

Coastal Corporation Ltd.

(Formerly known as Coastal Trawlers Ltd.)

Regd. Off. : 15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530-002, INDIA
Phone : 0891-2567118, Cable : COASTAL, Fax : 0891-2567132
e-mail : coastal6@eth.net & cti@sancharnet.in

Plant : Marikavalasa (V), Paradesipalem Panchayat, Visakhapatnam Dist.
Phone : 2739323

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **TWENTY-SEVENTH** Annual General Meeting of the Members of **COASTAL CORPORATION LIMITED** will be held on Saturday, the 27th day of September, 2008 at 10.30 A.M. at the Registered Office of the Company situated at 15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530 002, Andhra Pradesh, India to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Annual Accounts consisting of Profit & Loss Account for the year ended 31st March, 2008 and the Balance Sheet of the Company as on that date, Schedules and Notes thereon together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri S.Rajaram, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider the re-appointment of Sri V.V.S. Bhagavan, Chartered Accountant, Hyderabad as Statutory Auditors to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed between the Board of Directors and the Auditors.

Regd. Office: 15-1-37/3
Nowroji Road, Maharani-peta
Visakhapatnam - 530 002.

Place : Visakhapatnam
Date : 28.08.2008

By Order of the Board
For COASTAL CORPORATION LIMITED


(T. VALSARAJ)
MANAGING DIRECTOR

Coastal Corporation Ltd.

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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/herself and such proxy need not be a member of the Company. Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 24th September, 2008 to 26th September, 2008 (both days inclusive)
3. Members desiring to seek any information on the annual accounts are requested to write to the Company's Compliance Officer at least seven days in advance of the meeting so that the information can be made available at the meeting.
4. The members are requested to intimate to the Company any change of their address quoting their Share Ledger Folio No(s).
5. Members / Proxies shall bring attendance slips filled in and duly signed for attending the meeting.

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DIRECTOR'S REPORT

To

The Members
COASTAL CORPORATION LIMITED
VISAKHAPATNAM - 530 002.

Your Directors have pleasure in presenting the **TWENTY-SEVENTH** Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2008 and the report of the Auditors thereon.

1. FINANCIAL RESULTS :

	Year Ended 31.03.2008	Year Ended 31.03.2007
Sales	19,76,94,793-00	27,29,59,831-00
Work Contract Receipts	2,85,07,827-00	4,73,06,801-00
Interest	1,07,651-00	2,31,375-00
Other Income	2,69,19,794-00	1,67,28,613-00
Total Income	25,32,30,065-00	33,72,26,620-00
Less : Expenditure	24,46,32,516-00	31,77,81,840-00
Profit before Depreciation and Taxation	85,97,549-00	1,94,44,780-00
Less : Depreciation	28,33,030-00	30,09,474-00
Profit before Taxation	57,64,519-00	1,64,35,306-00
Less: Provision for Tax	8,98,313-00	20,81,886-00
Net Profit for the Year	48,66,206-00	1,43,53,420-00

2. REVIEW OF OPERATIONS :

During the year under report, the Company has earned an income of Rs. 25,32,30,065/- as compared to Rs. 33,72,26,620/- during the previous year and the expenditure incurred amounted to Rs. 24,46,32,516/- as against Rs. 31,77,81,840/- during the previous year. The depreciation provided for the reporting year was Rs. 28,33,030/- as compared to Rs. 30,09,474/- during the previous year. Hence, Net Profit after tax was amounted to Rs. 48,66,206/- as compared to Rs. 1,43,53,420/- during the previous year.

The turnover and profit was declined due to the present sluggish market conditions in sea food industry and economic crisis at global level in all sectors. However, the Board has taken the required steps for effective operations with cautious approach for increasing the business of the company in coming years.

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3. DIVIDEND :

In view of meeting the working capital requirements for the business in view of the present financial scenario and also in order to conserve the resources for future requirements & plans, your Directors have not recommended any dividend for the financial year ended March 31, 2008.

4. CREDIT & GUARANTEE FACILITIES :

The Company has been availing Packing Credit limits and Term Loan facilities from Bank of India, Overseas Branch, Visakhapatnam from time to time and Centurion Bank of Punjab Ltd and ICICI Bank Limited for other term loans for the business requirements.

5. DEPOSITS :

The Company has not invited or accepted any Deposits from the public during the Financial year.

6. INSURANCE :

All the assets of the Company wherever necessary and to the extent required have been adequately insured.

7. EMPLOYEE RELATIONS :-

The relations with the employees have been very cordial. The Board wishes to express their appreciation to all the employees for their contribution, commitment and hard work for the growth and development of the Company. Further, the Company has been in touch relating to recruitment of required personnel from time to time.

8. PARTICULARS AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956 :

Particulars of employees as required by the Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 are not given as your Company has not paid any remuneration attracting these provisions.

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9. PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ETC :

Information regarding Energy Conservation and Technology Absorption required to be disclosed under section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 is Nil as the Company has given the Plant on lease basis and the present operation of the Company involve low energy consumption. Adequate measures have, however, been taken to conserve energy. However, the Company has access regarding Conservation of Energy and Technology Absorption, wherever it is applicable.

10. FOREIGN EXCHANGE EARNINGS AND OUTGO :

During the period under review, the Company has earned Foreign Exchange to the tune of Rs.19,04,78,556/- (FOB) and has not incurred any amount in Foreign Exchange.

11. DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that :

- i. in the preparation of the annual accounts for the year ended 31st March, 2008, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- ii. the Directors have 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 as on 31st March, 2008 and of the profit or loss of your Company for that period;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and;
- iv. the Directors had prepared the annual accounts for the financial year ended 31st March, 2008 on a going concern basis.

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12. THE BOARD :

The Board of Directors of the Company is duly constituted. Sri S.Rajaram, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

The Board confirms that none of the Directors of the Company is disqualified from being appointed as Director in terms of clause (g) to sub-section (1) of Section 274 of the Companies Act, 1956 and necessary declarations have been obtained from all the Directors in this regard.

13. CORPORATE GOVERNANCE:

Corporate Governance is given as an Annexure to the Directors' Report.

14. MANAGEMENT DISCUSSION AND ANALYSIS :

This has been dealt with in the separate Annexure to this Report.

15. COMPLIANCE CERTIFICATE :

The Compliance Certificate referred to in the proviso to sub-Section (1) of Section 383A of the Companies Act, 1956 was obtained.

16. AUDIT COMMITTEE :

As required under Clause 49 of the Listing Agreement, an Audit Committee was constituted by the Board and the present members of the Audit Committee are as under:

1. Sri G.V.V. Satyanarayana
2. Sri K.Venkateswara Rao
3. Smt. Jeeja Valsaraj

17. AUDITORS :

The present Statutory Auditors of the Company Sri V.V.S. Bhagavan, Chartered Accountant, Hyderabad, retire at the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment. The Company has received a letter from them to the effect that their appointment if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956. The Audit Committee and the Board of Directors recommend the appointment of Sri V.V.S. Bhagavan, Chartered Accountant, Hyderabad as Statutory Auditor of the Company for the financial year 2008-09.

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18. STATUTORY COMPLIANCE :

The Company has complied with the concerned provisions relating to statutory compliance with regard to the affairs of the Company in all aspects.

19. ACKNOWLEDGEMENTS :

Your Directors wish to place on record their appreciation of the continuous assistance and co-operation extended to your Company by the Customers, suppliers, dealers, Bankers, Customs Authorities, Local Bodies, Overseas Bodies & Authorities and other Agencies. Your Directors also wish to acknowledge the continued support and confidence reposed in the management by the shareholders. Your Directors also wish to place on record and sincerely acknowledge the services rendered by the employees at all levels. Thanks are also extended to our advisors, professionals and well-wishers.

By Order of the Board
For COASTAL CORPORATION LIMITED


(T. VALSARAJ)
MANAGING DIRECTOR


(G.V.V. SATYANARAYANA)
DIRECTOR

Place : Visakhapatnam
Date : 28.08.2008

ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS :

The Eleventh Five Year Plan (2007-2008 to 2011-2012) has set a healthy target of average 9% growth in GDP, following average 8.6% growth achieved in last 4 years. The Indian economy has confidently moved to higher growth plane in the current fiscal year 2007-2008 by recording growth over 8.5%. Macro economic fundamentals continue to inspire confidence of the industry players and are likely to support the investment momentum in the economy. The industrial sector, particularly the manufacturing and construction sectors have surpassed growth expectations set in the Tenth plan. While manufacturing sector has grown at an average rate of 9.1% during the last 5 years, the construction sector recorded an impressive 10.8% growth during the same period.

Continued inflationary tendencies in the economy are impacting the business sentiments. With a shortfall in domestic supply and hardening of oil prices, the prices of commodities including food have risen sharply, contributing to the present spurt in inflation.

Inclusive development of the economy, supported by a strong infrastructure is a pre-requisite for sustaining the growth momentum and improving an all-round quality of life. The challenges in realizing this goal are quite immense, ranging from physical process of land acquisition for rapid industrialization to more complex challenges of project financing and environment management. With the Government commitment to a faster pace of reform and creating a slew of world-class infrastructure, the industrial outlook remains encouraging.

As a positive indication towards this, the country has witnessed a rapid increase in private investment in infrastructure over the last five years. The estimated investment in infrastructure has now been pegged at USD 500 billion by the end of the Eleventh Five Year Plan. This is both a challenge and an opportunity for the Government as well as for the private sector in the years to come.

INDUSTRY STRUCTURE AND DEVELOPMENT:

SEAFOODS:

India seafood exports touched an all-time high of \$1,899 million in 2007-08, registering a 2.5 per cent increase over the previous year. However, when compared to 2006-07 the quantity of exports fell by 11.6 per cent to 541,701 tonne. The exports in rupee terms also fell by 8.9 per cent to Rs 7,620.92 crore.

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European Union emerged as the major market for Indian marine products accounting for 27.6 per cent of the total quantity exported. In value terms, the share stood at 35 per cent. Japan, which continued to be the second largest market, accounting for 12.4 per cent in quantity and 13.3 per cent in value.

USA occupied the third slot accounting for 6.76 per cent of the quantity and 13.33 per cent in value. China which was the fourth-largest market for Indian seafood in 2007-08. Among the various product groups, frozen shrimps had a share of 52 per cent, while frozen fish had a 17 per cent share. Frozen cuttle fish had a 10 per cent share of the seafood export market.

The target fixed for the current year stood at \$1.85 billion. Lesser fish landings and lower aquaculture production were the main reasons for the decline in exports as per the Chairman of Marine Products Export Development Authority. Overall production from export oriented aquaculture during 2007-08 stood at 133,422 ton as compared to previous year's production of 174,462 tons.

Steady growth is anticipated during the coming years due to rapid expansion taking place in the production front through shrimp farming and introduction of several resource specific vessels to enlarge the marine fish landings.

According to the projections by the FAO, the demand, per capital consumption and total consumption of seafood will increase in the next three decades, would capture fisheries will stagnate while aquaculture production is projected to increase, driven by the increase in production in China. It is projected that by the year, 40% of the world production of fish will be from aquaculture. India will be no exception. India, with its vast and diverse aquaculture potential can therefore aspire to become a world leader of seafood exports by resorting to diversified and sustainable aquaculture.

CONSTRUCTION:

The 11th Five-year Economic Plan estimates a capital requirement of about US\$320 billion to be spent over the planned period for improving roads, railways, ports, power water systems and related projects. This is policy initiative in the right direction and would raise infrastructure spending from the current 5% of GDP to about 9% in the financial year 2012.

It is estimated that atleast that 30% of the planned infrastructure expenditure shall be met through private sector participation. The private sector participation in infrastructure is being pursued through innovative routes and combination thereof, including Public-Private Partnership (PPP), formation of special purpose vehicles and provision of viability gap funding.

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PPP involves long term contracts between the Government and private sector entities detailing the rights and obligation of both parties. PPP framework offers significant advantages in terms of sharing risks, lowering the cost of provisions of services to users and also ensures the continued support of the Government through out the project life, as essential ingredient for successful implementation of infrastructure projects in the country. In order to attract the PPP, the Government is undertaking various initiatives at the highest level.

The Company has been exploring the emerging opportunities in the infrastructure sector and is optimistic about opening up of the infrastructure sector to enable the private players to make a contribution to the development of the country. As part of its long term strategy, the Company is more focused on the infra based projects.

RISKS & CONCERNS:

The Company is exposed to changes in Trade, Monetary and Fiscal policies of the countries in which operations of the Company related and also to other global economic developments. A significant part of the Company's income and revenues is sea foods and work contract receipts. The Company is vulnerable to the pace of economic reforms and deregulations being pursued by the Indian Government. In recent years, India's liberalized regime has created opportunity and also increased competition in the construction business, which have been significant interest of foreign players.

The threats are high to the much developed and established participants in both sectors, particularly in sea food sector and further the downturn in economic scenario gives signals for affecting all industrial and related sectors including infra based projects.

In view of these and present economic crisis, the Board has taken the required measures with cautious approach for effective operations which will certainly protect the interest of the Company in all aspects.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has adequate internal control systems and other related systems that define roles and responsibilities of personnel at various levels of the organization for their respective functional responsibilities. These systems facilitate effective checks and controls as well as tight monitoring on a continuous basis. The internal controls of the company are designed to provide reasonable assurance regarding the achievement of the effectiveness and efficiency of operations, adequacy of safeguard of assets, are liability of financial controls. The integrity and reliability of the internal controls are achieved through clear policies and procedures.

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MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS:

The Company has always valued and nurtured its human resources. Nonetheless, globalization, high growth of the Indian economy in recent times and entrants of the foreign companies in India, have opened various avenues for young talent and hence the attraction and retention of the effective manpower is become one of the biggest challenges in current scenario. But the Company is able to retain its manpower and the experienced staff by its employee friendly policies and practices. The Company feels confident of keeping its manpower costs to below industry norms which was clearly reflected in this organization.

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2007-2008

A. CORPORATE GOVERNANCE:

The Corporate Governance is the application of best management practice, compliances of law and adherence of ethical standards to achieve the Company's objective of enhancing shareholder value and discharge of social responsibility. Corporate Governance Structure specifies the relationship, distribution of rights and responsibilities among different participants in the organization such as the Board, Managers, Employees, Shareholders and Stakeholders and spells out the rules and procedures for making decisions on corporate affairs. The essence of Corporate Governance revolves around three basic inter related segments- Integrity & fairness, transparency & disclosures and accountability & responsibility. It is about commitment to values and ethical business conduct, voluntary practices and compliance with laws and regulations leading to effective control and management of the organization in achieving the objectives.

B. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

"Overall Transparency" is our governance policy to attain the highest pre-determined Corporate Philosophy. The Company adheres to good corporate practices and is constantly striving to better them and adopt the best practices. The Company believes that all its operations & activities must serve the expected enhanced shareholders values with social responsibility. On the way of this, our strong governance practice which is guided by the principles of transparency, disclosure, accountability and interest of the stakeholders at the times. The Company continuously endeavours to improve upon these aspects and adopts innovative approaches for converting opportunity into achievements.

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BOARD OF DIRECTORS :

(a) Composition and Category of Directors:

As on 31.03.2008, the strength of the Board of Directors is 6 and its composition is as follows:

(i) Promoter Directors

Sri T. Valsaraj - Promoter & Managing Director
Sri S. Rajaram - Director

(ii) Non- Executive Director

Smt Jeeja Valsaraj

(iii) Non- Executive Independent Directors

01. Sri G.V.V. Satyanarayana
02. Sri K. Venkateswara Rao
03. Sri. Dilip Kumar Biwalkar

(iv) Details of the Directors seeking Re-appointment at the Annual General Meeting:

[PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT]

Name of Director	S.Rajaram
Date of birth	12.08.1955
Date of Appointment	02.07.1984
Areas of Experience	Marine Exports
Educational Qualifications	Marine Biology
Other Company's in which hold Directorship	NIL
Membership / Chairmanship of Board Committees including other Companies	NIL
Shareholding in this Company	2.35

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(b) Board Meetings & Related Information

Name of the Director	No. of Board Meetings		Attendance at last AGM	No. of Directorship in other Public Companies	No. of Committee Membership in other public Companies	
	Held	Attended			Member	Chairman
Sri T. Valsaraj	10	08	Present	1	--	--
Sri S. Rajaram	10	10	Present	0	--	--
Sri G.V.V. Satyanarayana	10	10	Present	1	--	--
Smt. Jeeja Valsaraj	10	10	Present	1	1	--
Sri K. Venkateswara Rao	10	10	Present	0	--	--
Sri Dillip Kumar Biwalkar	10	06	Present	3	--	--

(c) AUDIT COMMITTEE

The terms of reference of Audit Committee comply with the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Composition

The Company has constituted an Audit Committee comprising of the following :

Sl. No	Name of the Director	Designation	Category
01	Sri G.V.V. Satyanarayana	Chairman	Non-Executive Independent
02	Sri K Venkateswara Rao	Member	Non-Executive Independent
03	Smt. Jeeja Valsaraj	Member	Non- Executive Director

In accordance with clause 49 of the Listing Agreement and Section 292 A of the Companies Act, 1956, the terms of reference stipulated by the Board to the Audit Committee are as follows:

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- (1) To oversee the Company's financial reporting process and disclosure of its financial information on a timely basis
- (2) To ensure that the financial statement(s) is/are correct, sufficient and credible.
- (3) Recommending the appointment and fixation of Remuneration of Statutory and Internal Auditors of the Company and also approval for payment for any other services.
- (4) Review of Annual financial Statements with management before submitting to the Board.
- (5) Review and Discussions with the Auditors, the adequacy of internal control systems.
- (6) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (7) Discussion with internal auditors on any significant findings and follow up thereon
- (8) Reviewing the findings of any internal investigation by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- (9) Discussion with external Auditors before the audit commences regarding the nature and scope of audit as well as to have post-audit discussion to ascertain any area of concern.
- (10) Reviewing the Company's financial and risk management policies.
- (11) To look into the reason for substantial defaults in the payment to creditors, if any.

Meetings and Attendance :

The Committee met 4 times during the year and the attendance of the members at the meetings are given below :

Name	Number of Meetings held during the year	Number of Meetings attended during the year
Sri G.V.V. Satyanarayana	4	4
Sri K Venkateswara Rao	4	4
Smt. Jeeja Valsaraj	4	4

(d) REMUNERATION COMMITTEE - POLICY - DETAILS :

The Company has constituted Remuneration Committee comprises Sri G.V.V.Satyanarayana, Sri S.Rajaram and K.Venkateswara Rao to decide, fix the Remuneration payable to the Managing/Whole-Time Director of the Company. The matters relating to remuneration package to the managerial personal will be referred by the Board of Directors to the remuneration committee.

Details of remuneration paid to the Directors during 2007-2008

Name of Director	Sitting Fees Rs.	Salaries & Perks Rs.	Total Rs.
Sri T. Valsaraj	-	2,40,000/-	2,40,000/-
Sri S. Rajaram	-	-	-
Sri G.V.V. Satyanarayana	-	-	-
Smt Jeeja Valsaraj	-	-	-
Sri K. Venkateswara Rao	-	-	-
Sri Dilip Kumar Biwalkar	-	-	-

(e) SHAREHOLDERS' GRIEVANCE COMMITTEE :

The Company has constituted a Shareholder's/ Investor's Grievance Committees to handle and redress the grievances/complaints of the shareholders. Currently, the committee comprises Sri G.V.V. Satyanarayana as Chairman and Sri S.Rajaram and Sri K.Venkateswara Rao as members. The Company has received one compliant form one person by quoting certificate number without giving the nature of compliant and the Company has been in touch with that person to resolve the same after obtaining the nature of compliant.

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(f) DETAILS OF THE COMPLIANCE OFFICER:

Sri G.V.V. Satyanarayana
103, Aspen Castle, Nowroji Road
Maharani-peta, Visakhapatnam - 530 002
Andhra Pradesh

CODE OF CONDUCT

The Company has laid down a code of conduct for all Board members and senior management personnel. The Code of conduct had been circulated to all the members of the Board and Senior Management.

A declaration signed by the Managing Director is as follows:

"It is hereby declared that all members of the Board and Senior Management have affirmed compliance with the Code of Conduct for the financial year ended 31st March, 2008."

CEO/CFO Certification:

The Director on the Board has certified that the financial statements present a true and fair view of the company's affairs and are in compliance with existing accounting standards.

(g) GENERAL BODY MEETINGS:

Location and time where last three AGMs held :

Year	Location	Date	Time	Special Resolution
2004-2005	15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530 002, Andhra Pradesh, India	30.09.2005	11.00 A.M	NIL
2005-2006	15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530 002, Andhra Pradesh, India	30.09.2006	10.30 AM	NIL
2006-2007	15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530 002, Andhra Pradesh, India	29.09.2007	10 30 AM	NIL

No special resolution was proposed by the Company to the members to be passed at the last three Annual General Meetings and through a Postal Ballot.

Coastal Corporation Ltd.

(Formerly known as Coastal Trawlers Ltd.)

Regd. Off. : 15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530 002, INDIA
Phone : 0891-2567118, Cable : COASTAL, Fax : 0891-2567132
e-mail : coastal6@eth.net & cti@sancharnet.in

Plant : Marikavalasa (V), Paradesipalem Panchayat, Visakhapatnam Dist.
Phone : 2739323

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(h) OTHER DISCLOSURES :

During the year under review, besides the transactions mentioned elsewhere in the Annual Report, there were no other related party transactions by the Company with its promoters, Directors, management and subsidiaries that had a potential conflict with the interest of the Company at large.

There were no instances of penalties, stricture imposed on the Company by Stock Exchange or SEBI or any Statutory Authorities, or any matter related to Capital markets during the last three years. The Board intends to approach the Delhi and Ahmedabad Stock Exchanges for delisting of Securities by complying with the concerned procedures in this regard.

(i) MEANS OF COMMUNICATION :

- i) Half Yearly Reports are not sent to each household of Shareholders.
- ii) Quarterly Results and Half Yearly Results are published in Newspapers.
- iii) The Company has not issued any press release or made any presentations to the investors or to analyst about its financial results during the year.
- iv) Management Discussion and Analysis (MD&A) forms part of the Annual Report.

(j) GENERAL SHAREHOLDER INFORMATION :

- i) Twenty-Seventh Annual General Meeting of the Company

Date & Time	29 th September 2008 at 10:30 a.m.
Venue	Registered Office of the Company 15-1-37/3 Nowroji Road Maharani-peta Visakhapatnam - 530 002 Andhra Pradesh, India

- ii) Financial Calendar : The Company has decided to follow its Financial Year from April to March.
- iii) Date Of Book Closure Date : 24.09.2008 to 26.09.2008 (both days inclusive)
- iv) Dividend Payable Date : Not Applicable

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(Formerly known as Coastal Trawlers Ltd.)

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- v) Listing on Stock Exchanges : Hyderabad Stock Exchange (Now derecognized and not in operation)
Mumbai Stock Exchange
Ahmedabad Stock Exchange
Delhi Stock Exchange
- vi) Registrars & Share Transfer : The Board has appointed M/s Aarthi Consultants Pvt. Ltd., Hyderabad as its Share Transfer Agents.
- vii) High/Low Market Price : There was no trading in Shares during the year 2007-08

11. Share Transfer System :

The Board has appointed M/s Aarthi Consultants Pvt. Ltd., Hyderabad as its Registrar & Share Transfer Agent. However, the shares of the Company are yet to be converted into De-mat and necessary work in connection therewith is under process. At present all the share transfers are being carried on in physical form.

12. Distribution of Shareholding :

(a) Shareholding Pattern as on 31st March, 2008

SL NO	CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
A	PROMOTERS HOLDINGS		
1.	PROMOTERS :-		
	- Directors	2,61,979	20.16
	- Foreign Promoters	NIL	NIL
2.	PERSONS ACTING IN CONCERT	NIL	NIL
	SUB-TOTAL:-	2,61,979	20.16
B	NON-PROMOTERS HOLDINGS	NIL	NIL
3.	INSTITUTIONAL INVESTORS	NIL	NIL
	a. Mutual Funds and UTI's	NIL	NIL
	b. Banks, Financial Institutions, Insurance Companies(Central/state Government Institutions/ Non-Government Institutions.	28,614	2.20
	c. FI's	NIL	NIL
	SUB-TOTAL:-	28,614	2.20

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4.	OTHERS		
a.	Private Corporate Bodies	88,111	6.78
b.	Indian Public	4,46,296	34.34
c.	NRIs/OCBs	4,74,500	36.51
d.	Any Other(Please Specify)	NIL	NIL
	SUB-TOTAL:-	10,08,907	77.63
	GRAND TOTAL:-	12,99,500	100.00

(b) Distribution of Shareholding as on 31.03.2008

Shareholding of Nominal value of		Shareholders		Share Amount	
Rs.	Rs.	Number	% to Total Nos.	In Rs.	% to Total Amount
1	2	3	4	5	
Up to 5000	1303	89.06	2118700	25.53	
5001 to 10000	53	3.62	442000	5.53	
10001 to 20000	54	3.69	905000	10.90	
20001 to 30000	21	1.44	507000	6.11	
30001 to 40000	8	0.55	300000	3.61	
40001 to 50000	8	0.55	350860	4.23	
50001 to 100000	7	0.48	449000	5.41	
100001 and above	11	0.75	7922440	60.96	
Total	1463	100.00	12995000	100.00	

Dematerialization of Equity Shares and Liquidity :

The Company's Equity Shares are listed on Hyderabad (Now derecognized), Mumbai, Ahmedabad and Delhi Stock Exchanges with a view to provide liquidity to the Shareholders. As per SEBI notification, the Company's Equity Shares shall be dematerialized. The Board has been making required arrangements to enter into MOU with NSDL & CDSL for Dematerialisation of Shares. M/s Aarthi Consultants Pvt. Ltd., Hyderabad have been appointed as Registrar & Share Transfer Agents of the Company and for related matters.

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Plant : Marikavalasa (V), Paradesipalem Panchayat, Visakhapatnam Dist.
Phone : 2739323

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i) Plant Location

Marikavalasa(V)
Paradesipalem Panchyat
Visakhapatnam District

ii) Address for Correspondence

Registered Office :
15-1-37/3, Nowroji Road,
Maharani-peta,
Visakhapatnam – 530 002
Andhra Pradesh.

V.V.S Bhagavan, B.Com., FCA
Chartered Accountant

7-1-59/4&8, Ameerpet
Hyderabad – 500 016
① (O) 23748583
(R) 23391096

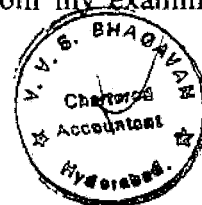
AUDITORS REPORT

To
The Members of
M/S. Coastal Corporation Limited

I have audited the attached Balance Sheet of M/s. Coastal Corporation Ltd. (Formerly known as Coastal Trawlers Ltd.), Visakhapatnam as at 31st March, 2008, and the Profit & Loss Account for the year ended 31st March, 2008 and the cash flow statement for the year ended on that date both annexed hereto. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audit.

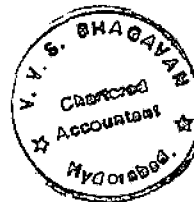
I have conducted my audit in accordance with auditing standards generally accepted in India. Those standards require that I plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, issued by the Government of India, in terms of Section 227 (4-A) of the Companies Act, 1956, I enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to my comments above, I report that :
 - i) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit.
 - ii) In my opinion, proper books of Accounts as required by law have been kept by the Company so far as appears from my examination of such books.



Contd..P2..

- iii) The Company's Balance Sheet and Profit & Loss Account dealt with the above are in agreement with the books of account..
- iv) In my opinion, the Profit and Loss Account and Balance Sheet comply with the accounting standards referred to in sub-section (3c) of section 211 of the Companies Act, 1956.
- v) On the basis of written representations received from the Directors as on 31st March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2008 from being appointed as Directors in terms of clause (g) of Sub-section (I) of section 274 of the Companies Act 1956.
- vi) In my opinion, and to the best of my information and according to the explanations given to me, the said Balance sheet, the Profit & Loss account and on cash flow statement read with significant accounting policies and notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.
 - a) in so far it relates to the Balance Sheet, of the State of Affairs of the Company as at 31st March 2008 and
 - b) in so far it relates to the Profit and Loss Account, of the Profit for the year ended on that date.
 - c) in so far it relates to the cash flow statement, of the cash flow for the year ended on that date.



(V.V.S.BHAGAVAN)
CHARTERED ACCOUNTANT
M NO. 857

Place : Hyderabad
Date : 28.08.2008.

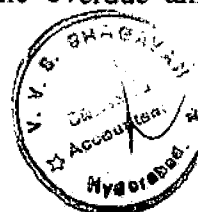
ANNEXURE TO THE AUDITORS' REPORT

Referred to in paragraph 1 of our Report of even date

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) All the assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - c) During the year there are no sales of substantial part of Fixed Assets which will effect the company's status as a going concern.
2.
 - a) As explained to me, the inventory has been physically verified during the year by the management. In my opinion, the frequency of verification is reasonable.
 - b) In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.
 - c) In my opinion and according to the information and explanations given to me and on the basis of my examination of the records of inventory, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
3.
 - a) According to the information and explanations given to me, the Company has taken loans from the parties covered under section 301 of the Companies Act, 1956 as shown below:

Name of the Party	Relationship	Maximum Amount Rs.	Outstanding as 31.03.08 Rs.
Mr. G.V.V.Satyanarayana	Director	20,55,797	20,55,797

- b) No interest was paid or provided on the amount due to Mr. G.V.V. Satyanarayana. As explained to me there are no overdue amounts on this account.



Contd..P2...

- 4 In our opinion and according to the information and explanation given to me, there are adequate internal control procedures commensurate with the size of the Company and nature of its business. During the course of my audit, no major weaknesses have been noticed in the internal controls.
5.
 - a) According to the information and explanation given to me I am of the opinion that the transactions that needed to be entered in the Register maintained under section 301 of the Companies Act, 1956 have been so entered.
 - b) According to the information and explanation given to me the transactions made in excess of rupees Five Lakhs in respect of the party listed in the Register maintained under section 301 of the Companies Act, 1956 have been made during the normal course of business and at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public.
7. The internal audit of the Company is conducted by a firm of Chartered Accountants. In my opinion, the scope and coverage of internal audit is commensurate with the size of the company and the nature of its business.
8. Maintenance of cost records is not required under the provisions of Sec.209 (1) (d) of the Companies Act, 1956.
10. According to the records of the company and information and explanation given to me, the company is in general regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Cess and other statutory dues with the appropriate authorities as at 31st march, 2008 which are outstanding for a period of more than six months from the date they became payable. However, the appeal filed against a demand of Rs.126.09 lakhs made by the Income Tax Department for the Assessment year 1998-99 was decided in favour of the company. A sum of Rs.70.50 lakhs was paid till 31st March, 2008 which was included in loans and advances.
11. The company has no accumulated losses as on 31st March, 2008. Further it has not incurred any cash loss in the financial year under report and in the immediately preceding financial year.
12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of Security by way of pledge of shares and other securities.



Contd..P3..

13. The provisions of any Special Statutes applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the company.
14. The company is not dealing or trading in shares or securities.
15. The Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company has not taken any term loans during the Financial year.
17. According to the information and explanation given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment by the Company and vice versa.
18. The Company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any Debentures.
20. The Company has not raised any money from public.
21. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year.

Place: Hyderabad.
Date : 28.08.2008



(V.V.S. BHAGAVAN)
CHARTERED ACCOUNTANTS

COASTAL CORPORATION LIMITED : VISAKHAPATNAM
(Formerly known as COASTAL TRAWLERS LIMITED)

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008

	Schedule No.	For the year ended 31.03.2008 Rupees	For the year ended 31.03.2007 Rupees
INCOME:			
Sales	"K"	197,694,793	272,959,831
Work Contract Receipts		285,078,27	47,306,801
Interest		107,651	231,375
Other Income	"L"	26,763,164	16,728,613
Profit On Sale of Assets		156,630	
		<u>253,230,065</u>	<u>337,226,620</u>
EXPENDITURE:			
Purchases	"M"	161,066,448	224,464,314
Construction Materials Consumed	"N"	8,926,731	17,455,147
Other Construction Expenses	"O"	18,576,231	17,563,032
Packing & Shipment Expenses	"P"	41,119,104	45,140,891
Administrative Expenses	"Q"	7,965,236	8,124,992
Interest & Financial Charges	"R"	12,902,992	11,762,933
Depreciation		2,833,030	3,009,474
Stock Variation	"S"	(5,924,226)	(6,845,889)
Loss On Sale of Car		-	116,420
		<u>247,465,546</u>	<u>320,791,314</u>
Net Profit / (loss) for the year		5,764,519	16,435,306
Provision For Taxation			
- Current Tax		(600,000)	(2,100,000)
- Reversal of Current Tax		267,529	169,363
- Fringe Benefit Tax		(144,157)	(59,693)
Previous year adjustments		(411,378)	(91,556)
Prior Period Taxes		(10,307)	-
		<u>4,866,206</u>	<u>14,353,420</u>
Balance brought forward from last year		507,976	(13,845,444)
Notes to the Accounts	"T"		
Balance carried to Balance Sheet		<u>5,374,182</u>	<u>507,976</u>
Earning per Share		3.74	11.04

T. Valsaraj
(T. VALSARAJ)
MANAGING DIRECTOR

G.V.V. Satyanarayana
(G.V.V. SATYANARAYANA)
DIRECTOR

Place : Visakhapatnam
Date : 28.08.2008

(V.V.S. BHAGAVAN)
CHARTERED ACCOUNTANT
HYDERABAD

COASTAL CORPORATION LIMITED :: VISAKHAPATNAM
(Formerly known as COASTAL TRAWLERS LIMITED)

BALANCE SHEET AS AT 31ST MARCH, 2008

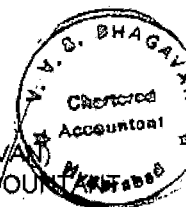
	Schedule No.	As at 31st Mar-08 Rupees	As at 31st Mar-07 Rupees
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
Share Capital	"A"	12,767,142	12,767,142
Reserves & Surplus	"B"	10,765,874	5,899,668
LOAN FUNDS			
Secured Loans	"C"	75,650,844	75,450,383
Unsecured Loans	"D"	3,055,797	64,162
DEFERRED TAX LIABILITY	"E"	250,753	518,282
		<u>102,490,410</u>	<u>94,699,637</u>
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	"F"	40,854,092	41,138,729
Less : Depreciation		<u>19,881,774</u>	<u>17,616,035</u>
Net Block		20,972,318	23,522,694
Capital Work in Progress		22,704,413	1,135,651
INVESTMENTS	"G"	1,440,000	1,440,000
CURRENT ASSETS, LOANS AND ADVANCES :			
i) Current Assets	"H"	66,045,230	70,585,658
ii) Loans and Advances	"I"	24,013,250	22,236,302
LESS : CURRENT LIABILITIES AND PROVISIONS :			
i) Current Liabilities	"J"	<u>32,684,801</u>	<u>24,220,668</u>
		102,490,410	94,699,637
MISCELLANEOUS EXPENDITURE & LOSS			
i) Profit & Loss Account			
Notes to the Accounts	"T"	<u>102,490,410</u>	<u>94,699,637</u>


(T. VALSARAJ)
MANAGING DIRECTOR

Place : Visakhapatnam
Date : 28.08.2008


(G.V.V. SATYANARAYANA)
DIRECTOR

(V.V.S. BHAGAVAN)
CHARTERED ACCOUNTANT



COASTAL CORPORATION LIMITED - VISAKHAPATNAM

SCHEDULES TO BALANCE SHEET

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SCHEDULE "A"		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
50,00,000 Equity Shares of Rs.10/- each (Previous year 17,50,000 Equity Shares of Rs.10/- each)	<u>50,000,000</u>	<u>50,000,000</u>
<u>ISSUED AND SUBSCRIBED</u>		
12,99,500 Equity Shares of Rs.10/- each (Of the above 3,47,725 Equity Shares of Rs.10/- each allotted for consideration other than cash at premium of Rs.10/- per Equity share) (Previous year 12,99,500 Equity shares of Rs.10/- each)	<u>12,995,000</u>	<u>12,995,000</u>
<u>PAID-UP CAPITAL</u>		
12,99,500 Equity Shares of Rs.10/- each Fully paid (Of the above 3,47,725 Equity shares of Rs.10/- each allotted for consideration other than cash at premium of Rs.10/- per Equity share as fully paid) (Previous year 12,99,500 equity shares of Rs.10/- each fully paid)	12,995,000	12,995,000
Less: Calls in Arrears	227,858	227,858
	<u>12,767,142</u>	<u>12,767,142</u>
SCHEDULE "B"		
<u>RESERVES & SURPLUS</u>		
i) General Reserve	696,692	696,692
ii) Share Premium Account	4,695,000	4,695,000
iii) Profit & Loss Account	5,374,182	507,976
	<u>10,765,874</u>	<u>5,899,668</u>



SCHEDULE "C"

SECURED LOANS

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
i) Packing Credit from Bank of India secured by hypothecation of stocks and other movable assets, export letters of credit from prime Banks, equitable mortgage of office premises and landed property measuring 2.04 acres, and also guaranteed by the Directors in their personal capacities and on collateral security of personal property of two of the Directors	49,995,319	49,582,126
ii) Term Loan from Bank of India secured or hypothecation of stocks and other movable assets, export letters of credit from prime banks, equitable mortgage of office premises and landed property measuring 2.04 acres, and also guaranteed by the Directors in their personal capacities and on collateral security of personal property of two of the Directors	23,804,916	22,612,632
iii) Term Loan from Centurion Bank of Punjab Ltd. Secured on hypothecation of Construction Equipment repayable in instalments	1,258,319	2,510,940
iv) Term loan from ICICI Bank Ltd. Secured on hypothecation of Car repayable in instalments	592,290	744,685
	<u>75,650,844</u>	<u>75,450,383</u>

SCHEDULE "D"

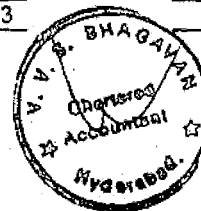
UNSECURED LOANS

Loan from Director T.Srinivasa Rao	2,055,797 1,000,000	64,162
	<u>3,055,797</u>	<u>64,162</u>

SCHEDULE "E"

Deferred Tax Liability

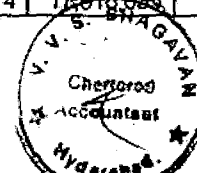
i) For Deferred Taxation	2,575,696	2,575,696
Less: Deferred Tax Asset	<u>2,448,751</u>	<u>2,448,751</u>
	126,945	126,945
ii) For Current Tax	123,808	391,337
	<u>250,753</u>	<u>518,282</u>



SCHEDULE - "F"

FIXED ASSETS

DESCRIPTION	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK	
	As at 31.3.07 Rupees	Add/del during the year Rs.	As at 31.3.08 Rupees	Upto 31.3.07 Rupees	For the year (Deletion)Rs	Upto 31.3.08 Rupees	As at 31.3.08 Rupees	As at 31.3.07 Rupees
01. Land	1,713,871		1,713,871	-	-	-	1,713,871	1,713,871
02. Buildings - Office	613,931	-	613,931	118,419	10,007	128,426	485,505	495,512
Processing Plant	7,855,052	-	7,855,052	2,930,249	262,359	3,192,608	4,662,444	4,924,803
03. Plant & Machinery	9,299,930	111,300	9,411,230	5,432,483	491,230	5,923,713	3,487,517	3,867,447
04. Roads	406,473	-	406,473	162,912	13,576	176,488	229,985	243,561
05. Sheds	75,950	-	75,950	75,950	-	75,950	-	-
06. Electrical Installations	1,959,242		1,959,242	1,049,560	93,064	1,142,624	816,618	909,682
07. Fixtures & Fittings	1,350,805		1,350,805	956,509	85,506	1,042,015	308,790	394,296
08. Other Assets	2,932,763	18,118	2,950,881	1,707,722	139,781	1,847,503	1,103,378	1,225,041
09. Computers	553,972	16,650	570,622	545,995	9,249	555,244	15,378	7,977
10. Trucks	4,055,707	(553,376)	3,502,331	2,315,262 (538,213)	567,728	2,344,777	1,157,554	1,740,445
11. Motor Vehicles	4,046,299	(47,785)	3,998,514	1,495,581 (29,078)	379,859	1,846,362	2,152,152	2,550,718
12 Construction Equipment	5,348,000	156,318	5,504,318.00	748,088	618,600	1,366,688	4,137,630	4,599,912
13. Crushers	797,017		797,017.00	12,447	90,143	102,590	694,427	784,570
14. Temporary Structures	129,717	14,138	143,855.00	64,858	71,928	136,786	7,069	64,859
TOTAL	41,138,729	(284,637)	40,854,092	17,048,744	2,833,030	19,881,774	20,972,318	23,522,694
PREVIOUS YEAR	37,138,892	3,999,837	41,138,729	14,606,561	3,009,474	17,616,035	23,522,694	22,177,398



	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
SCHEDULE "G"		
INVESTMENTS		
i) 4,800 Equity Shares of Rs.100/- in M/s.Arya Fisheries Ltd., (unquoted - valued at par)	480,000	480,000
Less : Provision for Diminution in value	<u>480,000</u>	<u>480,000</u>
	NIL	NIL
ii) 1,44,000 Equity Shares of Rs.10/- in Mangalam Energy Development, Co,Pvt Ltd (unquoted - valued at par)	1,440,000	1,440,000
	<u>1,440,000</u>	<u>1,440,000</u>

SCHEDULE "H"

CURRENT ASSETS

i) CASH AND BANK BALANCES

Cash on Hand	263,967	1,048,359
Cash in Current Account with Banks	1,614,394	9,401,156
Cash in Term Deposits with BOI	236,048	3,621,038
Cash in Term Deposits with Hong Kong & Shanghai Banking Corp.	4,972	4,972
Interest accrued on Term Deposits	54,693	145,594
ii) Work -in -Progress at Cost	-	1,578,152
iii) Stock of Fish Crates / Tools (at cost)	319,976	426,231
iv) Stock of Packing Material (at cost)	630,094	395,605
v) Stock of Construction Material(Valued at Cost)	668,010	293,448
vi) Stock of Shrimp (Valued at net realisable value)	47,495,413	39,993,035
vii) Duty Entitlement/Other Receivables	13,578,015	5,253,361
viii) Sundry Debtors (Unsecured - Considered good)		
More than six months	12,569	9,385
Less than six months	<u>1,167,079</u>	<u>8,415,322</u>
	<u>66,045,230</u>	<u>70,585,658</u>



SCHEDULE "I"

LOANS AND ADVANCES

	As at 31st March 2008 Rupees	As at 31st March 2007 Rupees
Advances recoverable in cash or kind or for value to be received	10,535,163	4,240,924
Less: Provision for doubtful Advances	<u>500,000</u>	<u>500,000</u>
	10,035,163	14,928,194
Deposits	1,878,174	1,312,174
Other Advances	12,099,913	5,995,934
	<u>24,013,250</u>	<u>22,236,302</u>

SCHEDULE "J"

CURRENT LIABILITIES & PROVISIONS

CURRENT LIABILITIES

i) Sundry Creditors	17,560,289	10,735,010
ii) Other Liabilities	8,917,146	7,248,261
ii) Bank of India V O B	2,636,488	3,277,704
	<u>29,113,923</u>	<u>21,260,975</u>

PROVISIONS :

For Taxation		
M.A.T	3,500,000	2,900,000
F.B.T	70,878	59,693
	<u>32,684,801</u>	<u>24,220,668</u>



SCHEDULE "K"**SALES**

Shrimp

For the year ended
31st March 2008
RupeesFor the year ended
31st March 2007
Rupees

197,694,793

272,959,831

197,694,793

272,959,831

SCHEDULE "L"**OTHER INCOME**

Export Benefits

21,644,645

13,401,624

Lease Rentals / Processing /Freezing Charges

3,720,000

3,300,000

Truck Hire Charges

13,672

26,989

Credit Balances Written back

1,384,847

26,763,164

16,728,613

SCHEDULE "M"**PURCHASES**

Shrimp

161,066,448

224,464,314

161,066,448

224,464,314

SCHEDULE "N"**Construction Material Consumed**

Purchases - Steel

3,911,743

9,361,347

Purchases - Cement

3,427,108

5,438,818

Purchases - Hardware

731,709

1,221,490

Purchases - Sand

415,605

757,644

Purchases - Metal

717,028

607,821

Purchases - Bricks

72,000

Other Construction Material

303,546

361,475

9,578,739

17,748,595

less: Closing Stock

652,008

293,448

8,926,731

17,455,147

SCHEDULE "O"**Other Construction Expenses**

Tunnel Works

2,796,015

3,316,183

Civil Works

2,248,769

3,014,721

Fabrication Expenses

262,194

661,883

Compressor Maintenance

364,426

48,934

Generator Maintenance

42,916

2,507

Labour Charges

7,998,513

7,501,128

Electricity Charges

1,872,304

884,977

Loader Maintenance

69,717

38,123

Rates & Taxes

60,000

25,000

Repairs & Maintenance

1,994,679

1,213,462

Tipper Charges

66,487

818,659

Transport Charges

257,793

Unloading Charges

15,345

Site Maintenance

144,673

37,455

Rent on Plant & Machinery

382,400

18,576,231

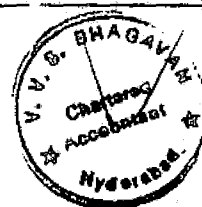
17,563,032



SCHEDULE " P "

PROCESSING, PACKING & SHIPMENT EXP.

	For the year ended 31st March 2008 Rupees	For the year ended 31st March 2007 Rupees
Salaries	1,444,481	1,085,694
Agricultural Cess	376,732	657,810
Cess	-	126,498
Freight Charges	7,216,237	9,925,529
Packing & Stocking	5,031,441	6,098,741
Processing Charges	12,452,288	13,557,463
Shipment Expenses	986,425	739,868
Inspection Charges	159,894	173,830
Transportation	432,350	612,420
Peeling Charges	2,791,049	1,648,230
Ice	691,425	701,525
Other Expenses	3,591,559	3,796,525
Staff Welfare Expenses	198,274	87,637
Monitoring Fee	396,181	501,519
Insurance	104,001	144,564
Truck Hire & Maintenance Charges	3,173,740	3,240,395
Procurement Expenses	604,675	488,640
Commission	1,165,934	1,413,945
Export Claims	197,376	-
Fish Crates Written Off	105,043	140,057
	41,119,104	45,140,891



SCHEDULE "Q"

ADMINISTRATIVE EXPENSES

	For the year ended 31st March 2008 Rupees	For the year ended 31st March 2007 Rupees
Salaries and Other Benefits	3,348,424	3,022,594
Rent, Rates and Taxes	272,244	293,776
Telex & Telephones	578,785	566,299
Postage & Telegrams	141,074	160,401
Directors Remuneration	240,000	240,000
Repairs to Other Assets	87,076	85,553
Travelling Expenses	455,415	838,643
Directors Travelling Expenses	403,051	90,858
Conveyance	43,574	56,888
Printing & Stationery	159,947	200,858
Insurance	197,551	321,299
Audit Fee		
- As Auditors	40,000	40,000
- For Tax Audit	15,000	15,000
Professional Charges	55,000	55,000
Advertisement	158,557	207,874
Vehicle Maintenance	24,400	61,110
Miscellaneous Expenses	399,871	453,774
Sales Tax	754,792	1,153,824
	645,475	316,242
	<u>7,965,236</u>	<u>8,124,992</u>

SCHEDULE "R"

INTEREST & FINANCIAL CHARGES

Interest paid	11,845,412	10,692,342
Bank / Other Charges	1,057,580	1,047,263
Bank Guarantee Commission		23,328
	<u>12,902,992</u>	<u>11,762,933</u>



SCHEDULE "S"

STOCK VARIATION

OPENING STOCK

	For the year ended 31st March 2008 Rupees	For the year ended 31st March 2007 Rupees
Shrimp	39,993,035	34,725,298
Work in Progress (Construction Division)	1,578,152	—
	<u>41,571,187</u>	<u>34,725,298</u>

CLOSING STOCK

Shrimp	47,495,413	39,993,035
<i>Work in Progress</i>	—	1,578,152
	<u>47,495,413</u>	<u>41,571,187</u>

VARIATION

(5,924,226) (6,845,889)



SCHEDULE "T"

NOTES TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31ST MARCH 2008 AND BALANCE SHEET AS AT THAT DATE

1) SIGNIFICANT ACCOUNTING POLICIES

1. The accounts have been prepared under historical cost convention in accordance with Generally accepted Accounting Principles in India and the Provisions of the Companies Act, 1956.

The Company follows Mercantile System of Accounting and recognises income and expenditure on accrual basis except in case of the following :

- a) Insurance Claims
- b) Capital/Revenue Subsidies

2. Fixed Assets

- i) All Fixed Assets are stated at their original cost of acquisition / installation less depreciation. Subsidies received, if any, are reduced from the cost.
- ii) Work-in-progress is stated at cost.

3. Depreciation

- i) Depreciation on Fixed Assets is provided in accordance with Schedule XIV of the Companies Act., 1956 on Straight Line Method.
- ii) Fish crates are depreciated on re-valuation basis.

4. Inventories

Inventories are valued as under :

- | | | |
|-----------------------------|---|--------------------------------|
| a) Stock on Board | : | At estimated realisable value. |
| b) Stock-in-progress | : | At net realisable value. |
| c) Finished Goods | : | At net realisable value. |
| d) Work in Progress | : | At Cost |
| e) Stores/Tools/Fish Crates | : | At cost. |

5. Income Recognition:

- a) Income is recognised on completion of shipment formalities in case of export sales.
- b) In case of contracts revenue is recognised under percentage of completion method and as per certified bills passed by the client.

6. Foreign Currency Translation

Export sales in foreign currency are accounted at the exchange rate prevailing at the time of negotiation of the Bill. Gain/Loss arising out of fluctuations by exchange rates where not determined are accounted for on subsequent realisation / payment.

7. Investments are valued at cost.



8. Retirement Benefits :

Gratuity is administered through group gratuity policy with Life Insurance Corporation of India. Premium accrued and payable under the above policy is charged to revenue. Leave encashment is treated on cash basis.

9. Taxation :

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income tax Act, 1961.

In accordance with the Accounting Standard - 22 - Accounting for taxes on income, issued by the Institute of Chartered Accountants of India, the Company has recognized the deferred tax liability in the Accounts.

Deferred tax Assets arising on account of brought forward losses and unabsorbed depreciation are recognised only to the extent that there is a reasonable certainty that such deferred tax assets can be realised.

10. Additional Information :

<u>S.No.</u>	<u>Particulars</u>	<u>Unit</u>	<u>2007-2008</u>	<u>2006-2007</u>
I)	Contingent liabilities/claims not provided for :			
a)	Unexpired Bank Guarantees	Rs.	900,000	900,000
II)	Estimated amount of contracts remaining to be executed on account of Capital works	Rs.	NIL	NIL
III)	Information pursuant to Paragraph 3 and 4 Part II of Schedule VI to the Companies Act, 1956			
a)	Licensed Capacity		N.A.	N.A.
b)	Installed Capacity	M.T.	6,000	6,000
c)	Actual Production *	M.T.	719.435	896.110
	* Production for the year includes goods processed in the own plant which was given on lease.			
d)	Sales :			
i)	Quantity of Shrimp	M.T.	708.548	897.475
ii)	Value of Shrimp	Rs.	197,694,793	272,959,831
e)	Purchases :			
i)	Quantity of Shrimp (Raw material)	M.T.	862.994	1,114.144
ii)	Value of Shrimp (Raw material)	Rs.	161,066,448	22,464,314
f)	Raw Material consumed :			
	Shrimp Qty.	M.T.	862.994	1,114.144
g)	Opening Stock :			
i)	Shrimp Qty. *	M.T.	143.170	144.535
ii)	Value of Shrimp	Rs.	39,993,035	34,725,298
	(* includes raw material)			



h) Closing Stock :

Shrimp Qty.	M.T.	154.058	143.170
Value of Shrimp (* including Stock in Transit)	Rs.	47,495,413	39,993,035

i) Expenditure incurred in foreign currency :

Imported Spares(Including for Capital goods)	Rs.	NIL	NIL
Travelling Expenses	Rs.	-	-

j) Earnings in Foreign Exchange(FOB) Rs. 190,478,556 263,034,302

IV) Details of Remuneration to Whole-time Directors :

Sri T. Valsaraj, Managing Director

i) Salary	Rs.	240,000	240,000
ii) Allowances	Rs.	-	-

V) Donations included in Misc. expenses Rs. 5,000 3,000

VI) Other Income includes export benefits earned on account of exports amounting to Rs.216.45 lakhs.

VII) Advances recoverable include advances given for purchase of Shrimp Rs. 50.92 lakhs for which the Company does not hold adequate security.

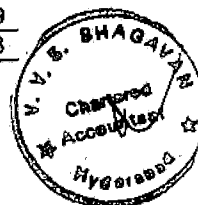
VIII) The Company has not made any Provision towards gratuity.

IX) Confirmation of balances in case of Debtors and Creditors have not been received.

X) Directors have waived their sitting fee hence no provision has been made in the accounts

(XII) In compliance with the Accounting Standard relating to "Accounting for taxes on income" (AS22) issued by the Institute of Chartered Accountants of India the Company has reversed current tax liability of Rs. 2,67,529 /- on account of timing difference in the method of depreciation adopted. The company has provided Rs. 6 lakhs towards income under Minimum Alternate Tax.

Deferred Tax liability as on 1.4.07	2,575,696
Current tax liability as on 1.4.07	391,337
	<hr/>
	2,967,033
Less : Deferred Tax Asset as on 1.4.07	2,448,751
	<hr/>
	518,282
Less : Reversal of Current Tax liability	267,529
Deferred tax liability as on 31.03.2008	<hr/>
	250,753



11. ACCOUNTING STANDARD 17: SEGMENT REPORTING

(Rs. in Lakhs)

	Export Division		Construction Division		Consolidated Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Primary Disclosures						
External Revenue	1,976.95	2,729.60	285.07	473.07	2,262.02	3,202.67
Internal Segment Revenue	-	-	-	-	-	-
Interest and other income	269.47	169.60	0.81	-	270.28	169.60
	2,246.42	2,899.20	285.88	473.07	2,532.30	3,372.27
Segment Result	227.96	186.64	(41.29)	95.34	-	281.98
Less: Interest expenses	126.00	113.93	(3.03)	3.70	-	117.63
Net Profit (PBIT)	101.96	72.71	(44.32)	91.64	57.64	164.35
Less: Provision for taxation						
Current Tax	(6.00)	-	-	-	(6.00)	(21.00)
Current tax (Reversed)	2.67	-	-	-	2.67	1.69
FBT	(0.85)	-	(0.59)	-	(1.44)	(0.59)
Less: Previous year Adjustmer	(2.83)		(1.38)	-	(4.21)	(0.92)
Prior period Taxes						
Net Profit	94.95	72.21	(46.19)	91.64	48.66	143.53
Other Information						
Segment Assets	1,234.67	1,039.38	117.08	149.82	1,351.75	1,189.20
Segment Liabilities	266.31	168.09	60.54	74.12	326.85	242.21
Depreciation	18.85	20.51	9.48	9.58	28.33	30.09

Secondary Disclosures

Revenue from External Customers by location of Customers	=	The main customer base of company's products is in Europe and Japan
Carrying amount of segment assets by location of assets	=	State of Andhra Pradesh and Himachal Pradesh
Compostion of each geographical segment	=	State of Andhra Pradesh and Himachal Pradesh



12. Accounting Standard - 18 -- Related Party Disclosure

(i) List of related parties with whom transactions have taken place and relationships.

- (a) M/s.Konad Investments & Finance Pvt. Ltd. - Associate Company
- (b) Sri T. Valsaraj - Key Management Personnel
- (c) Sri G.V.V. Satyanarayana - Key Management Personnel
- (d) M/s.Coastal Feed Products Pvt. Ltd. - Associate Company
- (e) M/s.Balaji Seafoods Ltd. - Associate Company
- (f) M/s.Mangalam Energy Development Company Pvt Ltd - Associate Company

(ii) Transactions during the year with related parties.

				(Rs.in lakhs)	
Sl.No.	Name of the Party	Relationship	Nature of transaction	Amount Rs.	Balance outstanding on 31.3.07
1)	Sri T. Valsaraj	Managing Director	Remuneration Received/Paid	2.40(CR) 0.72(DR)	2.59(CR)
2)	Sri G.V.V. Satyanarayana	Director	Amount Received/Paid	0.13 (DR) 0.04(CR)	0.55 (CR)
3)	M/s.Konad Investments & Finance Pvt. Ltd.	Associate	Amount Received/Paid	0.04 (DR) 0.40(CR)	15.06 (CR)
4)	M/s.Coastal Feed Products Pvt. Ltd.	Associate	Amount Received/Paid	0.02(DR)	16.11(DR)
5)	M/s.Balaji Seafoods Ltd.	Supplier	Amount Received/Paid	115.42(DR) 113.51(CR)	32.55(DR)
6)	M/s.Mangalam Energy Development Company Pvt Ltd	Associate	Amount Received/Paid	2.45(DR) 8.38(CR)	13.18(DR)
7)	Coastal Developers Ltd	Associate	Amount Received/Paid	6.00(CR) 0.09(DR)	5.98(CR)
8)	Sai Srekara Realtors & Fisheries	Associate	Amount Received/Paid	11.75(DR) 11.0(CR)	0.75(DR)
9)	Ting Tai India Ltd	Associate	Amount Received/Paid	0.30(DR) 0.10 (CR)	0.10(DR)

13. Interest on calls-in-arrears has not been provided in the accounts. Notices have been issued for forfeiture of shares.

14. Previous years figures have been regrouped where ever necessary.

Signatures to Schedules " A " to " T "

Place : Visakhapatnam

Date : 28.08.2008

T. Valsaraj
(T.VALSARAJ)
Managing Director

G.V.V. SATYANARAYANA
Director

V.V.S. BHAGAVAN
Chartered Accountant

