          |          |                 |
| <b>Financial Investment at FVOCI</b>  |       |                 |          |          |                 |
| Equity Instruments  | 5     | 3,036.33        | -        | -        | 3,036.33        |
| <b>Financial Investment at FVPL</b>   |       |                 |          |          |                 |
| Investments in Mutual Funds   |       | -               | -        | -        | -               |
| <b>Total Financial Assets</b>   |       | <b>3,036.33</b> | <b>-</b> | <b>-</b> | <b>3,036.33</b> |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

| Financial asset and liabilities measured at fair value - recurring fair value measurements: | Notes | Level 1       | Level 2  | Level 3  | Total         |
|---|-------|---------------|----------|----------|---------------|
| <b>As at April 1, 2016</b>  |       |               |          |          |               |
| <b>Financial Assets</b>   |       |               |          |          |               |
| <b>Financial Investment at FVOCI</b>  |       |               |          |          |               |
| Equity Instruments  | 5     | 457.73        | -        | -        | 457.73        |
| <b>Financial Investment at FVPL</b>   |       |               |          |          |               |
| Investments in Mutual Funds   |       | -             | -        | -        | -             |
| <b>Total Financial Assets</b>   |       | <b>457.73</b> | <b>-</b> | <b>-</b> | <b>457.73</b> |

The fair value of financial instruments as referred to in note above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active market for identical assets or liabilities (level 1 measurement) and lowest priority to unobservable inputs (level 3 measurements). The categories used are as follows:

**Level 1 :** Financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds, mutual funds, bonds and debentures, that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is considered here. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate. The mutual funds are valued using the closing NAV published by mutual fund.

**Level 3:** The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs). When the fair value of unquoted instruments cannot be measured with sufficient reliability, the Company carries such instruments at cost less impairment, if applicable.

### (iv) Fair value of Financial assets and liabilities measured at amortised cost

(₹ in Lacs)

| Particulars  | Note | As at March 31, 2018 |                 | As at March 31, 2017 |                 | As at April 1, 2016 |                 |
|--|------|----------------------|-----------------|----------------------|-----------------|---------------------|-----------------|
|  |      | Carrying Amount      | Fair Value      | Carrying Amount      | Fair Value      | Carrying Amount     | Fair Value      |
| <b>Financial Assets</b>                            |      |                      |                 |                      |                 |                     |                 |
| Trade receivables                                  | 9    | 3,161.25             | 3,161.25        | 3,063.74             | 3,063.74        | 2,780.72            | 2,780.72        |
| Cash and cash equivalents                          | 10   | 180.18               | 180.18          | 416.43               | 416.43          | 271.39              | 271.39          |
| Bank balances other than cash and cash equivalents | 11   | 957.62               | 957.62          | 807.23               | 807.23          | 608.96              | 608.96          |
| Loans  | 6    | 989.77               | 989.77          | 913.28               | 913.28          | 1,127.38            | 1,127.38        |
| <b>Total Financial Assets</b>                      |      | <b>5,288.83</b>      | <b>5,288.83</b> | <b>5,201.69</b>      | <b>5,200.69</b> | <b>4,788.45</b>     | <b>4,788.45</b> |
| <b>Financial Liabilities</b>                       |      |                      |                 |                      |                 |                     |                 |
| Borrowings   | 13   | 173.57               | 173.57          | 217.18               | 217.18          | 37.36               | 37.36           |
| Trade payables                                     | 14   | 1,293.34             | 1,293.34        | 1,014.63             | 1,014.63        | 979.82              | 979.82          |
| Other Financial Liabilities                        | 15   | 21.76                | 21.76           | 67.38                | 67.38           | 152.39              | 152.39          |
| <b>Total Financial Liabilities</b>                 |      | <b>1,488.67</b>      | <b>1,488.67</b> | <b>1,299.19</b>      | <b>1,299.19</b> | <b>1,169.57</b>     | <b>1,169.57</b> |

The carrying amounts of trade receivables, trade payables, cash and cash equivalents and other bank balances, loans and other financial liabilities are considered to be the same as their fair values due to their short-term nature. The carrying amount of long term borrowings are considered to be same as their fair values, as these borrowings carry floating interest rates.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

---

### Note 26 - Financial Risk Management

The Company's business activities expose it to a variety of financial risks, namely liquidity risk, market risks and credit risk. The Company's senior management has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company has constituted a Risk Management framework, through which management develops and monitors the Company's risk management policies. The key risks and mitigating actions are also placed before the Board of directors of the Company. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

"The Risk Management Framework of the Company is enforced by the finance team and experts of business division that provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The activities are designed to: -

- protect the Company's financial results and position from financial risks; -
- maintain market risks within acceptable parameters, while optimising returns; and

The finance department is responsible to maximise the return on companies internally generated funds."

"The note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance."

#### (A) Credit Risk

Credit risk arises from the possibility that the counter party may not be able to settle their obligations as agreed. Credit risks from balances with banks and financial institutions are managed in accordance with the Company's policy. For derivative and financial instruments, the Company attempts to limit the credit risk by only dealing with reputable banks and financial institutions having high credit ratings assigned by the credit rating agencies. The Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets. Individual risk limits are set and periodically reviewed on the basis of such information.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

In respect of its investments the company aims to minimize its financial credit risk through the application of risk management policies.

The gross carrying amount of trade receivables is INR 3161.25 Lakhs (March 31, 2017: INR 3063.74 Lakhs, April 1, 2016: INR 2780.72 Lakhs)

The Company maintains exposure in cash and cash equivalents, term deposits with banks, Loans, Security deposits and other financial assets.

Other advances are given for trade purpose which is in line with normal business activities of the Company. Provision is taken on a case to case basis depending on circumstances with respect to non recoverability of the amount. The gross carrying amount of such loans and advances is INR 934.08 lakhs (March 31, 2017: INR 859.80 Lakhs, April 1, 2016: INR 905.35 Lakhs)

#### (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach for managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking manage to Company's reputation. In addition, processes and policies related to such risks are overseen by the senior management. The management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Maturities of financial liabilities

(₹ in lacs)

| Particular                              | Note | Less than 1 year | 1 year to 2 year | 2 year to 3 year | 3 year and above | Total           |
|---|------|------------------|------------------|------------------|------------------|-----------------|
| <b>As at March 31, 2018</b>             |      |                  |                  |                  |                  |                 |
| Borrowings                              | 13   | 173.57           | -                | -                | -                | 173.57          |
| Trade Payables                          | 14   | 1,282.56         | 10.78            | -                | -                | 1,293.34        |
| Other Financial Liabilities             | 15   | 12.99            | 8.77             | -                | -                | 21.76           |
| <b>Total non-derivative liabilities</b> |      | <b>1,469.13</b>  | <b>19.55</b>     | <b>-</b>         | <b>-</b>         | <b>1,488.67</b> |
| <b>Derivatives (Net-settled)</b>        |      |                  |                  |                  |                  |                 |
| Forward contracts for hedge purpose     |      | -                | -                | -                | -                | -               |
| <b>Total derivative liabilities</b>     |      | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>        |

| Particular                          | Note | Less than 1 year | 1 year to 2 year | 2 year to 3 year | 3 year and above | Total           |
|-------------------------------------|------|------------------|------------------|------------------|------------------|-----------------|
| <b>As at March 31, 2017</b>         |      |                  |                  |                  |                  |                 |
| Borrowings                          | 13   | 217.18           | -                | -                | -                | 217.18          |
| Trade Payables                      | 14   | 1,003.85         | 10.78            | -                | -                | 1,014.63        |
| Other Financial Liabilities         | 15   | 59.32            | 8.06             | -                | -                | 67.38           |
| <b>Total</b>                        |      | <b>1,280.35</b>  | <b>18.84</b>     | <b>-</b>         | <b>-</b>         | <b>1,299.19</b> |
| <b>Derivatives (Net-settled)</b>    |      |                  |                  |                  |                  |                 |
| Forward contracts for hedge purpose |      | -                | -                | -                | -                | -               |
| <b>Total derivative liabilities</b> |      | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>        |

| Particular                          | Note | Less than 1 year | 1 year to 2 year | 2 year to 3 year | 3 year and above | Total           |
|-------------------------------------|------|------------------|------------------|------------------|------------------|-----------------|
| <b>As at April 1, 2016</b>          |      |                  |                  |                  |                  |                 |
| Borrowings                          | 13   | 37.36            | -                | -                | -                | 37.36           |
| Trade Payables                      | 14   | 969.05           | 10.78            | -                | -                | 979.82          |
| Other Financial Liabilities         | 15   | 144.27           | 8.12             | -                | -                | 152.39          |
| <b>Total</b>                        |      | <b>1,151.68</b>  | <b>18.90</b>     | <b>-</b>         | <b>-</b>         | <b>1,169.57</b> |
| <b>Derivatives (Net-settled)</b>    |      |                  |                  |                  |                  |                 |
| Forward contracts for hedge purpose |      | -                | -                | -                | -                | -               |
| <b>Total derivative liabilities</b> |      | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>         | <b>-</b>        |

### (c) Market risk

The Company is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and future transactions.

### (i) Foreign exchange risk

Foreign currency risk is that risk in which the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company operates internationally and a portion of its business is transacted in multiple currencies and therefore the Company is exposed to foreign exchange risk through its overseas sales and purchases in various foreign currencies. The Company takes decision to hedge by forming view after discussions with its advisors and as per policies set by Management.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company was also exposed to the foreign currency loans availed from banks to reduce the overall interest cost. The Company had fully hedged loan exposure in foreign currency to mitigate the foreign exchange risk on the same.

Foreign exchange derivatives and exposures outstanding as at Balance Sheet date

### The Company's exposure to foreign currency risk at the end of the reporting period as on March 31, 2018 (₹ in lacs)

| Particular   | Currency | In INR          | In Foreign Currency |
|--|----------|-----------------|---------------------|
| <b>Financial assets</b>                                    |          |                 |                     |
| Export Receivables   | USD      | 2,247.13        | 34.51               |
| Bank Balances  | USD      | 48.03           | 0.74                |
| <b>Derivative asset</b>                                    |          |                 |                     |
| Foreign exchange forward contracts sell foreign currency   | USD      | -               | -                   |
| <b>Net Exposure to foreign currency risk (assets)</b>      |          | <b>2,295.16</b> | <b>35.25</b>        |
| <b>Financial liabilities</b>                               |          |                 |                     |
| Import Payables  | USD      | -               | -                   |
| <b>Derivative liabilities</b>                              |          |                 |                     |
| Forward contract - Buy for Hedging Purpose                 | USD      | -               | -                   |
| <b>Net Exposure to foreign currency risk (liabilities)</b> |          | -               | -                   |

### The Company's exposure to foreign currency risk at the end of the reporting period as on March 31, 2017

| Particular   | Currency | In INR          | In Foreign Currency |
|--|----------|-----------------|---------------------|
| <b>Financial assets</b>                                    |          |                 |                     |
| Export Receivables   | USD      | 2,346.93        | 361.90              |
| Bank Balances  | USD      | 284.47          | 4.34                |
| <b>Derivative asset</b>                                    |          |                 |                     |
| Foreign exchange forward contracts sell foreign currency   | USD      | -               | -                   |
| <b>Net Exposure to foreign currency risk (assets)</b>      |          | <b>2,631.40</b> | <b>366.24</b>       |
| <b>Financial liabilities</b>                               |          |                 |                     |
| Import Payables  | USD      | -               | -                   |
| <b>Derivative liabilities</b>                              |          |                 |                     |
| Forward contract - Buy for Hedging Purpose                 | USD      | -               | -                   |
| <b>Net Exposure to foreign currency risk (liabilities)</b> |          | -               | -                   |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company's exposure to foreign currency risk at the end of the reporting period as on April 1, 2016

| Particular   | Currency | In INR          | In Foreign Currency |
|--|----------|-----------------|---------------------|
| <b>Financial assets</b>                                    |          |                 |                     |
| Export Receivables   | USD      | 1,962.51        | 29.61               |
| Bank Balances  | USD      | 176.12          | 2.66                |
| Derivative asset   |          |                 |                     |
| Foreign exchange forward contracts sell foreign currency   | USD      |                 |                     |
| <b>Net Exposure to foreign currency risk (assets)</b>      |          | <b>2,138.64</b> | <b>32.27</b>        |
| <b>Financial liabilities</b>                               |          |                 |                     |
| Import Payables  | USD      |                 |                     |
| <b>Derivative liabilities</b>                              |          |                 |                     |
| Forward contract - Buy for Hedging Purpose                 | USD      |                 |                     |
| <b>Net Exposure to foreign currency risk (liabilities)</b> |          | <b>-</b>        | <b>-</b>            |

### Foreign Currency Risk Sensitivity

A change of 5% in Foreign Currency would have the following impact on profit before tax

| Particular                                     | Increase in FC conversion rate |                           | Decrease in FC conversion rate |                           |
|--|--------------------------------|---------------------------|--------------------------------|---------------------------|
|  | Year ended March 31, 2018      | Year ended March 31, 2017 | Year ended March 31, 2018      | Year ended March 31, 2017 |
| <b>USD</b>                                     | 114.76                         | <b>131.57</b>             | (114.76)                       | (131.57)                  |
| EURO   | -                              | -                         | -                              | -                         |
| <b>Increase / (decrease) in profit or loss</b> | <b>114.76</b>                  | <b>131.57</b>             | <b>(114.76)</b>                | <b>(131.57)</b>           |

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The Company borrows at variable as well as fixed interest rates and the same is managed by the Company by constantly monitoring the trends and expectations. In order to reduce the overall interest cost, the Company has borrowed in a mix of short term and long term loans.

### Exposure to interest rate risk

| Particulars              | As at 31st March, 2018 | As at 31st March, 2017 | As at 1st April, 2016 |
|--------------------------|------------------------|------------------------|-----------------------|
| Variable rate borrowings | 173.57                 | 217.18                 | 37.36                 |
| Fixed rate borrowings    | -                      | -                      | -                     |
| <b>Total Borrowings</b>  | <b>173.57</b>          | <b>217.18</b>          | <b>37.36</b>          |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Interest rate sensitivity

A change of 50bps in interest rates would have following impact on profit before tax

| Particulars  | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|--|---------------------------|---------------------------|--------------------------|
| Interest rates - Increase by 50 basis point (50 bps) | (0.87)                    | (1.09)                    | (0.19)                   |
| Interest rates - decrease by 50 basis point (50 bps) | 0.87                      | 1.09                      | 0.19                     |

### (D) Price Risk

The Company's exposure to equity securities price risk arises from investments held by the Company and classified in the balance sheet either as fair value through OCI.

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

### Particular

### Impact on profit after tax

|  | Year ended<br>March 31, 2018 | Year ended<br>March 31, 2017 |
|--|------------------------------|------------------------------|
| NSE/BSE increase in 1% of price/NAV<br>Investments in Quoted equity shares | 44.98                        | 38.60                        |
| NSE/BSE decrease in 1% of price/NAV<br>Investments in Quoted equity shares | (44.98)                      | (38.60)                      |

### Note 44 - Capital management

#### (a) Risk Managements

The Company aim to manage its capital efficiently so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders.

The Company's capital management is driven by Company's policy to maintain a sound capital base to support the continued development of its business. The Board of Directors seeks to maintain a prudent balance between different components of the Company's capital. The Management monitors the capital structure and the net financial debt at individual currency level. Net financial debt is defined as current and non-current financial liabilities less cash and cash equivalents and short-term investments.

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investor, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure.

The debt equity ratio highlights the ability of a business to repay its debts.

| Particulars              | As at<br>March 31, 2018 | As at<br>March 31, 2017 | As at<br>April 1, 2016 |
|--------------------------|-------------------------|-------------------------|------------------------|
| Net Debt                 | 173.57                  | 217.18                  | 37.36                  |
| Total Equity             | 11,633.59               | 10,915.76               | 7,017.92               |
| Net Debt to equity ratio | 1.49%                   | 1.99%                   | 0.53%                  |

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### (b) Dividend

(₹ in lacs)

| Particulars  | As at<br>March 31, 2018 | As at<br>March 31, 2017 |
|--|-------------------------|-------------------------|
| <b>(i) Equity Shares</b>   |                         |                         |
| Final Dividend for the year ended March 31, 2017 INR Rs.5/- (NIL) per fully paid share   | 178.63                  | -                       |
| Dividend distribution tax on above   | 36.36                   | -                       |
| <b>(ii) Dividend not Recognised at the end of reporting period</b>   |                         |                         |
| In addition to the above dividends, since year end the directors have recommended the payment of final dividend of INR Rs.2 per fully paid equity share (March 31, 2017 - INR Rs.5/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting | 71.45                   | 178.63                  |
| DDT on Proposed dividend   | 14.55                   | 36.36                   |

### Note 27 - Related Party Transactions

#### 27 a) Details of related parties

| Description of relationship   | Names of related parties          |
|---|-----------------------------------|
| <b>Key Management Personnel</b>                                     |                                   |
| Chairman upto 26th May 2017   | Mr. Naveen B Doshi                |
| Whole Time Director upto 26th May 2017                              | Mr. Kishore R Mehta               |
| CFO upto 26th May 2017  | Mrs. Meeta S Sheth                |
| Managing Director from 26th May 2017                                | Mr. Chetan N Doshi                |
| Whole Time Director from 26th May 2017                              | Mr. Girish M Dhameja              |
| Director  | Mr. Rajesh R Parikh               |
| Director  | Mrs. Sheela Kamdar                |
| CFO from 26th May 2017  | Mrs. Sushma C Chinchane           |
| Company Secretary from 10th August 2017                             | Ms. Nirali Mehta                  |
| <b>Other Related Parties</b>  |                                   |
| Entities in which KMP / relatives of KMP have significant influence | Coral India Finance & Housing Ltd |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 27 b) Key management personnel compensation

(in ₹ lakhs)

| For the year ended 31st March, 2017 | Short-term employee benefits | Post-employment benefits | Total |
|-------------------------------------|------------------------------|--------------------------|-------|
| Salaries & Perquisites              | 52.11                        | -                        | 52.11 |
| Sitting Fees                        | 0.36                         | -                        | 0.36  |

| For the year ended 31st March, 2018 | Short-term employee benefits | Post-employment benefits | Total |
|-------------------------------------|------------------------------|--------------------------|-------|
| Salaries & Perquisites              | 41.23                        | -                        | 41.21 |
| Sitting Fees                        | 1.10                         | -                        | 1.10  |

### 27 c) Transactions with related parties

| Nature of Transaction   | For the year ended 31st March, 2018 | For the year ended 31st March, 2017 |
|---|-------------------------------------|-------------------------------------|
| <b>Rent paid for lease arrangements</b><br>Mr. Chetan N Doshi       | 10.80                               | 7.20                                |
| <b>Dividend paid on Shares</b><br>Coral India Finance & Housing Ltd | 35.67                               | 21.46                               |

### 27 d) Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions;

|   | As at 31st March, 2018 | As at 31st March, 2017 |
|---|------------------------|------------------------|
| Receivables                                 |                        |                        |
| <b>Total receivables to related parties</b> | -                      | -                      |
| Trade Payables                              | -                      | -                      |
| <b>Total payables to related parties</b>    | -                      | -                      |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 28 - Contingent liabilities

(in ₹ lakhs)

| Particulars    | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|----------------|---------------------------|---------------------------|--------------------------|
| (a) Guarantees | Nil                       | Nil                       | Nil                      |
| (b) Income Tax | Nil                       | Nil                       | Nil                      |
| (c) Sales Tax  | Nil                       | Nil                       | Nil                      |

The company has ongoing litigations related to central excise and service tax. The company has not disclosed the same as contingent liability considering the remote possibility of outflow of resources embodying economic benefits based on judgements received in favour of the company in past years.

### Note 29 - Commitments

| Particulars   | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
|---|---------------------------|---------------------------|--------------------------|
| Estimated amount of contracts remaining to be executed on capital account and not provided for:<br>-Tangible assets | Nil                       | Nil                       | Nil                      |

### Note 30 - Earnings per share

|  | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|--|--------------------------------|--------------------------------|
| <b>(a) Basic and diluted earnings per share</b>  |                                |                                |
| Profit attributable to the equity holders of the Company   | 1,244.58                       | 1,629.58                       |
| Total basic & diluted earnings per share attributable to the equity holders of the Company                           | 34.84                          | 45.61                          |
| <b>(b) Weighted average number of shares used as the denominator</b>   |                                |                                |
| Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share | 3572600                        | 3572600                        |

### Note 31 - Segment information

"Operating Segments are reported in a manner consistent with the internal reporting provided to the Chief operating decision maker ("CODM") of the Group. The CODM who is responsible for allocating resources and assessing performance of the operating segments has been identified as the Chairman and Managing Director.

The Group operates only in one business segment i.e. "Manufacturing & Sale of Pharmaceutical products" which is reviewed by CODM. The CODM examine the group performance from a geographic perspective and has identified two of its following business as identifiable segments:"

- a) Ethiopia
- b) India
- c) Rest of World



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Geographical information

#### (I) Revenue

| Particulars   | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|---------------|--------------------------------|--------------------------------|
| Ethopia       | 1710.11                        | 783.35                         |
| India         | 3065.97                        | 3725.51                        |
| Rest of World | 4211.40                        | 4602.93                        |
|               | 8987.48                        | 9111.79                        |

#### (ii) Non-Current Assets

| Particulars   | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|---------------|--------------------------------|--------------------------------|
| Ethopia       | -                              | -                              |
| India         | 6785.37                        | 5760.23                        |
| Rest of World | -                              | -                              |

\*Non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets

### Note 32 - Assets pledged as security

The carrying amounts of financial and non financial assets hypothecated / mortgaged as security for current and non-current borrowings are as under:

| Particulars   | (₹ in lakhs)              |                           |                          |
|---|---------------------------|---------------------------|--------------------------|
|   | As at<br>31st March, 2018 | As at<br>31st March, 2017 | As at<br>1st April, 2016 |
| <b>Current Assets(Present and Future)</b>           |                           |                           |                          |
| Inventories   | 1,755.01                  | 2,073.33                  | 1,328.66                 |
| Trade receivables                                   | 3,161.25                  | 3,063.74                  | 2,780.72                 |
| FD held as margin money                             | 957.62                    | 807.23                    | 608.96                   |
| Loans   | 934.08                    | 859.79                    | 905.35                   |
| Other current assets                                | 181.79                    | 80.39                     | 66.02                    |
| <b>Total current assets pledged as security</b>     | <b>6,989.77</b>           | <b>6,884.48</b>           | <b>5,689.71</b>          |
| <b>Non-Current</b>                                  |                           |                           |                          |
| Property, plant and equipment - Movable             | 1,294.33                  | 929.89                    | 2,033.96                 |
| <b>Total non-current assets pledged as security</b> | <b>1,294.33</b>           | <b>929.89</b>             | <b>2,033.96</b>          |
| <b>Total</b>  | <b>8,284.10</b>           | <b>7,814.39</b>           | <b>7,723.67</b>          |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

**Note 32A - Disclosure as per Regulation 34(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013**

| Name of the party                 | Relationship          | Nature              | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|-----------------------------------|-----------------------|---------------------|---------------------------|---------------------------|
| Coral India Finance & Housing Ltd | Significant Influence | Outstanding Balance | -                         | -                         |
|                                   |                       | Maximum Balance     | -                         | -                         |

**Note 32B - Disclosures under rule 16A of the Companies (Acceptance of Deposits) Rule 2014. Disclosures under rule 16A of the companies (acceptance of deposits) rule 2014.**

| Particulars                                  | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|--|---------------------------|---------------------------|
| Money received from Director during the year | Nil                       | Nil                       |
| Balance outstanding at the end of the year   | Nil                       | Nil                       |

**Note 33 - Reconciliation of net cash flow to movement in net debt**

(₹ in lakhs)

| Particulars               | As at<br>31st March, 2018 | As at<br>31st March, 2017 |
|---------------------------|---------------------------|---------------------------|
| Cash and cash equivalents | (180.18)                  | (416.43)                  |
| Current Borrowings        | (173.57)                  | 217.18                    |
| Net debt at end of year   | (6.61)                    | (199.25)                  |

### Analysis of changes in net debt

| Particulars                   | Cash and cash<br>equivalents | Current<br>Borrowings |
|-------------------------------|------------------------------|-----------------------|
| Net Debt as at March 31, 2017 | (416.43)                     | 217.18                |
| Cash flows                    | 236.25                       | -                     |
| Repayment of loan             | -                            | (43.61)               |
| <b>Net debt</b>               | <b>(180.18)</b>              | <b>173.57</b>         |

**Note 34 - First-time adoption of Ind AS**

### Transition to Ind AS

The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31st March, 2017 and in the preparation of an opening Ind AS balance sheet at 1st April, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP or IGAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

---

### A.1 Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

#### Ind AS optional Exemptions

##### A.1.1 Deemed cost

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment (including capital work-in-progress) as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities, capital grant if applicable. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

##### A.2 Ind AS mandatory exceptions

The Company has applied the following exceptions from full retrospective application of Ind AS as mandatorily required under Ind AS 101:

###### A.2.1 Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP.

- 1) Investments in Equity Instruments carried at FVTPL or FVOCI.
- 2) Impairment of Financial Assets based on expected credit loss model.

###### A.2.2. Classification and Measurement of financial Assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

### B: Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires a first time adopter to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS. The presentation requirements under previous GAAP differs from and hence the previous GAAP information has been restated for ease of reconciliation with Ind AS.

The restated previous GAAP information is derived based on the audited financial statements of the company for the year ended 31st March, 2017 and 1st April, 2016.

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from previous GAAP to Ind AS in accordance with Ind AS 101:

Reconciliation of Balance Sheet as at April 1, 2016 (Transition Date)

Reconciliation of Balance Sheet as at March 31, 2017 and reconciliation of Statement of Total Comprehensive Income for the year ended March 31, 2017

The presentation requirements under previous GAAP differs from Ind AS and hence previous GAAP information has been regrouped for inline with Ind AS. The regrouped previous GAAP information is derived from the Financial Statements of the Group prepared in accordance with the previous GAAP.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Reconciliation of Balance sheet as previously reported under previous GAAP to Ind AS:

|                                      | Note | As at 31st March 2017         |                            |                  | As at 1st April 2016          |                            |                 |
|--------------------------------------|------|-------------------------------|----------------------------|------------------|-------------------------------|----------------------------|-----------------|
|                                      |      | Regrouped<br>Previous<br>GAAP | Ind AS<br>adjust-<br>ments | Ind AS           | Regrouped<br>Previous<br>GAAP | Ind AS<br>adjust-<br>ments | Ind AS          |
| <b>ASSETS</b>                        |      |                               |                            |                  |                               |                            |                 |
| <b>Non-current assets</b>            |      |                               |                            |                  |                               |                            |                 |
| Property, plant and equipment        |      | 1,704.66                      | -                          | 1,704.66         | 1,692.83                      |                            | 1,692.83        |
| Capital work-in-progress             |      | 23.45                         | -                          | 23.45            | -                             |                            | -               |
| Investment Properties                |      | 109.55                        | -                          | 109.55           | 111.73                        |                            | 111.73          |
| Intangible assets                    |      | 8.61                          | -                          | 8.61             | 3.96                          |                            | 3.96            |
| Financial assets                     |      |                               |                            |                  |                               |                            |                 |
| Investments                          |      | 1,385.24                      | 2,475.24                   | 3,860.48         | 457.73                        |                            | 457.73          |
| Loans                                |      | 53.48                         | -                          | 53.48            | 222.03                        |                            | 222.03          |
| Other non-current assets             |      | -                             | -                          | -                | -                             |                            | -               |
| <b>Total Non-current liabilities</b> |      | <b>3,284.99</b>               | <b>2,475.24</b>            | <b>5,760.23</b>  | <b>2,488.28</b>               | <b>-</b>                   | <b>2,488.28</b> |
| <b>Current assets</b>                |      |                               |                            |                  |                               |                            |                 |
| Inventories                          |      | 2,073.33                      | -                          | 2,073.33         | 1,328.66                      |                            | 1,328.66        |
| Financial assets                     |      |                               |                            |                  |                               |                            |                 |
| Trade receivables                    |      | 3,063.74                      | -                          | 3,063.74         | 2,780.72                      |                            | 2,780.72        |
| Cash and cash equivalents            |      | 416.43                        | -                          | 416.43           | 271.39                        |                            | 271.39          |
| Other Balances with Banks            |      | 807.23                        | -                          | 807.23           | 608.96                        |                            | 608.96          |
| Loans                                |      | 859.79                        | -                          | 859.79           | 905.35                        |                            | 905.35          |
| Other current assets                 |      | 80.39                         | -                          | 80.39            | 66.02                         |                            | 66.02           |
| Current Tax Assets                   |      | 50.91                         | -                          | 50.91            | 5.76                          |                            | 5.76            |
| <b>Total Current liabilities</b>     |      | <b>7,351.82</b>               | <b>-</b>                   | <b>7,351.82</b>  | <b>5,966.86</b>               | <b>-</b>                   | <b>5,966.86</b> |
| <b>TOTAL ASSETS</b>                  |      | <b>10,636.81</b>              | <b>2,475.24</b>            | <b>13,112.05</b> | <b>8,455.14</b>               | <b>-</b>                   | <b>8,455.14</b> |
| <b>EQUITY AND LIABILITIES</b>        |      |                               |                            |                  |                               |                            |                 |
| <b>Equity</b>                        |      |                               |                            |                  |                               |                            |                 |
| Equity share capital                 |      | 357.26                        | -                          | 357.26           | 357.26                        |                            | 357.26          |
| Other equity                         |      | 8,088.45                      | 2,470.05                   | 10,558.50        | 6,660.66                      |                            | 6,660.66        |
| <b>Non-current liabilities</b>       |      |                               |                            |                  |                               |                            |                 |
| Financial Liabilities                |      |                               |                            |                  |                               |                            |                 |
| Borrowings                           |      | -                             | -                          | -                | -                             |                            | -               |
| Trade Payables                       |      | 10.78                         | -                          | 10.78            | 10.78                         |                            | 10.78           |
| Other Financial Liabilities          |      | 8.06                          | -                          | 8.06             | 8.12                          |                            | 8.12            |
| Provisions                           |      | 19.97                         | -                          | 19.97            | 17.21                         |                            | 17.21           |
| Defer Tax Liabilities (Net)          |      | 302.52                        | 5.19                       | 307.71           | 96.08                         |                            | 96.08           |
| Other Non-current Liabilities        |      |                               |                            |                  |                               |                            |                 |
| <b>Total Non-current liabilities</b> |      | <b>341.33</b>                 |                            | <b>346.52</b>    | <b>132.19</b>                 |                            | <b>132.19</b>   |
| <b>Current liabilities</b>           |      |                               |                            |                  |                               |                            |                 |
| Financial Liabilities                |      |                               |                            |                  |                               |                            |                 |
| Borrowings                           |      | 217.18                        | -                          | 217.18           | 37.36                         |                            | 37.36           |
| Trade Payables                       |      | 1,003.85                      | -                          | 1,003.85         | 969.05                        |                            | 969.05          |
| Other Financial Liabilities          |      | 59.32                         | -                          | 59.32            | 144.27                        |                            | 144.27          |
| Provisions                           |      | 74.81                         | -                          | 74.81            | 60.36                         |                            | 60.36           |
| Defer Tax Liabilities (Net)          |      |                               |                            |                  |                               |                            |                 |
| Other Non-current Liabilities        |      | 494.61                        |                            | 494.61           | 93.99                         |                            | 93.99           |
| <b>Total Current liabilities</b>     |      | <b>1,849.77</b>               | <b>-</b>                   | <b>1,849.77</b>  | <b>1,305.03</b>               |                            | <b>1,305.03</b> |
| <b>TOTAL LIABILITIES</b>             |      | <b>10,636.81</b>              | <b>2,475.24</b>            | <b>13,112.05</b> | <b>8,455.14</b>               |                            | <b>8,455.14</b> |





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Reconciliation of Net Profit as previously reported under previous GAAP to Ind AS:

| Particulars  | Note | Regrouped<br>Previous<br>GAAP | Ind AS<br>adjustments | Ind AS          |
|--|------|-------------------------------|-----------------------|-----------------|
| <b>Income</b>  |      |                               |                       |                 |
| Revenue from Operations  |      | 9,049.45                      | 497.60                | 9,547.05        |
| Other Income   |      | 336.67                        | -                     | 336.67          |
| <b>Total Income (I)</b>  |      | <b>9,386.12</b>               | <b>497.60</b>         | <b>9,883.72</b> |
| <b>Expenses</b>  |      |                               |                       |                 |
| Cost of materials consumed   |      | 5,048.36                      | -                     | 5,048.36        |
| Purchases of stock in trade  |      | 84.98                         | -                     | 84.98           |
| Changes in inventories of finished goods, work in process and stock in trade |      | (266.24)                      | -                     | (266.24)        |
| Employee benefits expense  |      | 675.62                        | (0.07)                | 675.55          |
| Finance costs  |      | 3.43                          | -                     | 3.43            |
| Depreciation and amortisation expense  |      | 155.69                        | -                     | 155.69          |
| Other expenses   |      | 1,195.69                      | 497.60                | 1,693.29        |
| <b>Total expenses (II)</b>   |      | <b>6,897.53</b>               | <b>497.53</b>         | <b>7,395.06</b> |
| <b>Profit before Tax</b>   |      | <b>2,488.59</b>               | <b>0.07</b>           | <b>2,488.66</b> |
| Short Provision of Earlier Years   |      | 32.34                         | -                     | 32.34           |
| <b>Profit / (loss) before tax</b>  |      | <b>2,456.25</b>               | <b>0.07</b>           | <b>2,456.32</b> |
| <b>Tax expense</b>   |      |                               |                       |                 |
| Current tax  |      | 822.00                        | -                     | 822.00          |
| Deferred tax (net)   |      | 4.74                          | -                     | 4.74            |
| <b>Profit / (loss) for the year (A)</b>                                      |      | <b>1,629.51</b>               | <b>0.07</b>           | <b>1,629.58</b> |
| <b>Other Comprehensive Income</b>  |      |                               |                       |                 |
| Items that will not be reclassified to profit or loss                        |      |                               |                       |                 |
| Remeasurements of net defined benefit plan                                   |      | -                             | 2,467.40              | 2,467.40        |
| <b>Other Comprehensive Income for the year (B)</b>                           |      | <b>-</b>                      | <b>2,467.40</b>       | <b>2,467.40</b> |
| <b>Total Comprehensive Income for the year (A+B)</b>                         |      | <b>1,629.51</b>               | <b>2,467.47</b>       | <b>4,096.98</b> |



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Reconciliation of total equity as at 31st March, 2017 and 1st April, 2016

(₹ in lakhs)

| Particulars  | Notes to first time adoption | As at 31st March, 2017 | As at 1st April, 2016 |
|--|------------------------------|------------------------|-----------------------|
| <b>Total equity (shareholder's funds) as per previous GAAP</b> |                              | <b>8,445.73</b>        | <b>7,017.92</b>       |
| Adjustments:   |                              |                        |                       |
| Fair valuation of investments                                  | C-4                          | 2,475.24               | -                     |
| Tax Implications on above                                      |                              | (5.19)                 | -                     |
| <b>Total adjustments</b>                                       |                              | <b>2,470.04</b>        | <b>-</b>              |
| <b>Total equity as per Ind AS</b>                              |                              | <b>10,915.76</b>       | <b>7,017.92</b>       |

Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in Lacs)

| Particulars  | Notes to first time adoption | Year ended 31st March, 2017 |
|--|------------------------------|-----------------------------|
| <b>Profit after tax as per previous GAAP</b>                 |                              | <b>1,629.51</b>             |
| <b>Impact of Adjustments as per Ind AS:</b>                  |                              |                             |
| Remeasurements of post employment benefit obligation         |                              | 0.07                        |
| <b>Profit as per Ind AS</b>                                  |                              | <b>1,629.58</b>             |
| <b>Items recognised in Other Comprehensive Income (OCI):</b> |                              |                             |
| Remeasurements of post employment benefit obligation         | C-1                          | (0.07)                      |
| Fair valuation of Investments                                | C-4                          | 2,475.24                    |
| Tax Impact on above adjustments                              |                              | (7.77)                      |
| <b>Total Comprehensive Income under Ind AS</b>               |                              | <b>4,096.98</b>             |

There is insignificant change in the net cash flow from operating, investing or financing activities due to Ind AS adoption. Further, there is no change in the cash and cash equivalents for the purposes of statement of cash flows under previous GAAP and under Ind AS

### C: Notes to first-time adoption:

#### Note C-1: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

#### Note C-2: Excise duty and Goods and Service Tax

Under previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expense.

Consequent to introduction of Goods and Service tax (GST) with effect from July 01, 2017, Central Excise, Service Tax, Value Added Tax (VAT) etc. have been subsumed into GST. In accordance with Indian Accounting Standard and Schedule III of the Companies Act, 2013, GST is not included in Revenue from operations. In view of the aforesaid restructuring of indirect taxes, Revenue from operations and Excise duty for the year ended March 31, 2018 are not comparable with the previous year.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Following additional information is being provided to facilitate such comparison:

(₹ in Lacs)

| Particulars                                | Year ended<br>31st March, 2018 | Year ended<br>31st March, 2017 |
|--|--------------------------------|--------------------------------|
| Revenue from operations                    | 9,247.35                       | 9,547.06                       |
| Less: Excise duty included in above        | 173.63                         | 507.19                         |
| Revenue from operations net of Excise duty | 9,073.72                       | 9,039.87                       |

### Note C-3: Proposed dividend

Under previous GAAP, dividends on equity shares recommended by the Board of Directors after the end of the reporting period but before the financial statement were approved for issue were recognised in the financial statement as a liability. Under Ind AS, such dividends are recognised when declared by the members in the general meeting.

### Note C-4: Investments

"Under the previous GAAP, investments in equity instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under IND AS, these investments are required to be measured at fair value. Fair value changes with respect to investments in equity instruments designated as FVOCI have been recognised in FVOCI - Equity investments reserve as at the date of transition and subsequently in the Other Comprehensive Income for the year ended March 31, 2017."

### Note C-5: Other comprehensive income

The concept of other comprehensive income did not exist under previous GAAP. Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and related tax impact.

### Note 35: Comparative figures

The previous years' figures have been regrouped / re-arranged, where necessary, to conform to the current year's disclosures/presentations.

For and on Behalf of the Board of Directors

Mr. Girsh M. Dhameja

Mrs. Sushma C. Chinchane

Sd/-  
Whole-Time Director  
DIN:07798455

Sd/-  
Director & CFO  
DIN:07791735

Place : Mumbai  
Date : 23rd May, 2018

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

---



### AUDITORS 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, 2018. The statement has been prepared by the company in accordance with the requirement of Listing Agreement Clause 34 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 23<sup>rd</sup> May, 2018 to the Members of the Company.

For **SPVM & Co.**  
CHARTERED ACCOUNTANTS  
Firm Registration No . 136751W

sd/-  
**CA VIREN N MEHTA**  
PARTNER  
Membership No 109480

Place : Mumbai  
Date : 23<sup>rd</sup> May, 2018



THIS PAGE IS KEPT INTENTIONALLY BLANK



## ***CORAL LABORATORIES LTD.***

**Regd. Office & Factory :** F-206, Silver Oak Complex, B. P. C. Road, Vadodara, - 390 020 (Gujarat)  
Telephone: +91-22-25005245, Fax: +91-22-22873771, Website : www.corallab.com,  
Email : cs@corallab.com, CIN No. L24231GJ1997PLC031669

### **FORM OF PROXY**

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Venue of the meeting:

SF- 206, Silver Oak Complex, B.P.C Road Vadodara GJ 390020

Date & Time: Thursday, 27th September 2018 at 11.00 a.m.

|                          |  |
|--------------------------|--|
| Name of the member (s) : |  |
| Address                  |  |
| DP Id*                   |  |
| Client Id*               |  |
| Folio No.                |  |
| No. of shares held       |  |

\*Applicable for investors holding shares in Electronic form.

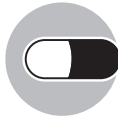
I/We \_\_\_\_\_ of \_\_\_\_\_ being member/members of **CORAL LABORATORIES LIMITED** hereby appoint the following as my/our Proxy to attend vote (for me/our behalf at the 36th Annual General Meeting of the Company to be held on: Thursday 27th September, 2018 at 11.00 a.m. and at any adjournment thereof).

1. Mr. / Mrs \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her
2. Mr. / Mrs \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her
3. Mr. / Mrs \_\_\_\_\_ (Name & Signature of the Proxy) or failing him/her

\*\*I/We direct my/our Proxy to vote on the Resolutions in the manner as indicated below:

| Sr. No. | Resolution  | No. of shares | For | Against |
|---------|---|---------------|-----|---------|
| 1.      | Adoption of Audited Financial Statements for the financial year ended March 31, 2018 and reports of the Board of Directors and the Auditors thereon (Ordinary Resolution) |               |     |         |
| 2.      | To declare dividend @ 20% i.e. Rs.2.00/- per equity share for year 2017-2018.(Ordinary Resolution)  |               |     |         |
| 3.      | Re-appointment of Mrs. Sushma Chinchane (DIN No: 07791735) who is eligible for retire by rotation.  |               |     |         |
| 4.      | Re-appointment of Statutory Auditors of the Company. (Ordinary Resolution)  |               |     |         |
| 5.      | Re-appointment M/s. Ketki Visariya & Co., Cost Auditors as Cost Auditors of the Company. (Ordinary Resolution)  |               |     |         |
| 6.      | Service of documents(Special Resolution)  |               |     |         |

P.T.O.



## ***CORAL LABORATORIES LTD.***

### **FORM OF PROXY (Contd.)**

**\*\*This is optional. Please put a tick mark (✓) in the appropriate column against the resolutions indicated in the box. If a member leaves the "For" or "Against" column blank against any or all the Resolutions, the proxy will be entitled to vote in the manner he/she thinks appropriate. If a member wishes to abstain from voting on a particular resolution, he /she should write "Abstain" across the boxes against the Resolution.**

Signature(s) of the Member(s)

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

Affix  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

#### **Notes:**

1. The Proxy to be effective should be deposited at the Registered office of the company not less than FORTY-EIGHT HOURS before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
4. The form of Proxy confers authority to demand or join in demanding a poll.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.
6. In case a member wishes his/her votes to be used differently, he/she should indicate the number of shares under the columns "For" or "Against" as appropriate.



## ROUTE MAP TO THE VENUE







THIS PAGE IS KEPT INTENTIONALLY BLANK



*If undelivered, please return to :*



**Coral Laboratories Ltd.**

# 3B, Patanwala Ind. Estate, Opp. Shreyas Cinema,  
L.B.S. Marg, Ghatkopar (West), Mumbai - 400 086.