



# 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

05<sup>th</sup> September, 2019

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**

**Subject: Annual report of the Company and Notice Convening 37<sup>th</sup> Annual General Meeting of the Company**

**REF: 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 of Coral Laboratories Limited for the financial year 2018-2019 and Notice convening the 37<sup>th</sup> Annual General Meeting of the Company.


The 37<sup>th</sup> Annual General Meeting of the Company will held on Friday, **27<sup>th</sup> September, 2019** 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. The Notice of AGM along with the Annual Report for the financial year 2018-19 is also being made available on the website of the company at ([www.corallab.com](http://www.corallab.com))

This is for your information and record.

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

Yours sincerely,

**For CORAL LABORATORIES LIMITED,**

  
Ms Nirali Mehta  
Company Secretary  
Encl: as above



# ANNUAL REPORT 2018-19



**Coral Laboratories Ltd.**

An ISO 9001 : 2015 Certified Organisation

**We Work for Better Tomorrow**



## CORAL LABORATORIES LIMITED

### ANNUAL REPORT 2018-2019

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## CORAL LABORATORIES LIMITED

<b>BOARD OF DIRECTORS</b>	: Mr. Girish.M.Dhameja	: Whole-time Director
	Mrs. Sushma Kadkade	: Director and Chief Financial Officer
	Mrs. Sheela R. Kamdar	: Independent Director
	Mr. Sanket S. Mehta	: Independent Director
	Mrs. Purvi Doshi	: Additional Director (Appointed w.e.f. 28 <sup>th</sup> May, 2019)
	Mr. Saurabh Shah	: Additional (Independent) Director (Appointed w.e.f. 28 <sup>th</sup> May, 2019)
	Mr. Chetan Doshi	: Chairman and Non- Executive Director (upto 10 <sup>th</sup> April, 2019)
	Mr. Rajesh Parikh	: Non- Executive Independent Director (upto 10 <sup>th</sup> April, 2019)
	Ms. Nirali Mehta	: Company Secretary and Compliance Officer

### BOARD COMMITTEES

AUDIT COMMITTEE		NOMINATION AND REMUNERATION COMMITTEE	
Mr. Rajesh Parikh (upto 01 <sup>st</sup> April, 2019)	Chairman	Mr. Rajesh R. Parikh (upto 01 <sup>st</sup> April, 2019)	Chairman
Mrs. Sheela Kamdar	Member	Mrs. Sheela Kamdar	Member
Mrs. Sushma Kadkade	Member	Mrs. Sushma Kadkade	Member
STAKEHOLDERS RELATIONSHIP COMMITTEE		CORPORATE SOCIAL RESPONSIBILITY	
Mr. Rajesh R. Parikh (upto 01 <sup>st</sup> April, 2019)	Chairman	Mr. Rajesh R. Parikh (upto 01 <sup>st</sup> April, 2019)	Chairman
Mrs. Sheela Kamdar (w.e.f 5 <sup>th</sup> February, 2019)	Member	Mrs. Sheela Kamdar	Member
Mrs. Sushma Kadkade	Member	Mrs. Sushma Kadkade	Member

**REGISTERED OFFICE** : SF- 206, Silver Oak Complex, B.P.C Road Vadodara - GJ 390020  
Website: www.corallab.com • Email -ID: cs@corallab.com

**CORPORATE OFFICE** : #3B, Patanwala Ind. Estate, Opp. Shreyas Cinema, Beside Fitness Health,  
L.B.S. Marg, Ghatkopar (W), Mumbai – 400086  
Contact No.: 25005245/46  
Website: www.corallab.com • Email -ID: cs@corallab.com

### PLANTS:

1. DAMAN

2. UTTRANCHAL

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

### AUDITORS

: **M/S SPVM & CO.**  
(Chartered Accountants)  
(FRN: 136751W)  
201/A, Gopal Bhuvan 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 Seventh Annual General Meeting of the Company will be held on Friday, 27<sup>th</sup> September, 2019 at 11.00 a.m. at the Registered Office of the Company at SF- 206, Silver Oak Complex, B.P.C Road, Vadodara, Gujarat-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 2019 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 2018-2019.
3. To appoint a Director in place of Mr. Girish Dhameja (DIN:07798455), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. **RATIFICATION OF REMUNERATION OF COST AUDITOR OF THE COMPANY FOR THE YEAR 2019-2020:**

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 2019-20 be paid a remuneration for the Financial Year ending March 31<sup>st</sup>, 2020, amounting to Rs.60,000/- plus taxes as applicable.”

#### 5. **APPOINTMENT OF MRS. PURVI DOSHI (DIN: 08451213) AS DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** as per recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mrs. Purvi Doshi (DIN: 08451213), who was appointed as an Additional Director by the Board of Directors of the Company w.e.f. May 28, 2019 and who holds office till the date of Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received notice in writing under Section 160 of the Companies Act, 2013 along with a deposit of Rs. 1,00,000/- (Rupees One Lac Only) from a member proposing her candidature for the office of Board of Directors of the Company, be and is hereby appointed as a Director of the Company and that she will be liable to retire by rotation.

**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.”

#### 6. **APPOINTMENT OF MR. SAURABH SHAH (DIN: 08451204) AS AN INDEPENDENT DIRECTOR OF THE COMPANY:**

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

**“RESOLVED THAT** as per recommendation of Nomination and Remuneration Committee. Mr. Saurabh Shah (DIN: 08451204), who was appointed by the Board of Directors as an Additional (Independent) Director of the Company with effect from May 28, 2019 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.”

**“RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of Mr. Saurabh Shah, who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing September 27<sup>th</sup> 2019 to September 26<sup>th</sup>, 2024, be and is hereby approved.”



**7. RE-APPOINTMENT OF MRS. SHEELA KAMDAR (DIN: 06948522) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A SECOND TERM OF FIVE CONSECUTIVE YEARS:**

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 Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. Sheela Kamdar (DIN: 06948522), who was appointed as an Independent Director for a term of five (5) consecutive years from 29<sup>th</sup> September, 2014 up to 28<sup>th</sup> September, 2019, who is eligible for re-appointment as an Independent Director and who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI Listing Regulations, be and is hereby re-appointed as a Non - Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of five (5) consecutive years i.e. from 29<sup>th</sup> September, 2019 upto 28<sup>th</sup> September, 2024, as per recommendation of Nomination and Remuneration Committee.

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

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

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

**Place: Mumbai  
Date: 12<sup>th</sup> August, 2019**



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**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 report has 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 16<sup>th</sup> August, 2019.
6. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21<sup>st</sup> September, 2019 to Friday, 27<sup>th</sup> September 2019 (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.
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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.





14. 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.
15. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company to eliminate all the risks associated with physical shares, promptly.
16. Details under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment/reappointment at the Annual General Meeting are provided in Annexure 1 of this Notice.
17. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
18. 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.
19. The dividend for the financial year 31st March, 2019, 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. Friday, 20<sup>th</sup> September, 2019 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 Friday, 20<sup>th</sup> September, 2019.
20. 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.
21. Those Members who have so far not encashed their dividend warrants/demand drafts for final dividend for the year 2012 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). The dates for transfer of unpaid dividends will be transferred to the Investor Education and Protection Fund of the Central Government is given in the head "Investor Education and Protection Fund" in the Board's report.
22. 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.
23. Company will be disclosing to the Stock Exchanges, as per Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of results of voting on each of the resolutions proposed in this Notice.



24. 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.
25. 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.
26. 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 37<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 (NSDL).

**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 Regulations, 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:**

	<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
	a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  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  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  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.



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**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 Coral Laboratories Limited (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 [uma@umalodha.com](mailto:uma@umalodha.com) 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 Tuesday, 24th September, 2019 (9.00 a.m.) and ends on Thursday, 26th September, 2019 (5.00 p.m.). During this period, Members holding shares either in physical form or in dematerialized form, as on Friday 20<sup>th</sup> September, 2019, 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. Friday 20<sup>th</sup> September, 2019 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
27. Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company to be held on Friday 27<sup>th</sup> September, 2019 are provided in Annexure 1 of this Notice.
28. **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. 4**

The Board of Directors of the Company at its meeting held on 28<sup>th</sup> May, 2019, upon the recommendation of the Audit Committee, approved the appointment M/s. Ketki D. Visariya & Co., Cost Accountants, to conduct the audit of the Cost records of the Company on remuneration of Rs. 60,000/- (Rupees Sixty Thousand Only) (excluding all applicable taxes and reimbursement of out of pocket expenses) subject to ratification by shareholders in ensuing AGM for the financial year ending March 31, 2020.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rule, 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>, 2020, 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.4 of the Notice for approval by the Members.

##### **Item No. 5**

Based on recommendation of Nomination and Remuneration Committee, The Board of Directors of the Company had appointed Mrs. Purvi Doshi (DIN: 08451213) as an Additional Director of the Company with effect from 28th May 2019. Since the said appointment was made by the Board of Directors, as an Additional Director, she holds the office up to the date of ensuing Annual General Meeting in terms of the provisions contained in Section 161 of the Companies Act, 2013. Notice under Section 160 of the Companies Act, 2013 has been received from a member signifying the intention to the proposed appointment of Mrs. Purvi Doshi (DIN: 08451213) as Director of the Company.

Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and Secretarial Standards-2, issued by the Institute of Company Secretaries of India, please find the details appended in Annexure 1 with respect to brief details of the Director.

Except Mrs. Purvi Doshi (DIN: 08451213), none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at item No.5 of the Notice.

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

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mr. Saurabh Shah (DIN:08451204) Additional (Independent) Director of the Company, not liable to retire by rotation, for a term of 5 years i.e. from September 27, 2019 to September 26, 2024, subject to approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act, he shall hold office up to the date of this Annual General Meeting ("AGM") and is eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing his candidature for the office of Directors.

The Company has received declarations from Mr. Saurabh Shah to the effect that he meet the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed there under and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, Mr. Saurabh Shah fulfil the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as an Independent Director and he is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday) and will also be kept open at the venue of the AGM till the conclusion of the AGM.

Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and Secretarial Standards-2, issued by the Institute of Company Secretaries of India, please find the details appended in Annexure 1 with respect to brief details of the Director.

Except Mr. Saurabh Shah, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at item No. 6 of the Notice.

The Board of Directors recommends the Ordinary Resolution set out at the Item No. 7 of the Notice for approval by the Members.

## Item No.7

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Mrs. Sheela Kamdar (DIN: 06948522) was appointed as an independent Director for a period of five years at the 32<sup>nd</sup> AGM of the Company held on 29<sup>th</sup> September 2014. Accordingly, her first term as an independent Director, is ending on 28<sup>th</sup> September 2019 (the date of 37<sup>th</sup> AGM).

Due to the Strategic Guidance from Mrs. Sheela Kamdar by virtue of her deep insight into industry as well as hands on experience in consultancy, it will be in the best interest of the Company to extend Mrs. Sheela Kamdar's tenure as a board member for a period to help the board maintain continuity in the face of change in composition of the Board in addition to the changes in the management team and the competitive dynamics of the industry.

Section 149(10) of the Companies Act 2013 ("Act") provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company, but shall be eligible for reappointment on passing of a special resolution by the company for a second term of up to five years.

The Nomination and Remuneration Committee on the basis of performance evaluation recommended re- appointment of Mrs. Sheela Kamdar as a Non-Executive Independent Director for a second term of five consecutive years on the Board of the Company commencing from 29th September 2019 up to 28th September 2024. The Board of Directors has received the declaration made by Mrs. Sheela Kamdar that she meets the criteria of independence as provided in Section 149(6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and was of opinion that she fulfills the conditions specified in the Act, the rules made there-under and in LODR and is independent of the management. The board accordingly proposes re-appointment of Mrs. Sheela Kamdar as Independent Director not liable for retire by rotation.



Pursuant to Regulation 36 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015 and Secretarial Standards-2, issued by the Institute of Company Secretaries of India, please find the details appended in Annexure 1 with respect to brief details of the Director.

Except Mrs. Sheela Kamdar, none of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Ordinary Resolution set out at item No. 7 of the Notice.

The Board of Directors recommends the Special Resolution set out at the Item No.7 of the Notice for approval by the Members.

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

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

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

**Place: Mumbai**  
**Date: 12<sup>th</sup> August, 2019**



### ANNEXURE 1 to Explanatory Statement

Relevant details of Directors seeking appointment/ Re appointment as required by Regulation 26(4) and 36(3) of the Listing Regulations and as required under Secretarial Standards – 2 on General Meetings issued by the Institute of Company Secretaries of India are provided here under :

Name of the Director	Mr. Girish Dhameja	Mrs. Purvi Doshi
DIN	07798455	08451213
Designation	Whole Time Director	Additional Director
Date of Birth	05/03/1981	28/07/1973
Date of first appointment on the Board,	26 <sup>th</sup> May, 2017	28 <sup>th</sup> May, 2019
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	Mr. Girish Dhameja is not related to any Director inter-se.	Mrs. Purvi Doshi is the wife of Mr. Chetan Doshi
Expertise in specific functional area	Mr. Girish Dhameja (DIN: 07798455) is a commerce post graduate holding Diploma in Financial Accounting and Diploma in Exim Management. His present profile includes handling export enquiry finalization and execution of order, business development, Product expansion and Production follow up, logistics Operations, Tenders Business and Regulatory Coordination.	She holds a Bachelor's Degree in Commerce from K. P. B. Hinduja College of Commerce. She is the wife of Mr. Chetan Doshi and has significant years of experience in the business of pharmaceutical.
Qualification	Post Graduate	B.Com. Graduate
List of Directorship of other Board.	NIL	NIL
List of Membership / Chairmanship of Committees of other Board.	NIL	NIL
Number of shares held in the Company as on March 31, 2019	NIL	NIL
Terms and conditions of appointment or re-appointment	As per the Nomination, Remuneration & Board Diversity Policy of the Company	As per the Nomination, Remuneration & Board Diversity Policy of the Company
Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable	NA*	NA
Number of Meetings of the Board attended during the year	5 out of 5	NA
Justification for choosing the appointees for appointment as Independent Directors	NA	NA
Rationale for re-appointment as Independent Director	NA	NA

\* Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable is not applicable to Directors who retires by rotation and being eligible, offers themselves for re-appointment.



<b>Name of the Director</b>	<b>Mrs. Sheela Kamdar</b>	<b>Mr. Saurabh Shah</b>
<b>DIN</b>	06948522	08451204
<b>Designation</b>	Independent Director	Additional Director (Independent)
<b>Date of Birth</b>	03/02/1973	07/04/1986
<b>Date of first appointment on the Board,</b>	29 <sup>th</sup> September, 2014	28 <sup>th</sup> May, 2019
<b>Relationship with other Directors, Manager and other Key Managerial Personnel of the company</b>	Mrs. Sheela Kamdar is not related to any Director inter-se.	Mr. Saurabh Shah is not related to any Director inter-se.
<b>Expertise in specific functional area</b>	She holds a Bachelor's Degree in Commerce. She has significant years of experience in consultancy of the business of pharmaceutical and deep insight of the industry.	<p><b>Dr. Saurabh Shah</b> aged 33 is a Doctor by profession. He is a <b>Dental Surgeon</b>. He has pursued his degree Bachelor of Dental Surgery from VSPM Dental College and Hospital, Nagpur and post diploma in Medico-Legal Sciences. He is Owner and Chief Dentist at Dr Shah's Dental Care. He is an Associate Dental Surgeon at Dr Sachin Gogate Dental clinic at Nagpur. He has been accredited by Indian Association Of Aesthetic &amp; Cosmetic Dentistry.</p> <p>He has been part of SURGICAL DENTAL CAMP at Hemalkasa Lok Biradri Prakalp- Baba Amte Foundation organized by Rotract club of Nagpur, YMCA School children checkup camp organized by Dr. Kunder, Regular school and preschool camps for the community awareness and Community Checkup camp at Gumgaon, Hingna Dist, Nagpur.</p> <p>He is a General Dentist visiting at Dr Kunder's Sparkle Clinic Vikhroli, and multiple clinics across Mumbai suburb and Thane. He is a Group Leader and Head for upgrading skills and knowledge in Mumbai Suburb region.</p>
<b>Qualification</b>	B.Com. Graduate	Dental Surgeon
<b>List of Directorship of other Board.</b>	Public Companies: (Listed) 1. <b>Coral India Finance and Housing Limited</b>	NIL



<b>List of Membership / Chairmanship of Committees of other Board.</b>	Public Companies: (Listed) <b>1. Coral India Finance and Housing Limited</b> 1. Chairperson of Audit Committee 2. Chairperson of Stakeholder Relationship Committee 3. Chairperson of Nomination and Remuneration Committee 3. Chairperson of Corporate Social Responsibility Committee	NIL
<b>Number of shares held in the Company as on March 31, 2019</b>	NIL	NIL
<b>Terms and conditions of appointment or re-appointment</b>	Reappointment for a second term of five consecutive years on the Board of the Company commencing from 29th September 2019 up to 28th September 2024, not liable for retire by rotation.	Appointment for a term of five consecutive years on the Board of the Company commencing from 29th September 2019 up to 28th September 2024, not liable for retire by rotation.
<b>Details of remuneration sought to be paid and the remuneration last drawn by such person, if applicable</b>	NA	NA
<b>Number of Meetings of the Board attended during the year</b>	5 out of 5	NA
<b>Justification for choosing the appointees for appointment as Independent Directors</b>	The Board of Directors has received the declaration made by Mrs. Sheela Kamdar that she meets the criteria of independence as provided in Section 149(6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and was of opinion that she fulfills the conditions specified in the Act, the rules made there-under and in LODR and is independent of the management.	The Board of Directors has received the declaration made by Mr. Saurabh Shah that he meets the criteria of independence as provided in Section 149(6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and was of opinion that he fulfills the conditions specified in the Act, the rules made there-under and in LODR and is independent of the management.
<b>Rationale for re-appointment as Independent Director</b>	The Nomination and Remuneration Committee on the basis of performance evaluation recommended re-appointment of Mrs. Sheela Kamdar as a Non-Executive Independent Director for a second term of five consecutive years on the Board of the Company commencing from 29th September 2019 up to 28th September 2024.	NA





## CORAL LABORATORIES LIMITED

### DIRECTOR'S REPORT

To  
The Members of Coral Laboratories Limited

Dear Member(s),

Your Directors have pleasure in presenting the 37<sup>th</sup> Annual Report together with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2019.

#### FINANCIAL RESULTS:

The performance during the period ended 31<sup>st</sup> March 2019 has been as under:

(₹ in Lacs)

Particulars	2018-19	2017-18
Income	9623.62	9694.07
Expenditure	8072.97	7889.12
<b>Earnings before Tax</b>	<b>1550.65</b>	<b>1804.94</b>
Provision for Tax	500.00	550.00
Provision for Deferred Tax	28.99	10.36
Less: Income Tax Adjustments of earlier years	—	—
<b>Earnings after Tax</b>	<b>1021.66</b>	<b>1244.59</b>
Other Comprehensive Income (net of tax)	(1192.29)	(311.77)
<b>Total Comprehensive Income</b>	<b>(170.63)</b>	<b>932.82</b>
Add: IND-AS Adjustment	—	—
Add: Balance Brought forward	10855.81	10137.99
Less: Dividend Paid (including Dividend Distribution tax)	(86.00)	(214.99)
Deferred tax liability	—	—
Balance carried forward to Balance Sheet	10599.18	10855.81

#### DIVIDEND:

Your Directors are pleased to recommend dividend for the financial year 2018-2019 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. 9623.62 lacs as compared to previous year Rs. 9694.07 lacs. The earnings after tax stood at Rs. 1021.66 lacs as compared to Rs. 1244.59 lacs during the previous year.

#### TRANSFER TO RESERVES:

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

#### STATE OF AFFAIRS:

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



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**EQUITY SHARE CAPITAL:**

The paid-up Equity Share Capital as at March 31, 2019 stood at Rs. 357,26,000. During the year under review, the Company has not issued shares or convertible securities or shares with differential voting rights nor has granted any stock options or sweat equity or warrants.

**CHANGE IN NATURE OF BUSINESS, IF ANY:**

During the year, there was no change in the nature of business of the Company.

**MATERIAL CHANGES AND COMMITMENTS IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:**

No material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statement relate and the date of the report.

**HOLDING, SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

Your Company does not have any Holding, Subsidiaries, Joint Venture or Associate Companies.

**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.

Further as per SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company to eliminate all the risks associated with physical shares, promptly.

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

**LISTING WITH STOCK EXCHANGES:**

The Equity Shares of the Company continues to be listed at BSE Limited. 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 BSE Limited.

**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-March, 2019.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

As required under Regulation 34 of the 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 the 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.



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

Company is committed to good corporate citizenship. As a part of its corporate social responsibility, the Company continues to undertake a range of activities including preventive healthcare. The CSR policy of the Company is placed on the website of the [www.corallab.com](http://www.corallab.com).

During the year under review, the Company was supposed to spend Rs. **40,22,454/-** on its various CSR activities whereas the Company could only spend **Rs. 11,00,000/-**.

During the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013 as the Company was identifying the right avenue. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavor to spend the complete amount on CSR activities in accordance with the statutory requirements.

The brief outline of the Corporate Social Responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year under review are set out in "**Annexure [A]**" of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The CSR policy is available on website of the Company: [www.corallab.com](http://www.corallab.com)

## **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 [B]**" to this report.

## **CORPORATE GOVERNANCE:**

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.

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

Information required under section 134(3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, is given in this report as well attached to Financial Statements.

## **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.

## **SHARE CAPITAL:**

- a. **Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees**

The company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees as per Rule 16(4) of Companies (share capital and debentures) Rules, 2014.

- b. **Issue of Sweat Equity Shares:**

The Company has not issued any sweat equity share during the financial year under review.



**c. Issue of Equity Shares with Differential Rights:**

The Company has not issued any Equity Shares with differential voting rights during the financial year as per Rule 4(4) of Companies (Share capital and debentures) Rules, 2014.

**d. Issue of Employee Stock Option:**

The company has not issued any employee stock option during the financial year as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

**e. Issue of Equity Shares Without Differential Rights:**

The Company has not issued any Equity Shares without Differential Rights during the financial year as per Rule 12 of Companies (Share Capital and Debentures) Rules, 2014.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9, as required under Section 134(3) and 92(3) of the Act, is annexed as “**Annexure [C]**” which forms an integral part of this Report and is also available on the Company’s website viz. [www.corallab.com](http://www.corallab.com).

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

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

During the year, there was no change in the Constitution of the Board. Following changes occurred in the Constitution of Board between the end date of financial year and date of this report:

- On 10<sup>th</sup> April, 2019, Mr. Chetan Doshi (DIN: 00319134), Chairman and Non-executive Director of the Company vacated the office as per Section 167 due to disqualification u/s 164 of the Companies Act, 2013.
- On 10<sup>th</sup> April, 2019, Mr. Rajesh Parikh (DIN: 02527339), Independent Director of the Company vacated the office as per Section 167 due to disqualification u/s 164 of the Companies Act, 2013.
- At the Board Meeting dated, 28<sup>th</sup> May, 2019, Mrs. Purvi Doshi (DIN: 08451213) was appointed as an Additional Director of the Company w.e.f. 28<sup>th</sup> May, 2019 subject to shareholders approval at the forthcoming 37<sup>th</sup> Annual general Meeting.
- At the Board Meeting dated, 28<sup>th</sup> May, 2019, Mr. Saurabh Shah (DIN: 08451204) was appointed as an Additional Director (Independent) of the Company w.e.f. 28<sup>th</sup> May, 2019 subject to shareholders approval at the forthcoming 37<sup>th</sup> Annual general Meeting.
- Mr. Girish Dhameja (DIN: 07798455), retires by rotation at the forthcoming 37<sup>th</sup> Annual general Meeting and being eligible, seeks re-appointment.
- At the Board Meeting dated, 12<sup>th</sup> August, 2019, Board of Directors proposed re-appointment of Mrs. Sheela Kamdar as an Independent Director of the Company for a second term of five consecutive years subject to shareholders approval at the forthcoming 37<sup>th</sup> Annual general Meeting



(ii) **Constitution of Board of Directors as on 31<sup>st</sup> March , 2019 is as follows:**

Sr. No.	Name of Director	Category
1	Mr. Girish Dhameja	Whole-Time Director
2	Mrs. Sheela Kamdar	Independent Director
3	Mr. Chetan Doshi	Non-Executive Promoter Director
4	Mr. Rajesh Parikh	Independent Director
5	Mr. Sanket Mehta	Independent Director
6	Mrs. Sushma Kadkade	Non-Executive Director & CFO

(iii) **KEY MANAGERIAL PERSONNEL (KMP):**

The following are the Key Managerial Personnel of the Company:

1. Mr. Girish Dhameja–Whole-Time Director
2. Mrs. Sushma Kadkade- Chief Financial Officer (CFO)
3. Ms. Nirali Mehta- Company Secretary & Compliance officer

**DECLARATION OF INDEPENDENCE:**

In accordance with provisions of section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), 2015, Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the Section 149 of Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements), 2015.

**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 Director son 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.

The committees are evaluated on certain parameters such as effective discharge of their roles, responsibilities and advice given to the board for discharging its fiduciary responsibilities, including adequate and periodical updates to the board on the committees’ functioning.

**NOMINATION, REMUNERATION AND BOARD DIVERSITY POLICY:**

The Board of Directors has adopted revised policy at the Board meeting held on 1<sup>st</sup> April, 2019 which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. The Policy broadly





lays down the guiding principles, philosophy and the basis for payment of remuneration to Executive and Non-executive Directors (by way of sitting fees and commission), Key Managerial Personnel, Senior Management and other employees. The policy also provides the criteria for determining qualifications, positive attributes and Independence of Director and criteria for appointment of Key Managerial Personnel /Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates. The above policy has been posted on the website of the Company at [www.corallab.com](http://www.corallab.com) under investor's relations/policies

#### **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.

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

As per the provisions of section 124 & 125 read with rules, 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).

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

<b>Date of Declaration of Dividend</b>	<b>Dividend for the year</b>	<b>Proposed due date for transfer to Investor Education and Protection Fund (IEPF)</b>
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	24th October, 2022
26th September, 2016	2015 - 2016	3rd November, 2023
19th September, 2017	2016 - 2017	27th October, 2024
27th September, 2018	2017- 2018	4th November, 2025



During the Financial Year 2018-2019, the company has transferred to the Investor Education and Protection Fund (IEPF) following amount of unclaimed dividends and corresponding shares thereto as stated below:

Particulars	Amount of dividend transferred (in Rs.)	No. of shares transferred
For the year 2010-2011	Rs. 107411	4110 Shares

Any corporate benefits accruing on such shares, viz. bonus shares, split etc., shall also be credited to unclaimed suspense account, for a period of seven years and thereafter will be transferred by the company to IEPF, in accordance with provisions of section 124(5) and (6) of the Companies Act, 2013 and rules made thereunder.

Any person, whose shares and unpaid/unclaimed dividends get transferred to the IEPF may claim the shares and unpaid/unclaimed dividends from the IEPF in accordance with such procedure and on submission of such documents as prescribed. The Voting rights on such shares shall remain frozen till the rightful owner of such shares claims the shares.

#### **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 2019, 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.

#### **BOARD COMMITTEES:**

The Board of Directors have the following Committees:

- 1. Audit Committee
- 2. Nomination and Remuneration Committee
- 3. Stakeholders' Relationship Committee
- 4. Corporate Social Responsibility Committee

The details of the Board Committees along with their composition as well as changes in their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

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

Your Board of Directors has duly met 5 (Five) times during the financial year i.e. on 23<sup>rd</sup> May 2018, 8<sup>th</sup> August 2018, 13<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018 and 5<sup>th</sup> February 2019 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. 23<sup>rd</sup> May 2018, 13<sup>th</sup> August, 2018, 31<sup>st</sup> October, 2018 and 5<sup>th</sup> February 2019 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.

#### **AUDITORS AND AUDITORS' REPORT:**

##### **STATUTORY AUDITORS:**

**M/s. SPVM & CO., Chartered Accountants, (FRN: 136751W)** were appointed as the Statutory Auditors of the Company for a period of five consecutive years at the Annual General Meeting (AGM) of the Members held on 19<sup>th</sup> September, 2017 on a remuneration mutually agreed upon by the Board of Directors and the Statutory Auditors.

Their appointment was subject to ratification by the Members at every subsequent AGM held after the AGM held on 19<sup>th</sup> September, 2017. Pursuant to the amendments made to Section 139 of the Companies Act, 2013 by the Companies (Amendment) Act, 2017 effective from May 7, 2018, the requirement of seeking ratification of the Members for the appointment of the Statutory Auditors has been withdrawn from the Statute. Hence the resolution seeking ratification of the Members for continuance of their appointment at this AGM is not being sought.

The Auditors' Report for the financial year 2018-19, 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 [E]**" 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.***
- **The Cost Audit Report will be filed within the prescribed period of 180 days from the close of the Financial Year.**
- **Inadequate Contribution towards CSR activities**

##### **BOARD COMMENTS FOR REMARKS**

The Secretarial Audit Report and/or Secretarial Compliance Report contains qualification, reservation or adverse remark and is self-explanatory and thus does not require any further Clarifications / comments except to file the Cost Audit Report within the prescribed time period of 180 days from the close of Financial Year and to contribute adequately towards CSR activities.

The Board of Directors further confirms that, the Company has started complying with the above mentioned suggestion from Financial Year 2019-2020.

In accordance with the with the Clause 3(b)(ii) of SEBI Circular CIR/CFD/CMD1/27/2019 dated 8<sup>th</sup> February, 2019 and Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements Regulations), 2015, M/s. Uma Lodha & Co., Practicing Company Secretary issued Annual Secretarial Compliance Report of the Company for the year ended 31st March, 2019. The Report for the financial year 2018-19 does not contain any qualification, reservation or adverse remark.

The Annual Secretarial Compliance Report is annexed herewith as "**Annexure [F]**" to this Report.

##### **COST AUDIT:**

In accordance with the provisions of Section 148 of The Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014, Your Company is required to maintain Cost Records of the Company. Such accounts and records have been duly maintained by the Company.



The Board of Director of Your Company has re-appointed M/s. Ketki D. Visariya & Co., Cost Accountants, (Firm Registration Number: 00362) to conduct audit of your Company's cost records for the Financial Year 2019-2020 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.

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

In pursuance of 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.

Based on the recommendations from Audit Committee, the Existing Vigil Mechanism Policy has been amended and revised policy has been adopted at the meeting held on 5<sup>th</sup> February, 2019 in order to align with the amendments in Securities and Exchange Board of India (PIT REGULATIONS) Regulations, 2015. The same has been uploaded on the website of the Company at [www.corallab.com](http://www.corallab.com).

#### **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 [G]".

The Board of Directors of the Company at the Board meeting held on 1<sup>st</sup> April, 2019 has, on the recommendation of the Audit Committee, adopted a revised 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 [www.corallab.com](http://www.corallab.com).

#### **REPORTING OF FRAUDS:**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and / or Board under Section 143(12) of Act and Rules framed thereunder.

#### **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: [www.corallab.com](http://www.corallab.com).

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 workplace, 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.



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## **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. The Company has adopted Risk Management Policy which has been posted on the website of the Company: [www.corallab.com](http://www.corallab.com).

## **PREVENTION OF INSIDER TRADING:**

Based on the recommendation of the Audit Committee, the Company has adopted a revised 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 at the Board meeting held on February 5, 2019. 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.

Board of Directors and the designated employees have confirmed compliance with the Code. The policy for same has been posted on the website of the company.: [www.corallab.com](http://www.corallab.com)

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

In order to comply with provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, the Company has formulated and implemented a policy on prevention, prohibition and redressal of complaints related to sexual harassment of women at the workplace. All women employees either permanent, temporary or contractual are covered under the above policy. The said policy has been uploaded on the internal portal of the Company for information of all employees. An Internal Complaint Committee (ICC) has been set up in compliance with the said Act.

During the financial year 2018-19, the company has not received any complaints on sexual harassment and hence no complaints remain pending as of 31<sup>st</sup> March, 2019.

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

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

**Place: Mumbai  
Date: 12<sup>th</sup> August, 2019**





## ANNEXURE [A] to Board's Report

### Reporting of Corporate Social Responsibility (CSR)

#### 1. CSR Policy - Brief Outline and Overview

To direct Coral Laboratories' CSR Programmes, inter alia, towards achieving one or more of the following:

- enhancing environmental and natural capital;
- supporting rural development;
- promoting education and vocational skills;
- providing preventive healthcare;
- providing sanitation and drinking water;
- creating livelihoods for people, especially those from disadvantaged sections of society, in rural and urban India;
- preserving and promoting traditional art and culture and promoting sports.

The CSR Policy may be accessed on the Company's corporate website at [www.corallab.com](http://www.corallab.com).

#### 2. Role of Corporate Social Responsibility (CSR) Committee:

- 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

#### 3. Number of meetings held by CSR Committee:

The CSR Committee meetings were held on 23<sup>rd</sup> May, 2018 and 11<sup>th</sup> December, 2018 during the year.

#### 4. Composition of Corporate Social Responsibility (CSR) Committee:

Sr.No.	Name of the Director	Position	Category	No. of Meetings Attended
1	Mr. Rajesh R. Parikh* (Upto 1 <sup>st</sup> April, 2019)	Chairman	Independent Director	2
2	Mrs. Sheela R. Kamdar	Member	Independent Director	2
3.	Mrs. Sushma Kadkade	Member	Non-Executive Director	2

#### 5. Average net profit of the company for last three financial years: Rs. 20,11,22,716/-

#### 6. Prescribed CSR expenditure (two percent of the amount as in item no.5 above): Rs. 40,22,454/-

#### 7. Details of CSR spent during the financial year: Rs. 11,00,000/-

- (a) Total amount to be spent for the financial year: Rs. 40,22,454/-
- (b) Amount unspent, if any: Rs. 29,22,454/-



(c) Manner in which the amount spent during the year 2018-2019 is detailed below:

Sr. No.	1
CSR project or activity identified	Promoting Education
Sector in which the project is covered	Enhancing Vocational Skills
Projects or programs-Specify the State/Union Territory where the Project/ Program was Undertaken	Maharashtra
Projects or programs - Specify the district where projects or programs was undertaken	Mumbai
Amount outlay (budget) project or programs wise (Rs)	Rs.40,22,454/-
Amount spent on the projects or programs (Rs)	
a) Direct Expenditure on projects/ Programme	Rs.11,00,000/-
b) Expenditure on Administrative Overheads	Nil
Amount spent: Direct or through implementing agency *	Direct

8. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

Reason for unspent amount of Rs. 29,22,454/- is provided in Board's report.

9. The implementation and monitoring of CSR policy is in compliance with the CSR objectives and policy of the company.

By Order of the Board  
For Coral Laboratories Limited

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

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

Place: Mumbai  
Date: 12<sup>th</sup> August, 2019



## ANNEXURE-B

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

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

#### A. CONSERVATION OF ENERGY:

##### 1. The Steps taken or impact on Conservation of Energy:

- Installation of 3 Nos.5KVAR capacitor on main bus bar in fixed mode for saving energy
- Installed MDI controller to control the demand within 700 KVA to save energy and penalty
- Installed the 3 way valve for AHU to optimize the chiller operation.
- Installed the system to automatic closed maintain the temperature of chilling plant
- Installed Voltage Stabilizers to provide Suitable Voltage to lighting Fixtures. Replaced Tube Lightes with conventional Chokes by 28W T5 lamps with electronic Chock, 250 watts Lamps at Street light with 70 watts HPSV Lamps for saving Energy.
- Installed the system air compressor unload 7 kg pressure and load 6kg pressure (automatically unloading and loading system)
- Installed the automatic Centralised voltage stabilizer of 750 KVA for controlling over all voltage fluctuation
- Softener plant install for soft water use in boiler to avoid scale removal to get maximum output

	Particulars	March 31,2019	March 31,2018
I.	<b>ELECTRICITY</b>		
	I. Purchase Units (In lacs)	23.67	22.01
	II. Total Amount (Rs. In lacs)	130.54	128.91
	III. Rate/Units (Rs)	5.51	5.86
II.	<b>FURNANCE OIL</b>		
	i. Quantity (Ltrs) In Lacs	0.41	0.44
	ii. Total Amount (Rs. In lacs)	28.60	26.10
	iii. Rate/Units (Rs)	69.43	58.93
III.	<b>Gas</b>		
	iv. Quantity (kgs) In Lacs	0.78	0.51
	v. Total Amount (Rs. In lacs)	50.39	28.51
	vi. Rate/Units (Rs)	64.64	56.10

2. The Steps Taken by the Company for utilizing alternate Source of Energy : Not Applicable

3. The Capital Investment on Energy Conservation Equipments : Not Applicable

#### (B) TECHNOLOGY ABSORPTION- Not Applicable

- (i) the efforts made towards technology absorption : Not Applicable



- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution; Not Applicable
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable
  - (a) the details of technology imported;
  - (b) the year of import;
  - (c) whether the technology been fully absorbed;
  - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development. : Not Applicable

**B. FOREIGN EXCHANGE EARNIGN AND OUTGO:**

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflow :

**Foreign Exchange Earned**

Particulars	2018-19	2017-18
Exports (Rs.in Lacs)	6553.92	5796.48

**Foreign Exchange Outgo :**

Particulars	2018-19	2017-18
- Imports (Rs. In Lacs)	51.24	511.45
- Others (Rs. In Lacs)	129.74	66.77



**Annexure [C] to Board's Report**

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on financial year ended on 31st March, 2019**

**[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 Indian Non- Government Company
5.	Address of the Registered Office and contact details	:	Address-SF- 206, Silver Oak Complex, B.P.C Road Vadodara-GJ 390020 Contact No.-022 2500 5245 Email- cs@corallab.com
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. Address-C-101, 247 Park, L.B. S Marg, Vikhroli (West), Mumbai - 400 083. Contact No.- 022 - 49186270 Email- rnt.helpdesk@linkintime.co.in

**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 2018)				No. of Shares held at the end of the year (As on 31st March 2019)				% 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	1841562	0	1841562	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>2554913</b>	<b>0</b>	<b>2554913</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>2554913</b>	<b>0</b>	<b>2554913</b>	<b>71.51</b>	<b>0</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	71662	0	71662	2.01	15100	0	15100	0.42	(1.59)
j) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B)(1):-</b>	<b>71662</b>	<b>0</b>	<b>71662</b>	<b>2.01</b>	<b>15100</b>	<b>0</b>	<b>15100</b>	<b>0.42</b>	<b>(1.59)</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	82263	500	82763	2.32	118798	500	119298	3.34	1.02
ii) Overseas	0	31100	31100	0.87	0	31100	31100	0.87	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh.	501035	115052	616087	17.24	543761	102552	646313	18.09	0.85
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	105989	0	105989	2.97	88440	0	88440	2.48	(0.49)
c) Others									
Non – Resident Indians	26558	10200	36758	1.03	32565	9800	42365	1.18	0.15
Non- Resident Indians (Non Repatriable)	5744	0	5744	0.16	7417	0	7417	0.21	0.05
Hindu Undivided Family	25733	0	25733	0.72	29214	0	29214	0.82	0.10
Clearing Member/ Market Maker	17638	0	17638	0.49	9957	0	9957	0.28	(0.21)
IEPF	24322	0	24322	0.68	28483	0	28483	0.80	0.12
<b>Sub-Total (B)(2)</b>	<b>789282</b>	<b>156852</b>	<b>946134</b>	<b>26.48</b>	<b>858635</b>	<b>143952</b>	<b>1002587</b>	<b>28.07</b>	<b>1.59</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>860944</b>	<b>156852</b>	<b>1017796</b>	<b>28.49</b>	<b>873735</b>	<b>143952</b>	<b>1017687</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>0</b>
<b>Grand Total (A+B+C)</b>	<b>3415748</b>	<b>156852</b>	<b>3572600</b>	<b>100</b>	<b>3428648</b>	<b>143952</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. 01.04.2018			Shareholding at the end of the year i.e. 31.03.2019			% 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	100	529073	14.81	100	0
2.	Navin Bachubhai Doshi	284001	7.95	100	284001	7.95	100	0
3.	Coral India Finance & Housing Limited	713351	19.97	0	713351	19.97	0	0
4.	Chetan Navinchandra Doshi	1028379	28.79	0	1028488	28.79	0	0.003%
	<b>TOTAL</b>	<b>2554804</b>	<b>71.51</b>	<b>22.76</b>	<b>2554913</b>	<b>71.51</b>	<b>22.76</b>	<b>0.003%</b>

iii). Change in Promoters' Shareholding:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Remarks			Shareholding at the end of the year i.e. 31.03.2019	
		No. of Shares	% of total shares of the company	Date	Increase/ Decrease	Reason	No. of Shares	% of total shares of the company
1	Chetan Navinchandra Doshi	1028379	28.79	26/03/2019	109	Acquisition	1028488	28.79

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

Sr. No.	Name of Shareholder	Shareholding at the beginning of the year i.e. 01.04.2018		Remarks			Cumulative Shareholding at The End of The Year	
		No. of Shares	% of total shares of the company	Date	Increase/ Decrease	Reason	No. of Shares	% of total shares of the company
1	Meeta Samir Sheth	64590	1.81%	No changes			64590	1.81%
2.	Noetic Finance Private Limited	44422	1.24%	No changes			44422	1.24%
3.	Sukaran Investments Ltd.	31100	0.87%	No changes			31100	0.87%



Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Remarks			Shareholding at the end of the year i.e. 31.03.2019	
		No. of Shares	% of total shares of the company	Date	Increase/Decrease	Reason	No. of Shares	% of total shares of the company
4.	Investor Education and Protection Fund Authority Ministry of Corporate Affairs	24322	0.68%	13/04/2018	51	Transferred to IEPF pursuant to Sec 124 (6) of Companies Act, 2013	28483	0.80%
				14/12/2018	4110	Transferred to IEPF pursuant to Sec 124 (6) of Companies Act, 2013		
5.	Globe Capital Market Limited	25	0.0007%	30/06/2018	498	Aquisition	17429	0.49%
				06/07/2018	17431	Aquisition		
				13/07/2018	200	Disposal		
				27/07/2018	28	Aquisition		
				03/08/2018	2	Disposal		
				17/08/2018	40	Aquisition		
				24/08/2018	20	Disposal		
				31/08/2018	91	Disposal		
				07/09/2018	04	Aquisition		
				14/09/2018	53	Acquisition		
				21/09/2018	45	Aquisition		
				29/09/2018	205	Aquisition		
				05/10/2018	179	Disposal		
				12/10/2018	59	Disposal		
				19/10/2018	25	Disposal		
				26/10/2018	15	Disposal		
				02/11/2018	230	Disposal		
				09/11/2018	05	Disposal		
				21/12/2018	49	Disposal		
				08/03/2019	425	Acquisition		
				31/03/2019	450	Disposal		
6.	Ela Anil Sheth	12950	0.36%	No changes			12950	0.36%
7.	Samra Jan.	11000	0.31%	15/06/2018	100	Disposal	10900	0.30%
8.	Fidelity Northstar Fund	10000	0.28%	No changes			10000	0.28%
9.	Rambabu Veldi	9181	0.26%	03/08/2018	43	Disposal	9136	0.25%
				17/08/2019	02	Disposal		
10.	Epcot Trading LLP	Nil	Nil	10/08/2018	1016	Acquisition	8397	0.23%
				17/08/2018	1016	Disposal		
				25/01/2019	1297	Acquisition		
				22/03/2019	5703	Aquisition		
				29/03/2019	1397	Aquisition		



**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. Chetan Doshi</b>				
	At the beginning of the year	1028379	28.79		
	• Increase	109	0.003%		
	<b>At the End of the year</b>	-	-	<b>1028488</b>	<b>28.79%</b>
<b>2.</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.	-	-	-	-
	<b>At the End of the year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>3.</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.	-	-	-	-
	<b>At the End of the year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>4.</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.	-	-	-	-
	<b>At the End of the year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>5.</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.	-	-	-	-
	<b>At the End of the year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>6.</b>	<b>Mrs. Sushma Kadkade</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.	-	-	-	-
	<b>At the End of the year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>7.</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.	-	-	-	-
	<b>At the End of the year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>



\*Mrs. Purvi Doshi and Mr. Saurabh Shah has been appointed w.e.f. 28<sup>th</sup> May, 2019.

**V. INDEBTEDNESS:** The Company has no indebtedness with respect to secured and unsecured loans or deposits during the financial year 2018-19.

## 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 Director	Total Amount (Rs.)
		Girish Dhameja (Whole - Time Director)	
1.	Gross Salary		
	(a). Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	19,88,828	19,88,828
	(b). Value of perquisites u/s 17(2) Income-tax Act, 1961	30,000	30,000
	(c). Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission	Nil	Nil
	- As % of Profit	Nil	Nil
	- Others specify	Nil	Nil
5.	Others, please specify (PF)	21,600	21,600
	Ceiling as per the Act	84,00,000	84,00,000
	<b>Total</b>	<b>20,40,428</b>	<b>20,40,428</b>

### B. Remuneration of other Directors:

#### I. Independent Directors:

Particulars of Remuneration	Name of Directors			Total Amount
	Mr. Rajesh R. Parekh (Upto 10 <sup>th</sup> April, 2019)	Mr. Sheela R. Kamdar	Mr. Sanket S Mehta	
Fees for attending Board Committee meetings	44,500	39,500	25,000	1,09,000
Commission	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>44,500</b>	<b>39,500</b>	<b>25,000</b>	<b>1,09,000</b>



II. Other Non-Executive Directors:

Other Non-Executive Directors	Mr. Chetan Doshi (Director)	Mrs. Sushma Kadkade (Director)	Total Amount (Rs.)
Fees for attending Board Committee meetings	Nil	Nil	Nil
Commission	Nil	Nil	Nil
Others (Remuneration)	Nil	Nil	Nil
<b>Total (2)</b>	Nil	Nil	Nil
<b>Total B = (1+2)</b>	--	Nil	<b>1,09,000</b>
Ceiling as per the Act			

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

Sr. No.	Particulars of Remuneration	Nirali Mehta (CS)	Sushma Kadkade (CFO)	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	4,41,796	11,92,068	16,33,864
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	NIL	36,000	36,000
	(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 - As % of Profit - Others specify	Nil	Nil	NIL
5.	Others, please specify (PF)	14,121	21,600	35,721
	<b>Total</b>	<b>4,55,917</b>	<b>12,49,668</b>	<b>17,05,585</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					

**For Coral Laboratories Limited**

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

Place: Mumbai  
Date: 12<sup>th</sup> August, 2019

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



## 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:

ExecutiveDirectors	Total Remuneration (Rs.)	Ratio to median remuneration
Mr. Girish Dhameja	20,40,428	8.69%

### Notes:

- The aforesaid details are calculated on the basis of remuneration for the financial year 2018-19
- Median remuneration of the Company for all its employee is Rs.1,77,387/- for the financial year 2018-19
- Median remuneration of the Company for all its employee is Rs.1,50,074/-for the financial year 2017-18.

- 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)	9.63%
Mrs. Sushma Kadkade (CFO)	11.12%
Ms. Nirali Mehta (Company Secretary)	NIL

- c. The percentage increase in the median remuneration of all employees in the financial year 2018-2019:

Particulars	2018-19 (Rs.)	2017-18 (Rs.)	Change (%) (Increase)
Median remuneration of all employees per annum	177387	15007	18.20%

- d. The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March, 2019

Executive/Manager cadre	8
Staff	160
Operators/Workmen	
<b>Total</b>	<b>168</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 1437.30/-. However, during the course of the year the total increase is approximately a Rs.2, 41,467/- after accounting for promotions and other event-based compensation revisions.

Increase in the managerial remuneration for the year was around 7.32%.

- 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.

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

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

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

Place: Mumbai  
Date: 12<sup>th</sup> August, 2019



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## ANNEXURE E

### 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, 2019**

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, 2019 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 2019 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 SEBI (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:

- **Non- engagement of graduate/ technician apprentices as prescribed under The Apprentices (Amendment) Act, 1973, 1986 & 2014.**
- **The Cost Audit Report will be filed within the prescribed period of 180 days from the close of the Financial Year.**
- **Inadequate Contribution towards CSR activities**

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: 12<sup>th</sup> August,2019**

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





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**‘ANNEXURE E(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 & Company**  
Practicing Company Secretaries

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

**Place : Mumbai  
Date: 12<sup>th</sup> August,2019**



**Annexure [F] to Board's Report**

**SECRETARIAL COMPLIANCE REPORT OF CORAL LABORATORIES LIMITED  
FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019.**

**To,  
Board of Directors,  
Coral Laboratories Limited**

**I, Mrs. Uma Lodha, Company Secretary in Practice proprietor of M/s Uma Lodha & Co. have examined:**

- (a) all the documents and records made available to us and explanation provided by **Coral Laboratories Limited** ("the Company"),
- (b) the filings/ submissions made by the Company to the stock exchanges,
- (c) website of the Company,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31<sup>st</sup> March 2019 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.
- Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: *(Not Applicable during the Review Period)*
- Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014: *(Not Applicable during the Review Period)*
- Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008: *(Not Applicable during the Review Period)*
- Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013: *(Not Applicable during the Review Period)*
- Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018: *(Not Applicable during the Review Period)*

and circulars/ guidelines issued thereunder; and based on the above examination, I hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:-



Sr. No	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
	NIL	NIL	NIL

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ Directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
	NIL	NIL	NIL	NIL

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended...	Actions taken by the listed entity, if any	Comments of the Practicing Company Secretary on the actions taken by the listed entity
The Secretarial Compliance Report was introduced by the SEBI vide Circular No. CIR/CFD/CMD1/27/2019 dated 8th February 2019 from the financial year 2018-19. Accordingly, this being the first financial year of applicability of this Report, the previous year's comparative information is not available. Hence, this information is not provided.				

For UMA LODHA & CO.  
(Practising Company Secretaries)

Sd/-  
UMA LODHA  
(Proprietor)  
FCS No. 5363  
C.P. No. 2593

Place: Mumbai  
Date: 28<sup>th</sup> May, 2019



**Annexure [G] 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: NOT APPLICABLE**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
a)	Name (s) of the related party & nature of relationship	–
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 188	–

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

<b>Sr. No.</b>	<b>Particulars</b>	<b>Amount</b>
a)	Name (s) of the related party	Mr. Chetan Doshi
b)	Nature of Relation ship	He was Director and Chairman of the Company upto 10 <sup>th</sup> April, 2019. Also, he is a Promoter of the Company.
c)	Nature of contracts /arrangements /transaction	Rent paid for lease arrangements
d)	Duration of the contracts/arrangements / transaction	11 Months
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	23 <sup>rd</sup> May, 2018
h)	Amount incurred during the year (Rs. In lakhs)	10.80 Lacs

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

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

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

**Place: Mumbai**  
**Date: 12<sup>th</sup> August, 2019**



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## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### (1) ECONOMIC OVERVIEW

#### Global Economy

The global economy grew by 3.6% in 2018 as against 3.8% in 2017, according to the International Monetary Fund (IMF). The moderation in growth was primarily on account of escalating trade tensions between the United States (US) and China, the slowdown in Europe and Asia and tighter financial conditions across many economies.

The global economy is expected to continue to witness challenges in the first half of 2019, with growth projected to soften further to 3.3% in 2019. Nonetheless, growth is expected to pick up to 3.6% in 2020, led by improvement in financial market sentiment, accommodative monetary policies, fiscal stimulus and liquidity support in China and possible stabilization of conditions in the Euro zone and stressed emerging economies.

#### Indian Economy

The Indian economy too slowed down to 6.8% in 2018-19, after growing at 7.5% in the first half of the fiscal year, due to weak industrial output on the back of a contraction in manufacturing, capital goods and consumer durables, along with subdued urban and rural demand. The IMF expects India's GDP growth to recover to levels above 7% as the Reserve Bank of India (RBI) shifts its policy stance from neutral to accommodative aided by the government's push for structural reforms.

#### Industry structure and developments

The Company's business is divided into single segment i.e Pharmaceutical Formulations. Given the strain on the economic scenario and slowdown market condition, company have not achieved well as compare to previous year's figures. Your Directors are trying their best to maximize the profits of the Company and the stakeholders as a whole.

#### Performance:

The Company's export has increased to Rs. 6553.92 lacs from the previous year's Rs. 5796.48 Lacs

#### 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.

#### 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.

#### Outlook:

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

#### 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	2018-2019	2017-2018
Income	9623.62	9694.07
Expenditure	8072.97	7889.12
<b>Earnings before Tax</b>	<b>1550.65</b>	<b>1804.94</b>
Provision for Tax	500.00	550.00
Provision for Deferred Tax	28.99	10.36
Less: Income Tax Adjustments of earlier years	-	-
<b>Earnings after Tax</b>	<b>1021.66</b>	<b>1244.59</b>
Other Comprehensive Income (net of tax)	(1192.29)	(311.77)
<b>Total Comprehensive Income</b>	<b>(170.63)</b>	<b>932.82</b>
Add: IND-AS Adjustment	-	-
Add: Balance Brought forward	10855.81	10137.99
Less: Dividend Paid (including Dividend Distribution tax)	(86.00)	(214.99)
Deferred tax liability	-	-
Balance carried forward to Balance Sheet	10599.18	10855.81

- 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.

- i. Ratios where there has been significant change (i.e. change of 25% or more as compared to the immediately previous financial year)**

**a) Inventory Turnover Ratio**

2018-19	2017-18	Improvement
2.92	2.68	8.22%

**b) Interest Coverage Ratio**

2018-19	2017-18	Reduction
674.16 times	543.03 times	19.45%

**c) Current Ratio:**

2018-19	2017-18	Improvement
4.64	3.58	22.86%

**d) Return on Net worth**

2018-19	2017-18	Reduction
8.98	10.70	16.07%

The Company recorded a profit after taxes of Rs. 1550.65 for FY 2018-19 as compared to Rs. 1804.94 Lacs for the FY 2017-18.

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

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

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

Place: Mumbai  
Date: 12<sup>th</sup> August, 2019





## **CORPORATE GOVERNANCE REPORT**

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2019, 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 Listing Regulations is given below:

### **2) THE BOARD OF DIRECTORS (GOVERNANCE STRUCTURE)**

The Corporate Governance structure at Coral Lab 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 Board:**

The Board has constituted the following Committees viz, Audit Committee, Nomination and Remuneration 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.

#### **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 31<sup>st</sup>, 2019, 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:

<b>Name of the Director</b>	<b>Category</b>
Mr. Girish Dhameja	Whole-time Director
Mrs. Sushma Kade	Director and Chief Financial Officer
Mr. Chetan Doshi*	Non- Executive Director & Chairman
Mr. Rajesh Parikh*	Independent Director
Mrs. Sheela R. Kamdar	Independent Director
Mr. Sanket Mehta	Independent Director



**\*Notes:**

1. Mr. Chetan Doshi, Chairman and Non-Executive Director vacated his office w.e.f. 10<sup>th</sup> April, 2019 due to disqualification u/s 164.
2. Mr. Rajesh Parikh, Independent Director vacated his office w.e.f. 10<sup>th</sup> April, 2019 due to disqualification u/s 164.

**Following changes occurred in the Constitution of Board between the end date of financial year and date of this report:**

- On 10<sup>th</sup> April, 2019, Mr. Chetan Doshi (DIN: 00319134), Chairman and Non-executive Non-Independent Director of the Company vacated the office as per Section 167 due to disqualification u/s 164 of the Companies Act, 2013.
- On 10<sup>th</sup> April, 2019, Mr. Rajesh Parikh (DIN: 02527339), Independent Director of the Company vacated the office as per Section 167 due to disqualification u/s 164 of the Companies Act, 2013.
- At the Board Meeting dated, 28<sup>th</sup> May, 2019, Mrs. Purvi Doshi (DIN: 08451213) was appointed as an Additional Director of the Company w.e.f. 28<sup>th</sup> May, 2019 subject to shareholders approval at the forthcoming 37<sup>th</sup> Annual general Meeting.
- At the Board Meeting dated, 28<sup>th</sup> May, 2019, Mr. Saurabh Shah (DIN: 08451204) was appointed as an Additional Director (Independent) of the Company w.e.f. 28<sup>th</sup> May, 2019 subject to shareholders approval at the forthcoming 37<sup>th</sup> Annual general Meeting.
- At the Board Meeting dated, 12<sup>th</sup> August, 2019, Board of Directors proposed re-appointment of Mrs. Sheela Kamdar as an Independent Director of the Company for a second term of five consecutive years subject to shareholders approval at the forthcoming 37<sup>th</sup> Annual general Meeting.

**Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM):**

Sr. No.	Name of Directors	No. of Board Meetings held					No. of Board Meetings attended	Attendance at the AGM held on 27 <sup>th</sup> September, 2018
		23 <sup>th</sup> May, 2018	8 <sup>th</sup> August, 2018	13 <sup>th</sup> August, 2018	31 <sup>st</sup> October 2018	5 <sup>th</sup> February 2019		
1	Mr. Girish Dhameja	Present	Present	Present	Present	Present	5 out of 5	Present
2	Mrs. Sushma Kade	Present	Present	Present	Present	Present	5 out of 5	Present
3	Mr. Chetan Doshi*	Leave of absence	Present	Leave of absence	Leave of absence	Leave of absence	1 out of 5	Absent
4	Mr. Rajesh Parikh*	Present	Present	Present	Present	Present	5 out of 5	Present
5	Mrs. Sheela R. Kamdar	Present	Present	Present	Present	Present	5 out of 5	Absent
6	Mr. Sanket Mehta	Present	Present	Present	Present	Present	5 out of 5	Absent

\* Mr. Chetan Doshi and Mr. Rajesh Parikh vacated their office w.e.f. 10<sup>th</sup> April, 2019.

**Directors' Directorships/Committee memberships or Chairmanships :**

In accordance with Regulation 26 of the Listing Regulations, none of the Directors are members in more than 10 committees excluding private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 or act as Chairperson of more than 5 committees across all listed entities in which he/she is a Director. The Audit Committee and Stakeholders' Relationship Committee are only considered in computation of limits. Further all Directors have informed about their Directorships, Committee Memberships/Chairmanships including any changes in their positions. Relevant details of the Board of Directors as on March 31, 2019 are given below:



#### Directorship / Committee Membership or Chairmanship as on March 31, 2019:

Name of the Director	Category of Director	Directorships in other Indian Public Limited Companies (excluding CLL)	No. of Board Committees in which Chairman /Member (excluding CLL)		List of Directorship held in Other Listed Companies and Category of Directorship
			Chairman	Member	
Mr. Girish Dhameja	Whole-time Director	NIL	NIL	NIL	NIL
Mrs. Sushma Kade	Non-Executive Director	NIL	NIL	NIL	NIL
Mr. Chetan Doshi*	Chairman & Non-Executive Director	NIL	NIL	NIL	NIL
Mr. Rajesh Parikh*	Independent Director	NIL	NIL	NIL	NIL
Mrs. Sheela R. Kamdar	Independent Director	1	2	2	<b>Name of Entity:</b> Coral India Finance and Housing Limited <b>Nature of Directorship:</b> Independent Director
Mr. Sanket Mehta	Independent Director	NIL	NIL	NIL	NIL

#### Notes:

1. Mr. Chetan Doshi and Mr. Rajesh Parikh vacated their office w.e.f. 10<sup>th</sup> April, 2019.
2. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
3. Membership/Chairmanship of Committee only includes Audit Committee and Stakeholders Relationship 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 Chairman of more than five such Committees.

#### 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 emergencies, 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. 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 2018-19 the Board of Directors had duly met 5 (Five) times during the financial year i.e. on, **23<sup>rd</sup> May 2018, 8<sup>th</sup> August, 2018, 13<sup>th</sup> August 2018, 31<sup>st</sup> October, 2018 and 5<sup>th</sup> February 2019.**

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

#### Relationship Between Directors inter-se:

None of the Directors are related inter-se as on 31<sup>st</sup> March, 2019. Mrs. Purvi Doshi (DIN: 08451213) who has been appointed as Additional Director w.e.f. 28<sup>th</sup> May, 2019 is wife of Mr. Chetan Doshi, Promoter of the Company.

**No. of Shares held by Non-Executive Directors as on 31<sup>st</sup> March, 2019:**

Sr. No.	Name of Director	Category	No. of Shares held	% of the [Paid up capital]
1	Mrs. Sheela Kamdar	Independent Director	Nil	NIL
2	Mr. Rajesh R. Parikh*	Independent Director	Nil	NIL
3	Mr. Sanket S Mehta	Independent Director	Nil	NIL
4	Mrs. Sushma Kade	Non-Executive Director	NIL	NIL
5	Mr. Chetan Doshi*	Non-Executive Director	1028488	28.79

\*Mr. Chetan Doshi and Mr. Rajesh Parikh vacated their office w.e.f. 10<sup>th</sup> April, 2019.

**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 them under Companies Act, 2013, Listing Regulation 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](http://www.corallab.com).

**Key Board Qualifications:**

The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and which are available with the board are following:

- **Financial skills**
- **Diversity**
- **Corporate Management**
- **Leadership**
- **Technical skills and Professional Skills**
- **Business Strategy**
- **Pharmaceutical**

**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 Obligation and Disclosure Requirement) Regulations, 2015. A formal letter of appointment to Independent Director as provided in Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 has been issued and disclosed on website of the Company viz. [www.corallab.com](http://www.corallab.com).

In the opinion of the Board, All the Independent Directors of the Company fulfills the conditions specified in SEBI (Listing Obligation and Disclosure Requirements), 2015 and they are independent of the management of the Company.

**Number of Independent Directorships:**

As per Regulation 17A of the Listing Regulations, Independent Directors of the Company do not serve as an Independent Director in more than seven listed companies. Further, the Managing Director of the Company does not serve as an Independent Director in any listed entity.



### **Independent Directors' Meeting :**

Schedule IV of the Companies Act, 2013 and Secretarial Standard - 1 on Meetings of the Board of Directors mandates that the Independent Directors of the Company hold at least one meeting in a year, without the attendance of Non – Independent Directors.

During the year under review, the Independent Directors met on February 19, 2019, inter alia, to:

- Evaluate performance of Non-Independent Directors and the Board of Directors as a whole;
- Evaluation of the quality, content and timeliness 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 at this Meeting.

### **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 Obligation and Disclosure Requirement) 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.

### **Vacation of Office of an Independent Director before the expiry of his tenure:**

Mr. Rajesh Parikh, Independent Director of the Company placed the notice of vacation of office w.e.f. 10<sup>th</sup> April, 2019 due to disqualification occurred by him under section 164(2)(a) of The Companies Act, 2013. Mr. Rajesh Parikh has confirmed that there is no other Material Reason other than the reason provided above for his vacation of office from the designation of Independent Director of the Company.

### **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. At the board Meeting dated 5<sup>th</sup> February, 2019, The Code has been amended and adopted by the Board. 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.

At the board Meeting dated 5<sup>th</sup> February, 2019, Board of Directors approved the revised codes such as 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") and The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' due to amendment in 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)

Due to amendment in SEBI (Prohibition of Insider Trading) Regulations, 2015, Company has also adopted Policy For Procedure of Inquiry In Case of Leak of Unpublished Price Sensitive Information ("UPSI") or Suspected Leak of UPSI framed under the Regulation 9A of the SEBI (Prohibition Of Insider Trading) Regulations, 2015. The same has been displayed on the Company's Website viz [www.corallab.com](http://www.corallab.com).

### **3. AUDIT COMMITTEE:**

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

The Board at its meeting held on February 5<sup>th</sup>, 2019, revised the 'Terms of Reference' of the Audit Committee due to implementation of amendments to the Listing Regulations. 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 Listing Regulation. 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<sup>st</sup>, 2019.

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 Listing Regulation. 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, Meetings and Attendance:

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 Listing Regulation.

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.

During the year, There was no change in the Composition of Audit Committee.

The Audit Committee met Four times during the Financial Year 2018-19. The maximum gap between two meetings was not more than 120 days. The Committee met on 23<sup>rd</sup> May, 2018, 13<sup>th</sup> August 2018, 31<sup>st</sup> October, 2018 and 5<sup>th</sup> February 2019. 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 as on 31<sup>st</sup> March, 2019:

Sr. No.	Name of the Director	Position	Category	No. of Meetings Attended
1	Mr. Rajesh Parikh	Chairman	Independent Director	5 out 5
2	Mrs. Sheela Kamdar	Member	Independent Director	5 out 5
3	Mrs. Sushma Kadkade	Member	Non-Executive Director	5 out 5

#### 4. NOMINATION AND REMUNERATION COMMITTEE:

##### Terms of Reference:

The Board at its meeting held on February 5<sup>th</sup>, 2019, revised the 'Terms of Reference or Charter' of the Nomination and Remuneration Committee due to implementation of amendments to the Listing Regulations. The Board has framed the Nomination and Remuneration Committee Policy which ensure effective Compliance of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation, 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, Meeting and Attendance:

The Composition of Nomination and Remuneration Committee is pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulation. During the year, there was no change in the Composition of Nomination and Remuneration Committee.





The Nomination and Remuneration Committee met once during the year i.e. on 23<sup>rd</sup> May, 2018. The necessary quorum was present for the Meeting. Mr. Rajesh Parikh, Chairman of the Nomination and Remuneration Committee was present at the last Annual General Meeting of the Company.

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

Sr. No.	Name of the Director	Position	Category	No. of Meetings Attended
1	Mr. Rajesh Parikh	Chairman	Independent Director	1 out of 1
2	Mrs. Sheela Kamdar	Member	Independent Director	1 out of 1
3	Mrs. Sushma Kadkade	Member	Non-Executive Director	1 out of 1

#### Performance Evaluation Criteria of the Board:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulation, 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.

#### 5. REMUNERATION POLICY :

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

The Non-Executive Directors are paid remuneration by way of remuneration and Sitting Fees. 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 2018-19 was Rs. 109,000/-. 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 Nomination and Remuneration 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 Whole Time 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 Nomination and Remuneration 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, 2019 is as follows :**

(Amount in ₹)

Sr. No.	Name of the Director	Salary	Perquisites	Others (PF)	Total
1.	Mr. Girish M Dhameja	19,88,828	30,000	21,600	20,40,428

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/Appointment 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 and SEBI (Listing Obligation and Disclosure Requirement) regulations, 2015.
- 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

### Criteria of making payment to Non-Executive Directors:

- The Non-executive and Independent Directors of the Company are entitled to sitting fees for attending the meetings of the Board or Committees thereof.
- The Company may pay remuneration to its Directors, other than Managing Director and Whole Time Director upto 1% of the net profits of the Company, if there is a managing director or whole time director or manager and 3% of the net profits in any other case.
- All fees / compensation, if any paid to non-executive directors, including independent directors, shall be fixed by the Board of Directors within the limits as prescribed under the Act and shall require prior approval of shareholders, however, the requirement of obtaining prior approval of shareholders shall not apply to payment of sitting fees to non-executive directors, if made within the limits prescribed under the Act.
- The shareholders' resolution shall specify the limits for the maximum number of stock options that can be granted to non-executive directors, in any financial year and in aggregate. An Independent Director shall not be entitled to any stock option of the Company.
- The reimbursement of expenses for attending the Board and other Committee meetings including traveling, boarding and lodging expenses shall be paid by the Company.
- Commission may be paid to the Non- Executive Directors and Independent Directors within the limits prescribed under the Act i.e. not exceeding 1% of the net profits of the Company computed as per the of the applicable provisions of the Act and with the prior approval of the Shareholders of the Company. The Board shall however, have the authority to determine the manner and proportion in which the amount be distributed amongst the Non- Executive Directors and Independent Directors.
- The approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof.



## **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.

## **6. 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 at its meeting held on February 5<sup>th</sup>, 2019, revised the 'Terms of Reference or Charter' of the Stakeholders Relationship Committee due to implementation of amendments to the Listing Regulations. 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.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

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 three Directors. Mr. Rajesh Parikh, Independent Director is the Chairman of the Stakeholders Relationship Committee. The necessary quorum was present for all Meetings.

At the Board Meeting dated 5<sup>th</sup> February, 2019, The committee was reconstituted. Mrs. Sheela Kamdar was appointed as member of the Committee to fulfill the requirements of Listing Regulations .

The Stakeholders Relationship Committee met four times during the Financial Year 2018-19. The maximum gap between two meetings was not more than 120 days. The Committee met on 23<sup>rd</sup> May 2018, 13<sup>th</sup> August 2018, 31<sup>st</sup> October, 2018 and 5<sup>th</sup> February 2019.

#### **The table below highlights the composition and attendance of the Members of the Committee:**

Sr. No.	Name of the Director	Position	Category	No. of Meetings Attended
1	Mr. Rajesh Parikh	Chairman	Independent Director	4 out 4
2.	Mrs. Sushma Kadkade	Member	Non-Executive Director	4 out 4
3.	Mrs. Sheela Kamdar	Member	Independent Director	4 out 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 3 and resolved during the year ended March 31<sup>st</sup>, 2019 was 1. The number of pending share transfers and pending requests for dematerialization as on March 31<sup>st</sup>, 2019 were 2.

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>, 2019.

Nature of Complaints	Complaints Received	Complaints Redressed
Non-receipt of Dividend	0	0
Non-receipt of shares lodged for transfer	0	0
Non-receipt of Duplicate/Consolidated Share Certificate	01	01
Non-Receipt of demat/remat request	02	02
Others	0	0
<b>Total</b>	<b>03</b>	<b>03</b>

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

#### **Composition & Meetings :**

The Corporate Social Responsibility (CSR) Committee comprises of three Directors. Mr. Rajesh R. Parikh, Independent Director is the Chairman of the Corporate Social Responsibility (CSR) Committee. During the year, there was no change in the Composition of Corporate Social Responsibility (CSR) Committee.

The CSR Committee met only two times during the year on 23<sup>rd</sup> May 2018, and 11<sup>th</sup> December, 2018.



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 is as follows.

Sr. No.	Name of the Director	Position	Category	No. of Meetings Attended
1	Mr. Rajesh R. Parikh	Chairman	Independent Director	2
2	Mrs. Sheela R. Kamdar	Member	Independent Director	2
3.	Mrs. Sushma Kadkade	Member	Non-Executive Director	2

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.

#### 9. INDEPENDENT DIRECTORS' MEETING

During the year under review, the Independent Directors met on February 19<sup>th</sup>, 2019 interalia, 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
2015-2016	308 / 5 Village & Post – Poiycha (Ran) Taluka, Savli, Baroda – 391 780 (Gujarat)	26.09.2016	11.00 A.M	NIL
2016-2017	SF- 206, Silver Oak Complex, B.P.C Road Vadodara – 390020, Gujarat	19.09.2017	11.00 A.M	NIL
2017-2018	SF- 206, Silver Oak Complex, B.P.C Road Vadodara – 390020, Gujarat	27.09.2018	11.00 A.M	01

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
26.09.2016	NIL	NA
19.09.2017	NIL	NA
27.09.2018	01	Service of documents pursuant to the provisions of Section 20 of the Companies Act, 2013.

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.

### 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 Listing Regulation.

(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.

### GENERAL SHAREHOLDER INFORMATION:

#### Annual General Meeting

Date and time	: 27 <sup>th</sup> September, 2019 at 11.00 a.m.
Venue	: SF- 206, Silver Oak Complex, B.P.C Road Vadodara Gujarat -390020
Financial Year Ending	: 1 <sup>st</sup> April, 2018 to 31 <sup>st</sup> March, 2019
Date of Book Closure	: 21 <sup>st</sup> September, 2019 to 27 <sup>th</sup> September, 2019
Dividend Payment date Final Dividend 2018-2019 recommended by the Board of Directors at its Meeting held on 28 <sup>th</sup> May, 2019	: Re. 2 per Share (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 2019-20 has been paid to BSE.



## DIVIDEND:

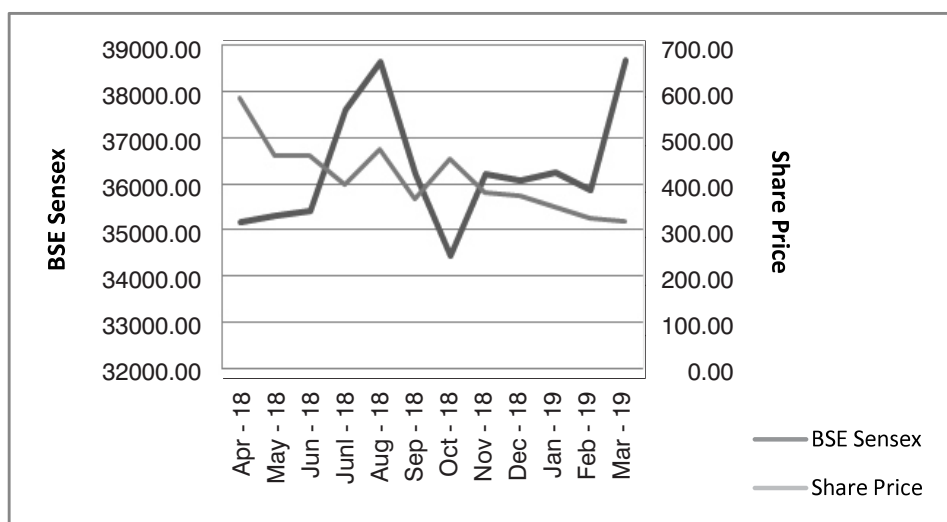
The Board of Directors at their meeting held on 28<sup>th</sup> May, 2019, recommended dividend payout, subject to approval of the shareholders at the ensuing Annual General Meeting of Re. 2 per share, on equity shares of the Company for the Financial Year 2018-2019. The Dividend shall be paid to the members whose names appear on Company's Register of Members on 20<sup>th</sup> September, 2019 in respect of physical shareholders and whose name appear in the list of Beneficial Owner on 20<sup>th</sup> September, 2019 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, 2019.

## Monthly High/Low price of Equity Shares of the Company during the financial year 2018-2019 on BSE Limited

Month	BSE Limited (BSE)	
	Month's High Price(Rs.)	Month's Low Price(Rs.)
April, 2018	648.00	554.00
May, 2018	595.00	425.15
June, 2018	538.90	430.45
July, 2018	498.80	295.20
August, 2018	565.95	372.00
September, 2018	500.00	359.00
October, 2018	520.00	335.00
November, 2018	453.00	377.20
December, 2018	410.90	351.00
January, 2019	395.90	311.10
February, 2019	346.60	299.50
March, 2019	344.50	305.00

Source: [www.bseindia.com](http://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:

Add: 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 Listing Regulation, 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, 2019	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
Upto 500	3658	92.4905	363191	10.1660
501 – 1000	165	4.1719	130436	3.6510
1001 – 2000	64	1.6182	95814	2.6819
2001 – 3000	24	0.6068	58647	1.6416
3001 – 4000	9	0.2276	31093	0.8703
4001 – 5000	6	0.1517	27460	0.7686
5001 – 10000	16	0.4046	109971	3.0782
10001 and above	13	0.3287	2755988	77.1424
<b>Total</b>	<b>3955</b>	<b>100</b>	<b>3572600</b>	<b>100</b>





## Shareholding Pattern as on 31-March, 2019

Sr. No.	Category of Shares	No. of Shares	% of total shares
(A)	<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) Public Shareholding:

Sr. No.	Category of Shares	No. of Shares	% of total shares
	1. Institutions		
	(a) Mutual Funds/UTI	0	0
	(b) Financial Institutions/Banks	0	0
	(c) Foreign Institutional Investors	0	0
	(d) Foreign Portfolio Investors	15100	0.42
	2. Non-Institutions		
	(a) Bodies Corporate	119298	3.34
	(b) Individuals	734753	20.57
	(c) Non-Resident Indians	42365	1.18
	(d) Non-Resident (Non Repatriable)	7417	0.21
	(e) Trust(s)	0	0
	(f) Hindu Undivided Family	29214	0.82
	(g) Clearing Members	9957	0.28
	(h) IEPF	28483	0.80
	(i) Foreign Companies	31100	0.87
	<b>Sub Total:</b>	<b>1017687</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 **95.97%** of outstanding share have been dematerialized upto 31<sup>st</sup> March, 2019.

### 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-March, 2019.

### ADDRESS FOR CORRESPONDENCE:

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



## 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 Listing Regulation 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 Listing Regulation, 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 Listing Regulation, 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. Based on the recommendations from Audit Committee, the Existing Vigil Mechanism Policy has been amended and new policy has been adopted at the meeting held on 5<sup>th</sup> February, 2019 in order to align with the amendments in Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The same uploaded on the website of the Company at [www.corallab.com](http://www.corallab.com).

➤ **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.

➤ **Non mandatory requirements:**

Adoption of non-mandatory requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 is being reviewed by the Board from time-to time.

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

The Company does not have any material subsidiary as defined under Listing Regulation.



➤ **Compliances with Governance Framework**

The Company is in compliance with all mandatory requirements under Listing Regulation.

➤ **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 2018-19 is attached at the end of this report.

➤ **Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

During the year, no funds were raised through preferential allotment or qualified institutions placement as specified under regulation 32(7A).

➤ **A certificate from a company secretary in practice that none of the Directors on the board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority**

Mrs. Uma Lodha, from Uma Lodha & Co., Practicing Company Secretaries, has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed at the end of this report.

➤ **Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof**

It is not Applicable to the Company. As all recommendation of committees of the Board, which are mandatory are always accepted by the Board during the Financial year 2018-19.

➤ **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

There are no subsidiaries of the Company. Details relating to fees paid to the Statutory Auditors are given in Note 23 to the Standalone Financial Statements.

➤ **Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the financial year	Number of complaints disposed of during the financial year	Number of complaints pending as on end of the financial year
0	0	0

➤ **Non-compliance of any requirement of Corporate Governance Report as specified in sub-paras (2) to (10) of Para C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015:**

There was no non-compliance by the Company under any requirements of Corporate Governance Report as specified in sub-paras (2) to (10) of Para C of Schedule V of SEBI (Listing Obligation and Disclosure Requirements), Regulations 2015.



➤ **Disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:**

Sr.No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
1	Board of Directors	17(1)	Board composition	Yes
		17(2)	Meeting of Board of Directors	Yes
		17(3)	Review of Compliance Reports	Yes
		17(4)	Plans for orderly succession for appointments	Yes
		17(5)	Code of Conduct	Yes
		17(6)	Fees/compensation	Yes
		17(7)	Minimum Information	Yes
		17(8)	Compliance Certificate	Yes
		17(9)	Risk Assessment & Management	Yes
		17(10)	Performance Evaluation of Independent Directors	Yes
2	Audit Committee	18(1)	Composition of Audit Committee	Yes
		18(2)	Meeting of Audit Committee	Yes
		18(3)	Role of the Committee and Review of information by the Committee	Yes
3	Nomination & remuneration committee	19(1) & (2)	Composition of nomination & remuneration committee	Yes
		19(3)	Presence of the Chairman of the Committee at the Annual General Meeting	Yes
		19(4)	Role of the Committee	Yes
4	Stakeholder Relationship Committee	20(1) & (2)	Composition of Stakeholder Relationship Committee	Yes
		20(4)	Role of the Committee	Yes
5	Risk Management Committee	21(1), (2), (3), (4)	Composition and role of risk management committee	N.A
6	Vigil Mechanism	22	Formulation of Vigil Mechanism for Directors and Employee	Yes
7	Related party Transaction	23(1), (5), (6), (7) & (8)	Policy for related party Transaction	Yes
		23(2), (3)	Prior or Omnibus approval of Audit Committee for all related party transactions	Yes
		23(4)	Approval for material related party transactions	NA
8	Subsidiaries of the Company	24(1)	Composition of Board of Directors of unlisted material Subsidiary	N.A
		24(2), (3), (4), (5) & (6)	Other Corporate Governance requirements with respect to subsidiary of listed entity	N.A
9	Obligations with respect to Independent Directors	25(1) & (2)	Maximum Directorship & Tenure	Yes
		25(3) & (4)	Meeting of independent Directors & Review of Performance by the Independent Directors	Yes
		25(7)	Familiarization of independent Directors	Yes
10	Obligations with respect to Directors and Senior Management	26(1) & (2)	Memberships in Committees & Chairmanship in Committees	Yes
		26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	Yes
		26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
		26(5)	Disclosures by Senior Management about potential conflicts of Interest	Yes



Sr.No.	Particulars	Regulations	Brief Descriptions of the Regulations	Compliance Status (Yes/No/N.A.)
11	Other Corporate Governance Requirements	27(1)	Compliance of Discretionary Requirements	Yes
		27(2)	Filing of Quarterly Compliance Report on Corporate Governance	Yes
12	Disclosures on Website of the Company	46(2)(a)	Details of its business	Yes
		46(2)(b)	Terms and conditions of appointment of Independent Directors	Yes
		46(2)(c)	Composition of various committees of Board of Directors	Yes
		46(2)(d)	Code of Conduct of Board of Directors and Senior Management Personnel	Yes
		46(2)(e)	Details of establishment of Vigil Mechanism / Whistle Blower policy	Yes
		46(2)(f)	Criteria of making payments to Non-Executive Directors	Yes
		46(2)(g)	Policy on dealing with Related Party Transactions	Yes
		46(2)(h)	Policy for determining Material Subsidiaries	Yes
		46(2)(i)	Details of familiarisation programmes imparted to Independent Directors	Yes
		46(2)(j)	The email address for grievance redressal and other relevant details;	Yes
		46(2)(k)	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
		46(2)(l)	Financial information	Yes
		46(2)(m)	Shareholding pattern	Yes
		46(2)(n)	Details of agreements entered into with the media companies and/or their associates, etc;	N.A
		46(2)(o)	Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange	N.A
		46(2)(p)	New name and the old name of the listed entity for a continuous period of one year, from the date of the last name change	NA
		46(2)(q)	Items in sub-regulation (1) of regulation 47	Yes
		46(2)(r)	All credit ratings obtained by the entity for all its outstanding instruments, updated immediately as and when there is any revision in any of the ratings.	N.A
		46(2)(s)	Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year, uploaded at least 21 days prior to the date of the annual general meeting which has been called to inter alia consider accounts of that financial year.	N.A



➤ **Compliance certificate from practicing company secretaries regarding compliance of conditions of corporate governance**

Compliance Certificate from Mrs. Uma Lodha, from Uma Lodha & Co., Practicing Company Secretaries, regarding compliance of conditions of Corporate Governance has been annexed to report.

➤ **Disclosures with respect to demat suspense account/ unclaimed suspense account**

**Details of unclaimed shares as on 31<sup>st</sup> March, 2019 are as below:**

Sr. No.	Particulars	No. of Shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	151	24373
2.	Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	–	–
3.	Number of shareholders to whom shares were transferred from suspense account during the year	–	–
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	167	28483

**Note :** Voting rights in respect of these shares will remain frozen till the time such shares are transferred from the Unclaimed Suspense Account to the concerned shareholder.

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

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

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

**Place: Mumbai  
Date: 12<sup>th</sup> August, 2019**



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### **Declaration of Compliance with the Code of Business Conduct and Ethics**

As provided under Regulation 26 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed compliance with **Coral Laboratories Limited** Code of Business Conduct and Ethics for the year ended March 31<sup>st</sup>, 2019.

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

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

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

**Place: Mumbai**  
**Date: 12<sup>th</sup> August, 2019**



### **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 31st March, 2019 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**  
**(DIN: 07798455)**

**Place: Mumbai**  
**Date: 12<sup>th</sup> August, 2019**

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





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## 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>, 2019 as stipulated in the relevant provisions of Securities and Exchange Board of India SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015) for the period 1<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2019.

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 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: 12<sup>th</sup> August, 2019**



**“Annexure [H]”**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

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

We have examined the relevant registers, records, forms, returns and disclosures received from Directors of **Coral Laboratories Limited** having CIN No. L24231GJ1997PLC031669 and having registered office at SF- 206, Silver Oak Complex, B.P.C Road, Vadodara-390020 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

<b>SR. NO.</b>	<b>NAME OF DIRECTOR</b>	<b>DIN</b>	<b>DATE OF APPOINTMENT IN THE COMPANY</b>
1	GIRISH MADANLAL DHAMEJA	07798455	26/05/2017
2	SANKET SHARAD MEHTA	05309112	26/05/2017
3	SHEELA RUPESH KAMDAR	06948522	12/08/2014
4	SUSHMA SHASHI KADKADE	07791735	19/09/2017
5	CHETAN DOSHI**	00319134	26/05/2017
6	RAJESH PARIKH**	02527339	29/09/2014

Note: The Company received the intimation of Vacation of office on 10<sup>th</sup> April, 2019 from Mr. Chetan Doshi (DIN: 00319134) and Mr. Rajesh Parikh (DIN: 02527339) who have been disqualified under section 164 of The Companies Act, 2013 .

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Place: Mumbai**  
**Date: 12<sup>th</sup> August 2019**

**Sd/-**  
**Uma Lodha**  
**Proprietor**  
**C.P. No. 2593**  
**Membership No.5363**



## INDEPENDENT AUDITORS' REPORT

To  
THE MEMBERS OF CORAL LABORATORIES LIMITED

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Financial Statements of **CORAL LABORATORIES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended, and notes to the Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("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, 2019, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Inventory Valuation	Principle Audit Procedures
<p>As at March 31<sup>st</sup>, 2019 the Company held Rs. 1617.25 Lakhs of inventory representing 12.17% of total assets. Given the size of the inventory balance relative to the total assets of the Company and the estimates and judgments described below, the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note No. 2(F), inventories are held at the lower of cost or net realisable value determined by using the weighted average cost method except for inventories that are booked by customers for their process work which are valued at the rates at which the same is booked by them.</p>	<p>We have performed the following procedures over the valuation of inventory:-</p> <ul style="list-style-type: none"><li>• For sample inventory items, re-performed the weighted average cost calculation;</li><li>• We tested that the ageing report used by management by verifying a sample of aged inventory with the last recorded invoice;</li><li>• On a sample basis we tested the net realizable value of inventory of raw material lines with recent selling prices of finished goods wherein these raw materials are used;</li></ul>



<p>Management undertake the following procedure for determining valuation of closing inventory:</p> <ul style="list-style-type: none"><li>• Use Inventory ageing report to check slow moving &amp; non-moving inventory to evaluate write down, if any, required;</li><li>• Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost or net realizable value and a specific write down is recognized, if required.</li><li>• For valuing inventory work in progress the Company follows norm based on management's estimates and judgments.</li></ul>	<ul style="list-style-type: none"><li>• Held discussions with management, to understand and corroborate the assumptions applied in estimating the inventory norms used for valuation of the inventory held as work in progress.</li></ul> <p>We also made enquiries with the management and considered the results of our testing above to determine whether any specific write downs were further required.</p> <p>From the procedures performed we have no matters to report.</p>
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#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of Management and Those charged with Governance for the Financial Statements

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safe guarding 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.



## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.



2. 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 of the aforesaid Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Financial Statements 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 Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Financial Statements.
- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
- 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 information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any material foreseeable losses on long-term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For, **S P V M & Co.**  
Firm Registration Number: 136751W  
Chartered Accountants

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

Place: Mumbai

Date: May 28<sup>th</sup>, 2019



## ANNEXURE A TO THE AUDITOR'S REPORT

Referred to in paragraph 2 of '**Report on other Legal and Regulatory Requirements**' in our Report of even date on the accounts of **CORAL LABORATORIES LIMITED** for the year ended March 31<sup>st</sup>, 2019

- i. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company are physically verified by the Management according to a phased programme 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 the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and discrepancies noticed between the book records and the physical inventories were not material and have been properly dealt with in the accounts.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. During the year, the inventories have been physically verified by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of inventories as compared to the book records have been properly dealt with in the books of accounts were not material.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) are not applicable to the Company.
- iv. The company has complied with provisions of Section 186 of the Companies Act, 2013 in respect of investments made and Section 185 of the Companies Act, 2013 is not applicable as there were no such loans, securities or guarantees provided during the year.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- vi. 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.
- vii. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Customs Duty, Cess, Goods & Service Tax and any other material statutory dues applicable to it.
- (b) According to the records of the Company, there are no dues of Duty, Income Tax and Customs Duty which have not been deposited on account of any dispute except disclosed below:
- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The company has not taken any loan or borrowing from government, financial institution, and has not issued debentures during the year.
- ix. The Company has not raised any money by way of public issue/ further offer (including debt instruments) and through term loans during the year. Accordingly, clause 3(ix) of the order is not applicable to the Company.



- x. Based upon the audit procedures performed and information and explanation given by the management, we report that no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, 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, 2013.
- xii. In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For, **S P V M & Co.**  
Firm Registration Number: 136751W  
Chartered Accountants

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

Place: Mumbai  
Date: May 28<sup>th</sup>, 2019





## ANNEXURE B TO THE AUDITORS' REPORT

(Referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

### **Report on the Internal Financial Controls 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, 2019 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 Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering 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, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls both issued by the ICAI. 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, to the best of our information and according to the explanations given to us, 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 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For, **S P V M & Co.**  
Firm Registration Number: 136751W  
Chartered Accountants

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

Place: Mumbai

**Date: May 28<sup>th</sup>, 2019**



# BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019

(₹ in Lacs)

Particulars	Note No.	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,211.34	2,116.74
Capital work-in-progress		-	-
Investment properties	3	105.18	107.36
Intangible assets	4	6.23	7.28
Financial assets			
i. Investments	5	2,805.54	4,498.30
ii. Loans	6	85.85	55.69
Other non-current assets	7	-	-
<b>Total non-current assets</b>		<b>5,214.15</b>	<b>6,785.36</b>
<b>Current assets</b>			
Inventories	8	1,617.25	1,755.01
Financial assets		-	-
i. Trade receivables	9	3,032.41	3,161.25
ii. Cash and cash equivalents	10	296.85	180.18
iii. Bank balances other than cash and cash equivalents above	11	1,994.88	957.62
iv. Loans	6	1,311.00	934.08
Other current assets	7	79.68	181.79
Current tax asset		31.12	63.38
<b>Total current assets</b>		<b>8,363.20</b>	<b>7,233.33</b>
<b>TOTAL ASSETS</b>		<b>13,577.35</b>	<b>14,018.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	357.26	357.26
Other equity		11,019.70	11,276.33
<b>Total equity</b>		<b>11,376.96</b>	<b>11,633.59</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Borrowings	13	-	-
ii. Trade Payable	14	10.78	10.78
iii. Other financial liabilities	15	12.27	8.77
Provisions	16	28.22	27.80
Deferred tax liabilities (Net)		347.06	318.07
Other Non-Current liabilities	17	-	-
<b>Total non-current liabilities</b>		<b>398.33</b>	<b>365.42</b>
<b>Current liabilities</b>			
Financial liabilities		-	-
i. Borrowings	13	143.58	173.57
ii. Trade payables	14	1,270.67	1,282.56
iii. Other financial liabilities	15	17.68	12.99
Provisions	16	61.58	59.82
Current tax liabilities (Net)		-	-
Other current liabilities	17	308.54	490.73
<b>Total current liabilities</b>		<b>1,802.05</b>	<b>2,019.67</b>
<b>TOTAL LIABILITIES</b>		<b>2,200.39</b>	<b>2,385.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>13,577.35</b>	<b>14,018.68</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  
(Firm Reg No. 136751W)

Mrs. Sushma S Kadkade

Mr. Girish M Dhameja

Ms. Nirali Mehta

Sd/-  
**CA Viren N Mehta**  
Partner  
Membership No. 109480

Sd/-  
Director & CFO  
DIN: 07791735

Sd/-  
Whole-Time Director  
DIN: 07798455

Sd/-  
Company Secretary

Place : Mumbai  
Date : 28<sup>th</sup> May , 2019

Place : Mumbai  
Date : 28<sup>th</sup> May , 2019

# STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019



(₹ in Lacs)

Particulars	Note No.	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>Income</b>			
Revenue from operations	18	9,108.12	9,247.35
Other income	19	515.50	446.71
Other gains/(losses)		-	-
<b>Total income</b>		<b>9,623.62</b>	<b>9,694.07</b>
<b>Expenses</b>			
Cost of materials consumed	20(a)	4,922.69	5,128.58
Purchases of stock-in-trade	20(a)	153.53	125.39
Changes in inventories of finished goods and work-in-progress	20(b)	0.64	103.60
Excise duty	-	-	-
Employee benefits expense	21	983.62	856.66
Finance costs	22	2.30	3.33
Depreciation and amortisation expense	3	190.27	156.08
Other expenses	23	1,819.90	1,515.50
<b>Total expenses</b>		<b>8,072.97</b>	<b>7,889.12</b>
<b>Profit from operation before Exceptional items and Tax</b>		<b>1,550.65</b>	<b>1,804.94</b>
<b>Exceptional Item</b>			
Short provision of Income tax of earlier year		-	-
<b>Profit before Tax</b>		<b>1,550.65</b>	<b>1,804.94</b>
Income tax expense			
- Current tax	24(a)	500.00	550.00
- Deferred tax	24(a)	28.99	10.36
<b>Total tax expense</b>		<b>528.99</b>	<b>560.36</b>
<b>Profit for the year</b>		<b>1,021.66</b>	<b>1,244.58</b>
<b>Discontinued operations</b>			
Profit from discontinued operations before tax		-	-
Tax expense of discontinued operations		-	-
<b>Profit for the Period</b>		<b>1,021.66</b>	<b>1,244.58</b>
Items that will not be reclassified to profit or loss		(1,192.29)	(311.77)
Income tax relating to above		-	-
<b>Other Comprehensive Income for the year</b>		<b>(1,192.29)</b>	<b>(311.77)</b>
<b>Total Comprehensive Income for the year</b>		<b>(170.63)</b>	<b>932.81</b>
<b>See accompanying notes to the Financial Statements</b>	1-34		

In terms of our report attached

For and on Behalf of the Board of Directors

For **SPVM & CO**  
Chartered Accountants  
(Firm Reg No. 136751W)

Mrs. Sushma S Kadkade

Mr. Girish M Dhameja

Ms. Nirali Mehta

Sd/-  
**CA Viren N Mehta**  
Partner  
Membership No. 109480

Sd/-  
Director & CFO  
DIN: 07791735

Sd/-  
Whole-Time Director  
DIN: 07798455

Sd/-  
Company Secretary

Place : Mumbai  
Date : 28<sup>th</sup> May , 2019

Place : Mumbai  
Date : 28<sup>th</sup> May , 2019



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2019

(₹ in Lacs)

Particulars	For the year ended 31 <sup>st</sup> March, 2019	For the year ended 31 <sup>st</sup> March, 2018
<b>A Net cash generated/(used) in Operating Activities</b>		
Profit before tax	1550.65	1804.94
<b>Adjustments for:</b>		
Depreciation and amortization expense	190.28	156.08
Profit on sale of Fixed Asset		
Interest income	(104.44)	(89.33)
Remeasurements of defined benefit plans		
Finance costs	2.30	3.33
Expenses accounted through OCI	-	(12.26)
Loss on Sale of Fixed Assets	-	-
<b>Operating Profit before working capital changes</b>	<b>1638.79</b>	<b>1862.76</b>
<b>Adjustments for:</b>		
(Increase)/decrease in Trade receivables	128.84	(97.51)
(Increase)/decrease in Other Bank Balance	(1,037.25)	(150.40)
(Increase)/decrease in Inventories	137.76	318.32
(Increase)/decrease in Other Current Assets (Current & Non Current)	102.11	(102.35)
Increase / (decrease) in Loan Current & Non Current	(407.09)	(75.34)
Increase/(decrease) in Trade Payables	(11.89)	209.20
Increase/(decrease) in Other Financial Liability (Current & Non Current)	8.19	(44.68)
Increase/(decrease) in provisions (Current & Non Current)	2.18	(7.16)
Increase/(decrease) in Other Current Liabilities	(182.19)	(3.87)
<b>Cash generated from operations</b>	<b>(1,259.34)</b>	<b>46.21</b>
Taxes paid (Net of refunds)	467.73	562.47
<b>Net cash flow from operating activities</b>	<b>(88.28)</b>	<b>1346.50</b>
<b>B Net cash generated/(used) from Investing Activities</b>		
Purchases of Property, Plant & Equipment	(281.66)	(472.83)
Proceeds from sale of Property, Plant & Equipment		
Interest received	104.00	89.33
Purchase of investments	500.46	(937.32)
Proceeds from sales of Investments		
Bank balances not considered as cash and cash equivalents		
<b>Net Cash generated/ (used) in Investing Activities</b>	<b>323.24</b>	<b>(1320.82)</b>
<b>C Net cash generated/(used) from Financing Activities</b>		
Proceeds from long term borrowings		
Repayment of borrowings	(29.99)	(43.61)
Increase / (decrease) in borrowings for working capital		
Payment of Dividend (Including DDT)	(86.00)	(214.99)
Finance costs	(2.30)	(3.33)
<b>Net cash flow from / (used in) financing activities</b>	<b>(118.29)</b>	<b>(261.93)</b>
<b>D Net cashflow generated / (used)</b>	<b>116.68</b>	<b>(236.25)</b>
Cash & Cash Equivalents as at beginning of the year	180.18	416.43
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>296.85</b>	<b>180.18</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  
(Firm Reg No. 136751W)

Mrs. Sushma S Kadkade

Mr. Girish M Dhameja

Ms. Nirali Mehta

Sd/-  
**CA Viren N Mehta**  
Partner  
Membership No. 109480

Sd/-  
Director & CFO  
DIN: 07791735

Sd/-  
Whole-Time Director  
DIN: 07798455

Sd/-  
Company Secretary

Place : Mumbai  
Date : 28<sup>th</sup> May , 2019

Place : Mumbai  
Date : 28<sup>th</sup> May , 2019



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Statement of changes in Equity

#### A. Equity share capital

(₹ in Lacs)

Particulars	Notes	Amount
<b>As at March 31<sup>st</sup>, 2018</b>		<b>357.26</b>
Changes in equity share capital	12	-
<b>As at March 31<sup>st</sup>, 2019</b>		<b>357.26</b>
Changes in equity share capital	12	-

#### 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, 2017</b>		<b>420.51</b>	<b>7,670.59</b>	<b>2,467.46</b>	<b>10,558.56</b>
Profit for the year		-	1,244.58	-	<b>1,244.58</b>
Other comprehensive income		-	-	(311.77)	(311.77)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>1,244.58</b>	<b>(311.77)</b>	<b>932.81</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>2,155.69</b>	<b>11,276.38</b>
Profit for the year		-	1,021.66	-	<b>1,021.66</b>
Other comprehensive income		-	-	(1,192.29)	(1,192.29)
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>1,021.66</b>	<b>(1,192.29)</b>	<b>(170.63)</b>
Dividend paid (Including dividend distribution tax)		-	(86.00)	-	(86.00)
<b>Balance at March 31, 2019</b>		<b>420.51</b>	<b>9,635.78</b>	<b>963.40</b>	<b>11,019.75</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  
(Firm Reg No. 136751W)

Mrs. Sushma S Kadkade

Mr. Girish M Dhameja

Ms. Nirali Mehta

Sd/-  
**CA Viren N Mehta**  
Partner  
Membership No. 109480

Sd/-  
Director & CFO  
DIN: 07791735

Sd/-  
Whole-Time Director  
DIN: 07798455

Sd/-  
Company Secretary

Place : Mumbai  
Date : 28<sup>th</sup> May , 2019

Place : Mumbai  
Date : 28<sup>th</sup> May , 2019



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 - Property, plant and equipment

(₹ in Lacs)

Particulars	Land (Freehold)	Factory Building	Buildings	Plant and Machinery	Furniture and Fixtures	Office Equipment	Computer Hardwares	Computer Server	Vehicles	Total
<b>Year ended 31<sup>st</sup> March, 2018</b>	-	-	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>	-	-	-	-	-	-	-	-	-	-
Deemed cost as at 1 <sup>st</sup> April, 2017	91.66	941.66	224.52	1,576.24	150.11	29.77	50.13	3.07	127.26	3,194.42
Additions	-	11.35	73.73	407.81	38.41	18.00	7.77	7.08	-	564.16
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>91.66</b>	<b>953.01</b>	<b>298.25</b>	<b>1,984.05</b>	<b>188.52</b>	<b>47.77</b>	<b>57.91</b>	<b>10.15</b>	<b>127.26</b>	<b>3,758.58</b>
Opening Accumulated Depreciation as at 1 <sup>st</sup> April, 2017	-	324.14	52.22	775.17	120.29	24.61	37.19	0.28	46.30	1,380.21
Depreciation and amortisation charge during the year	-	29.24	7.55	82.75	12.03	2.95	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>59.78</b>	<b>857.92</b>	<b>132.32</b>	<b>27.55</b>	<b>42.40</b>	<b>1.40</b>	<b>59.75</b>	<b>1,534.49</b>
<b>Net carrying amount as at 31<sup>st</sup> March, 2018</b>	<b>91.66</b>	<b>599.63</b>	<b>238.47</b>	<b>1,126.13</b>	<b>56.20</b>	<b>20.22</b>	<b>15.51</b>	<b>8.75</b>	<b>67.52</b>	<b>2,224.10</b>
<b>Year ended 31<sup>st</sup> March, 2018</b>	-	-	-	-	-	-	-	-	-	-
<b>Gross carrying amount</b>	-	-	-	-	-	-	-	-	-	-
Opening gross carrying amount as at 1 <sup>st</sup> April, 2018	91.66	953.01	298.25	1,984.05	188.52	47.77	57.91	10.15	127.26	3,758.58
Additions	-	-	-	203.54	2.76	8.02	3.89	0.77	61.77	280.76
Disposals	-	-	-	-	-	-	-	-	-	-
<b>Closing gross carrying amount</b>	<b>91.66</b>	<b>953.01</b>	<b>298.25</b>	<b>2,187.59</b>	<b>191.29</b>	<b>55.80</b>	<b>61.80</b>	<b>10.92</b>	<b>189.03</b>	<b>4,039.34</b>
<b>Accumulated depreciation</b>	-	-	-	-	-	-	-	-	-	-
Opening Accumulated Depreciation as at 1 <sup>st</sup> April, 2018	-	353.38	59.78	857.92	132.32	27.55	42.40	1.40	59.75	1,534.49
Depreciation during the year	-	29.49	17.98	97.37	9.16	5.37	6.42	1.68	20.86	188.33
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation</b>	<b>-</b>	<b>382.87</b>	<b>77.76</b>	<b>955.29</b>	<b>141.48</b>	<b>32.92</b>	<b>48.92</b>	<b>3.08</b>	<b>80.61</b>	<b>1,722.82</b>
<b>Net carrying amount as at 31<sup>st</sup> March, 2019</b>	<b>91.66</b>	<b>570.15</b>	<b>220.48</b>	<b>1,232.29</b>	<b>49.81</b>	<b>22.28</b>	<b>12.99</b>	<b>7.84</b>	<b>108.43</b>	<b>2316.52</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 4 - Intangible assets

(₹ in Lacs )

Particulars	Computer Software
<b>Year ended 31st March, 2018</b>	
<b>Gross carrying amount</b>	
Deemed cost as at 1st April, 2017	16.55
Additions	0.47
<b>Closing gross amount</b>	<b>17.03</b>
<b>Accumulated depreciation</b>	<b>7.95</b>
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>
<b>Year ended 31st March, 2019</b>	
<b>Gross carrying amount</b>	
Opening Gross carrying amount as at 1st April, 2018	17.03
Additions	0.90
<b>Closing gross amount</b>	<b>17.93</b>
<b>Accumulated depreciation</b>	
Opening Accumulated Depreciation as at 1st April, 2018	9.75
Amortisation charge during the year	1.95
<b>Closing accumulated depreciation</b>	<b>11.69</b>
<b>Net carrying amount as at 31st March, 2019</b>	<b>6.23</b>

### Note 5 - Non-current investments

Particulars	As at 31st March, 2019	As at 1st March, 2018
<b>Investment in equity instruments (fully paid-up) at FVOCI (quoted) Equity Instrument (Investment in others)</b>		
4680 Shares of Apar Inds fully paid up Equity Shares of 10/- each	-	34.07
12668 Shares of Carborundum Univ, fully paid up Equity shares of 1/- each	-	44.01
2928 Shares of Container Corp, fully paid up Equity shares of 5/- each.	-	36.46
56446 Shares of Fedral Bank, fully paid up Equity shares of 2/- each.	-	50.35
15469 Shares of Kalpataru Power, fully paid up Equity shares of 2/- each.	-	74.91
26537 Shares of Kec International Ltd, fully paid up Equity shares of 2/- each.	-	103.43
5141 Shares of New India Assu, fully paid up Equity shares of 5/- each.	-	36.65
11700 Shares of Simplex Infra, fully paid up Equity shares of 2/- each.	-	62.10
770 Shares of Sundaram Finance, fully paid up Equity shares of 10/- each.	-	15.31
6598 Shares of Tata Communication, fully paid up Equity shares of 10/- each.	-	40.92
14430 Shares of Tech Mahindra, fully paid up Equity shares of 5/- each.	-	92.16





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	As at 31st March, 2019	As at 1st March, 2018
51327 Shares of TV18BRDCST, fully paid up Equity shares of 2/- each.	-	34.44
999 Shares of Albert Devid, fully paid up Equity shares of 1/- 10 each.	-	3.66
7000 Shares of Coal India LT, fully paid up Equity shares of 1/- 10 each.	16.60	19.83
10000 Shares of Pipavav Def, fully paid up Equity shares of 1/- 10 each.	1.08	2.74
4700 Shares of GSFC, fully paid up Equity shares of 1/- 10 each.	0.06	0.14
<b>Equity Instrument ( Investment in Associated Concern)</b>		
6496000 Shares of Coral India Finance & Housing Ltd, Equity Shares of Rs.2/- Each	1101.07	2078.73
<b>Total (equity instruments)</b>	<b>1,119</b>	<b>2,729.89</b>
<b>Mutual Fund</b>		
5829179.574 Units of SBI Growth Fund (31st March, 2018:6559204.592)	1,687	1768.41
<b>Total (Mutual Fund)</b>	<b>1,687</b>	<b>1768.41</b>
<b>Total investments</b>	<b>2,806</b>	<b>4498.30</b>
Aggregate amount of quoted investments and market value there of	2,806	4498.30
Aggregate amount of unquoted investments	-	-

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note 6 - Loan

( ₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Non-Current</b>		
Other Deposit	51.29	29.12
Fixed Deposits with Bank	-	0.36
Balance with Revenue Department	31.35	21.83
Advance for capital goods	3.20	4.38
<b>Total Non-Current</b>	<b>85.85</b>	<b>55.69</b>
<b>Current</b>		
Loan to others	85.00	220.00
Loan To staff	14.08	3.57
Balance with Revenue Departments	1,211.92	710.52
<b>Total Current</b>	<b>1,311.00</b>	<b>934.08</b>

### Note 7 - Other assets

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Non-Current</b>		
Capital Advances		
<b>Total Non-Current</b>	<b>-</b>	<b>-</b>
<b>Current</b>		
Prepaid expenses	37.06	35.76
Advance other than capital advances	16.88	123.40
Prepaid Insurance	8.23	6.16
Margin Money with Bank of Baroda	0.46	0.46
Unclaimed Dividend	7.40	7.40
Others	9.61	8.60
<b>Total Current</b>	<b>79.68</b>	<b>181.79</b>

### Note 8 - Inventories

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw materials	673.44	758.95
Packing materials	425.32	478.73
Finished goods	300.93	246.29
Work-in-progress	99.97	167.90
Stores and spares	100.03	98.18
Stock in Trade	17.55	4.91
Goods in Transit	-	0.05
<b>Total</b>	<b>1,617.25</b>	<b>1,755.01</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 9 - Trade receivables

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Trade receivables (Unsecured, considered good)	3,032.41	3,161.25
<b>Total</b>	<b>3,032.41</b>	<b>3,161.25</b>

### Note 10 - Cash and cash equivalents

Particulars	As at 31st March, 2019	As at 31st March, 2018
Cash on Hand	6.46	9.69
<b>Balances with banks</b>		
- In current accounts	26.11	122.30
- Bank OD account	144.42	0.16
- In EEFC accounts	119.87	48.03
<b>Total</b>	<b>296.85</b>	<b>180.18</b>

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deposits		
<b>In earmarked accounts</b>		
- Unpaid dividend accounts		
- Balances held as margin money or security against borrowings, guarantees and other commitments	1,994.88	957.62
<b>Total</b>	<b>1,994.88</b>	<b>957.62</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 31st March, 2018	10,000,000	1000.00
As at 31st March, 2019	10,000,000	1000.00

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

(₹ in Lacs)

Particulars	Number of shares	Amount
As at 31st March, 2018	35,72,600	357.26
As at 31st March, 2019	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 37th Annual General Meeting.

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Chetan N Doshi	1028488	28.79	1028379	28.79%
Coral India Finance & Housing Ltd	713351	19.97%	713351	19.97%
Navin B Doshi	284001	7.95%	28401	7.95%
Kundan Navin Doshi	529073	14.81%	529073	14.81%

### Reserves and surplus

(₹ in Lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Capital Reserve		
General Reserve	420.51	420.51
Surplus in statement of profit and loss	10,599.19	10,855.82
<b>Total</b>	<b>10,599.19</b>	<b>11,276.33</b>

### Surplus in statement of profit and loss

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Opening balance</b>	<b>10,855.82</b>	<b>10,137.99</b>
Profit for the year	1,021.65	1,244.59
Items of other comprehensive income recognised directly in retained earnings	(1,192.29)	(311.77)
Dividends paid (including dividend distribution tax)	(86.00)	(214.99)
<b>Closing balance</b>	<b>10,599.19</b>	<b>10,855.82</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 13 - Current borrowings

(₹ in lacs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Loans repayable on demand</b>		
From banks	143.58	119.80
Cash Credit	-	-
Bill Discounting	-	53.76
<b>Total</b>	<b>143.58</b>	<b>173.57</b>

### Note 14 - Trade payables

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Non Current</b>		
Trade payables(other than Acceptances)	10.78	10.78
<b>Total Non Currnet</b>	<b>10.78</b>	<b>10.78</b>
<b>Current</b>		
Trade payables(other than Acceptances)	1,270.67	1,282.56
<b>Total Currnet</b>	<b>1,270.67</b>	<b>1,282.56</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, 2019	31st March, 2018
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	10.59	159.06
(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 31st March, 2019	As at 31st March, 2018
<b>Non Current</b>		
Deposits payable	11.70	7.50
Employee Retention	0.57	1.27
<b>Total Non Current</b>	<b>12.27</b>	<b>8.77</b>
<b>Current</b>		
Statutory Liabilities	9.55	4.87
Deposits payable	0.72	0.72
Unclaimed Dividend	7.40	7.40
Proposed Dividend and DDT	-	-
<b>Total Current</b>	<b>17.68</b>	<b>12.99</b>

### Note 16 - Provisions

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Non-Current</b>		
Gratuity payable	28.22	27.80
<b>Total Non-Current</b>	<b>28.22</b>	<b>27.80</b>
<b>Current</b>		
Provision for Employee Benefits	39.79	35.07
Gratuity Payable	7.20	4.70
Other Provision	14.59	20.05
<b>Total Current</b>	<b>61.58</b>	<b>59.82</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 2019 ₹ 20.08 lakhs (Year ended 31st March, 2018 ₹ 20.12 lakhs) for Provident Fund contributions and ₹ 4.26 lakhs (Year ended 31st March, 2018 ₹ 5.27 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, 2017</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>
Employer contributions			
Benefit payments	(3.25)		
<b>As at 31st March, 2018</b>	<b>32.50</b>	<b>-</b>	<b>32.50</b>

	Present value of obligation	Fair value of plan assets	Net amount
<b>As at 31st March, 2018</b>	<b>32.50</b>	<b>-</b>	<b>32.50</b>
Current service cost	5.45	-	5.45
Interest expense/(income)	2.56	-	2.56
<b>Total amount recognised in statement of profit and loss</b>	<b>40.51</b>	<b>-</b>	<b>40.51</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	0.32		0.32
Experience (gains)/losses	(3.07)		(3.07)
Actual Return on Plan assets	-		-
<b>Total amount recognised in other comprehensive income</b>	<b>(2.75)</b>	<b>-</b>	<b>(2.75)</b>
Amount required to be spent as per Section 135 of the Act			
Benefit payments	(2.33)		(2.33)
<b>As at 31st March, 2019</b>	<b>35.42</b>	<b>-</b>	<b>35.42</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

( ₹ in Lacs)

	As at 31st March, 2019	As at 31st March, 2018
Present value of funded obligations	-	-
Fair value of plan assets	-	-
<b>Surplus of funded plan</b>		
Unfunded plan	35.42	32.50
<b>Surplus / (Deficit) of Gratuity plan</b>	<b>35.42</b>	<b>32.50</b>

The significant actuarial assumptions were as follows:

### Gratuity

Particulars	As at 31st March, 2019	As at 31st March, 2018
Discount rate	7.78%	7.87%
Salary escalation rate	7%	7%
Expected Return on plan assets	NA	NA

### Note 17 - Other liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
<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	0.56	0.57
Advance received from customers	307.99	490.16
<b>Total Current</b>	<b>308.54</b>	<b>490.73</b>





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 18 - Revenue from operations

(₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Sale of Products	8,829.83	8,987.48
Sale of services	-	-
Other operating revenue	279.29	259.88
<b>Total</b>	<b>9,108.12</b>	<b>9,247.35</b>

### Note 19 - Other income

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest Income	104.44	89.33
Rent Income	33.65	30.00
Net gain on foreign currency transactions	161.13	112.28
Other non-operating income (net of expenses directly attributable to such income)	216.28	215.11
<b>Total</b>	<b>515.50</b>	<b>446.71</b>

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

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>Raw material Consumed :</b>		
Opening stock	758.95	860.44
Add:Purchases	3,042.05	3,276.49
	3,801.00	<b>4,136.93</b>
Less : Transfer	51.95	23.54
Less : Closing Stock	673.44	758.95
	3,075.61	<b>3,354.44</b>
<b>Packing Material Consumed :</b>		
Opening stock	478.73	558.65
Add:Purchases	1,797.60	1,695.71
	2,276.33	<b>2,254.37</b>
Less : Transfer	3.92	1.50
Less : Closing Stock	425.32	478.73
	1,847.09	<b>1,774.14</b>
<b>Total</b>	<b>4,922.69</b>	<b>5,128.58</b>
Trading Purchases	153.53	125.39
	153.53	125.39
<b>Total</b>	<b>5,076.23</b>	<b>5,253.96</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 31st March, 2019	Year ended 31st March, 2018
<b>Inventories at the end of the year</b>		
i) Finished goods	300.93	251.20
ii) Work in progress	99.97	167.90
ii) Stock in trade	17.55	-
	418.45	419.10
<b>Inventories at the beginning of the year</b>		
i) Finished goods	248.15	386.74
ii) Work in progress	166.04	114.56
ii) Stock in Trade	4.91	21.40
	419.10	522.69
<b>Net increase / decrease</b>	<b>0.64</b>	<b>103.60</b>

### Note 21 - Employee benefit expenses

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Salaries and Wages	932.01	804.96
Contributions to provident and other funds	25.92	27.30
Staff Welfare Expenses	25.69	24.40
<b>Total</b>	<b>983.62</b>	<b>856.66</b>

### Note 22 - Finance costs

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Interest expense on:		
Bank Interest	0.23	0.94
CC Renewal Charges	1.65	1.90
Interest Others	0.41	0.49
<b>Total</b>	<b>2.30</b>	<b>3.33</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 23 - Other expenses

( ₹ in Lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Power and fuel	185.16	184.26
Manufacturing Expenses	230.63	385.18
Stores and spares consumed	24.95	26.09
Sales tax Dues	-	1.00
Repairs & maintenance	471.06	132.98
Rent	28.92	29.80
Rates and taxes	8.31	18.41
Insurance	7.99	7.74
Telephone Expenses	8.65	14.48
Postage and telephone expense	35.54	38.69
Printing and stationery	40.92	39.97
Legal and professional	122.10	45.53
Directors' Sitting Fees	1.09	1.10
Sales Pramotion Expesnes	124.35	114.18
Payments to auditors (Refer Note (i) below)	3.90	3.60
Travelling expense	177.02	102.81
Freight Charges	48.49	58.26
Loading & Unloading Expenses	2.54	6.28
Advertisement	25.68	2.30
Corporate social responsibility (Refer Note (ii) below)	11.00	-
Security Expenes	17.78	16.53
Bank Charges & commission	14.42	16.86
Miscellaneous Expenses	229.38	269.47
<b>Total</b>	<b>1,819.90</b>	<b>1,515.50</b>

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>(i) Details of payment to auditors</b>		
Payments to the auditors comprises (net of tax):		
To statutory auditors'		
- Statutory audit	3.90	3.60
- Tax audit	-	-
- Other Services		
<b>Total</b>	<b>3.90</b>	<b>3.60</b>
<b>(ii) Corporate Social Responisiblity</b>		
Amount required to be spent as per Section 135 of the Act	40.22	36.33
Amount spent during the year on		
(A) Construction/acquisition of an asset		
(B) On purposes other than (A) above	11.00	-
<b>Total</b>	<b>11.00</b>	<b>-</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note 24 - Taxation

#### 24 a) - Income tax expense

(₹ in lacs)

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Current tax		
Current tax on profits for the year	500.00	550.00
Adjustments for current tax of earlier years	-	-
<b>Total current tax expense</b>	<b>500.00</b>	<b>550.00</b>
Deferred tax		
decrease/(increase) in deferred tax assets		
(decrease)/increase in deferred tax liabilities	28.99	10.36
<b>Total deferred tax expense/(benefit)</b>	<b>28.99</b>	<b>10.36</b>
<b>Income tax expense</b>	<b>528.99</b>	<b>560.36</b>

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

<b>Profit for the year</b>	<b>1,550.65</b>	<b>1,804.94</b>
Statutory tax rate applicable to entity	34.608%	34.608%
<b>Tax expense at applicable tax rate</b>	<b>536.65</b>	<b>624.65</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	(7.65)	(64.30)
Effect of change in substantively enacted rate		
<b>Income tax expense</b>	<b>528.99</b>	<b>560.36</b>

#### 24 c)- Deferred tax liabilities

The balance comprises temporary differences attributable to:

	As at 31st March, 2019	As at 31st March, 2018
<b>Deferred tax liabilities:</b>		
Difference between Accounting and Tax WDV (Cumulative)	347.06	318.07
<b>Total deferred tax liabilities</b>	<b>347.06</b>	<b>318.07</b>
<b>Deferred tax assets:</b>	-	-
<b>Total deferred tax assets</b>	-	-
<b>Net deferred tax liabilities</b>	<b>347.06</b>	<b>318.07</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, 2019			As at March 31, 2018		
		FVOCI	FVPL	Amortised cost	FVOCI	FVPL	Amortised cost
<b>Financial assets</b>							
Equity Investments	5	1,118.81	1,686.73	-	2,729.88	1,768.41	-
Trade receivables	9	-	-	3,032.41	-	-	3,161.25
Cash and cash equivalents	10	-	-	296.85	-	-	180.18
Bank balances other than cash and cash equivalents	11	-	-	1,994.88	-	-	957.62
Loans	6	-	-	1,396.85	-	-	989.77
<b>Total financial assets</b>		<b>1,118.81</b>	<b>1,686.73</b>	<b>6,721.00</b>	<b>2,729.88</b>	<b>1,768.41</b>	<b>5,288.83</b>
<b>Financial liabilities</b>							
Borrowings	13	-	-	143.58	-	-	173.57
Trade payables	14	-	-	1,281.45	-	-	1,293.34
Other Financial Liabilities	15	-	-	29.95	-	-	21.76
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>1,454.98</b>	<b>-</b>	<b>-</b>	<b>1,488.67</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, 2019</b>					
<b>Financial Asset</b>					
<b>Financial Investment at FVOCI</b>					
Equity Instruments	5	1,118.81	-	-	1,118.81
<b>Financial Investment at FVPL</b>					
Investments in Mutual Funds		-	-	-	-
<b>Total Financial Assets</b>		<b>1,118.81</b>	<b>-</b>	<b>-</b>	<b>1,118.81</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, 2018</b>					
<b>Financial Assets</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>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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, 2019		As at March 31, 2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>					
Trade receivables	9	3,032.41	3,032.41	3,161.25	3,161.25
Cash and cash equivalents	10	296.85	296.85	180.18	180.18
Bank balances other than cash and cash equivalents	11	1,994.88	1,994.88	957.62	957.62
Loans	6	1,396.85	1,396.85	989.77	989.77
<b>Total Financial Assets</b>		<b>6,721.00</b>	<b>6,721.00</b>	<b>5,288.83</b>	<b>5,288.83</b>
<b>Financial Liabilities</b>					
Borrowings	13	143.58	143.58	173.57	173.57
Trade payables	14	1,281.45	1,281.45	1,293.34	1,293.34
Other Financial Liabilities	15	29.85	29.85	21.76	21.76
<b>Total Financial Liabilities</b>		<b>1,454.98</b>	<b>1,454.98</b>	<b>1,488.67</b>	<b>1,488.67</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

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### **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 3032.41 Lakhs (March 31, 2018: INR 3161.25 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 1311.00 lakhs (March 31, 2018: INR 934.08 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, 2019</b>						
Borrowings	13	143.58	-	-	-	143.58
Trade Payables	14	1,270.67	10.78	-	-	1,281.45
Other Financial Liabilities	15	17.68	12.27	-	-	29.95
<b>Total non-derivative liabilities</b>		<b>1,431.93</b>	<b>23.05</b>	<b>-</b>	<b>-</b>	<b>1,454.98</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, 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</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>

### (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.

### (l) 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.

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





## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

The Company's exposure to foreign currency risk at the end of the reporting period as on March 31, 2019 (₹ in lacs)

Particular	Currency	In INR	In Foreign Currency
<b>Financial assets</b>			
Export Receivables	USD	1808.95	26.16
Bank Balances	EURO USD	119.87	1.71
<b>Derivative asset</b>			
Foreign exchange forward contracts sell foreign currency	USD	-	-
<b>Net Exposure to foreign currency risk (assets)</b>		<b>1,928.81</b>	<b>27.87</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>

The Company's exposure to foreign currency risk at the end of the reporting period as on March 31, 2018

Particular	Currency	In INR	In Foreign Currency
<b>Financial assets</b>			
Export Receivables	USD	2,247.13	34.51
Bank Balances	EURO 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>		<b>-</b>	<b>-</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
USD	96.44	114.76	(96.44)	(114.76)
EURO	-	-	-	-
<b>Increase / (decrease) in profit or loss</b>	<b>96.44</b>	<b>114.76</b>	<b>(96.44)</b>	<b>(114.76)</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, 2019	As at 31st March, 2018
Variable rate borrowings	143.58	173.57
Fixed rate borrowings	-	-
<b>Total Borrowings</b>	<b>143.58</b>	<b>173.57</b>

### Interest rate sensitivity

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

Particulars	As at 31st March, 2019	As at 31st March, 2018
Interest rates - Increase by 50 basis point (50 bps)	(0.72)	(0.87)
Interest rates - decrease by 50 basis point (50 bps)	0.72	0.87

### (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 March 31, 2019	Year ended March 31, 2018
NSE/BSE increase in 1% of price/NAV Investments in Quoted equity shares	28.06	44.98
NSE/BSE decrease in 1% of price/NAV Investments in Quoted equity shares	(28.06)	(44.98)



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### 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 March 31, 2019	As at March 31, 2018
Net Debt	143.58	173.57
Total Equity	11,376.90	11,633.59
Net Debt to equity ratio	1.26%	1.49%

#### (b) Dividend

Particulars	As at March 31, 2019	As at March 31, 2018
<b>(i) Equity Shares</b>		
Final Dividend for the year ended March 31, 2018 INR Rs.2/- (March 31, 2017 INR Rs. 2/-) per fully paid share	71.45	178.63
Dividend distribution tax on above	14.55	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, 2018 - INR Rs.2/-). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	71.45	71.45
DDT on Proposed dividend	14.55	14.55

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS



### Note 27 - Related Party Transactions

#### 27 a) Details of related parties

Description of relationship	Names of related parties
<b>Key Management Personnel</b>	
Chairman	Mr. Chetan N Doshi
Whole Time Director	Mr. Girish M Dhameja
CFO	Mrs. Sushma S Kade
Independent Director	Mr. Rajesh R Parikh
Independent Director	Mr. Sanket Mehta
Independent Director	Mrs. Sheela Kamdar
Company Secretary	Ms. Nirali Mehta
<b>Other Related Parties</b>	
Entities in which KMP / relatives of KMP have significant influence	Coral India Finance & Housing Ltd

#### 27 b) Key management personnel compensation

(₹ in lakhs)

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

For the year ended 31st March, 2019	Short-term employee benefits	Post-employment benefits	Total
Salaries & Perquisites	37.46	-	37.46
Sitting Fees	1.09	-	1.09

#### 27 c) Transactions with related parties

Nature of Transaction	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Rent paid for lease arrangements</b>		
Mr. Chetan N Doshi	10.80	10.80
<b>Dividend paid on Shares</b>		
Coral India Finance & Housing Ltd	14.27	35.67



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

### Note 28 - Contingent liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Guarantees	Nil	Nil
(b) Income Tax	Nil	Nil
(c) Sales Tax	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 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for: -Tangible assets	Nil	Nil

### Note 30 - Earnings per share

	Year ended 31st March, 2019	Year ended 31st March, 2018
<b>(a) Basic and diluted earnings per share</b>		
Profit attributable to the equity holders of the Company	1,021.65	1,244.58
Total basic & diluted earnings per share attributable to the equity holders of the Company	28.60	34.84
<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 31st March, 2019	Year ended 31st March, 2018
Ethiopia	2041.59	1710.11
India	2482.99	3065.97
Rest of World	4305.25	4211.40
	8,829.83	8987.48

#### (ii) Non-Current Assets

Particulars	Year ended 31st March, 2019	Year ended 31st March, 2018
Ethiopia	-	-
India	4,924.48	6785.37
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:

(₹ in lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Current Assets(Present and Future)</b>		
Inventories	1,617.25	1,755.01
Trade receivables	3,032.41	3,161.25
FD held as margin money	1,994.88	957.62
Loans	1,311.00	934.08
Other current assets	79.68	181.79
<b>Total current assets pledged as security</b>	<b>8,035.23</b>	<b>6,989.77</b>
<b>Non-Current</b>		
Property, plant and equipment - Movable	1,434.23	1,294.33
<b>Total non-current assets pledged as security</b>	<b>1,434.23</b>	<b>1,294.33</b>
<b>Total</b>	<b>9,469.46</b>	<b>8,284.10</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 31st March, 2019	As at 31st March, 2018
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 31st March, 2019	As at 31st March, 2018
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 31st March, 2019	As at 31st March, 2018
Cash and cash equivalents	(296.85)	(180.18)
Current Borrowings	143.58	173.57
Net debt at end of year	(153.27)	(6.61)

### Analysis of changes in net debt

Particulars	Cash and cash equivalents	Current Borrowings
Net Debt as at March 31, 2017	(180.18)	(173.57)
Cash flows	(116.68)	-
Repayment of loan	-	(29.99)
<b>Net debt</b>	<b>(296.85)</b>	<b>143.58</b>



## CORAL LABORATORIES LIMITED

Regd Office- SF-206, Silver Oak Complex, B.P.C Road Vadodara -GJ 390020  
Corp. Office: #3B, Patanwala Compound, Opp. Shreyas Cinema, L.B.S. Marg, Ghatkopar (W), Mumbai – 400086  
Website: [www.corallab.com](http://www.corallab.com), Email: [cs@corallab.com](mailto:cs@corallab.com)  
Phone: 022-25005245/46, Fax: 022-25004893  
CIN: L24231GJ1997PLC031669

### ATTENDANCE SLIP 37<sup>th</sup> ANNUAL GENERAL MEETING

DP ID – Client ID/ Folio No.	
Name & Address of Sole Member	
Name of Joint Holder(s), If any (In Block Letters)	
No. of shares held	

I certify that I am a member / proxy of the Company.

I hereby record my presence at the 37<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2019 at 11.00 a.m. at the registered office at SF-206, Silver Oak Complex, B. P. C Road Vadodara - GJ 390020

\_\_\_\_\_  
Member's/ Proxy's Signature

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### ELECTRONIC VOTING PARTICULARS

EVEN (E-Voting Even Number)	User ID	PAN / Seq. No

**NOTE:** Please read the complete instructions given under the Note (The instructions for shareholders voting electronically) to the Notice of Annual General Meeting. The voting starts from Tuesday, 24<sup>th</sup> September, 2019 from 9.00 A.M. and ends on Thursday 26<sup>th</sup> September, 2019 at 5.00 P.M. The voting module shall be disabled by NSDL for voting thereafter.





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## CORAL LABORATORIES LIMITED

SF- 206, Silver Oak Complex, B.P.C Road Vadodara GJ 390020  
Phone: +91-22-25005245, Fax: +91-22-22873771 Website: [www.corallab.com](http://www.corallab.com), Email: [cs@corallab.com](mailto:cs@corallab.com)  
**CIN: L24231GJ1997PLC031669**

### FORM MGT- 11 (FORM OF PROXY)

**Venue of the meeting** : SF- 206, Silver Oak Complex, B.P.C Road Vadodara GJ 390020

**Date & Time** : Friday, 27<sup>th</sup> September 2019 at 11.00 a.m.

<b>Name</b>	
<b>Address</b>	
<b>DP Id*</b>	
<b>Client Id*</b>	
<b>Folio No.</b>	
<b>No. of shares held</b>	

\*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 37<sup>th</sup> Annual General Meeting of the Company to be held on 27<sup>th</sup> September 2019 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:

Sl. No.	Resolution	No. Of shares	For	Against
1.	Adoption of Audited Financial Statements for the financial year ended March 31 <sup>st</sup> , 2019 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 2018-2019.(Ordinary Resolution)			
3	To appoint a Director in place of Mr. Girish Dhameja (DIN: 07798455), who retires by rotation and being eligible, offers himself for re-appointment.			



Sl. No.	Resolution	No. Of shares	For	Against
4	Ratification of remuneration of M/s. KetkiVisariya & Co., Cost Auditors of the Company. (Ordinary Resolution)			
5	Appointment of Mrs. Purvi Doshi (DIN: 08451213) as Director of the company (Ordinary resolution)			
6	Appointment of Mr. Saurabh Shah (DIN: 08451204) as an Independent Director of the company. (Ordinary resolution)			
7	Re-appointment of Mrs. Sheela Kamdar (DIN: 06948522) as an Independent Director of the company. (Special resolution)			

\*\*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 one  
Rupee  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

#### 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.



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## ROUTE MAP TO THE VENUE





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*If undelivered, please return to :*



**Coral Laboratories Ltd.**

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