

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **TWENTY-NINTH** Annual General Meeting of the Members of **COASTAL CORPORATION LIMITED** will be held on Monday, the 30th Day of August, 2010 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:

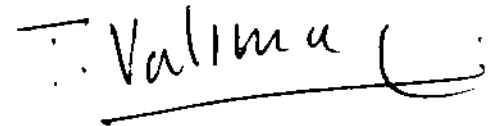
1. To receive, consider and adopt the Audited Annual Accounts consisting of Profit & Loss Account for the year ended 31st March, 2010 and the Balance Sheet of the Company as on that date, Schedules and Notes thereon together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Sri Venkateswara Rao Kamireddy, 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 of the Company 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 : 22 .06.2010

By Order of the Board
For COASTAL CORPORATION LIMITED



(T. VALSARAJ)
MANAGING DIRECTOR

Coastal Corporation Ltd.

(Formerly known as Coastal Trawlers Ltd.)

GOVT. OF INDIA RECOGNISED ★ STAR EXPORT HOUSE

Regd. Off. 15-1-37/3, Nowroji Road, Maharanieta, Visakhapatnam - 530 002, INDIA
Phone : 0891-2567118, Cable : COASTAL, Fax : 0891-2567132
e-mail : coastal@eth.net

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

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 Monday, the 23rd day of August, 2010 to Friday, the 27th day of August, 2010 (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.

DIRECTOR'S REPORT

To

**The Members
Coastal Corporation Limited
Visakhapatnam – 530 002.**

Your Directors have pleasure in presenting the **TWENTY-NINTH** Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2010 and the report of the Auditors thereon.

1. FINANCIAL RESULTS :

	Year Ended 31.03.2010	Year Ended 31.03.2009
Sales	23,39,10,537.00	21,02,90,163-00
Work Contract Receipts	----	----
Interest	95709-00	6,56,153-00
Other Income	3,78,67,066-00	2,94,95,419-00
Total Income	27,18,73,312-00	24,04,41,735-00
Less : Expenditure	25,98,78,808-00	23,25,00,443-00
Profit before Depreciation and Taxation	1,19,94,504-00	79,41,292-00
Less : Depreciation	34,09,639-00	29,20,934-00
Profit before Taxation	85,84,865-00	50,20,358-00
Less: Provision for Tax	(15,51,909-00)	(10,76,712.00)
Less: Prior Period Adjustments	----	(9,22,982)
Net Profit for the Year	70,32,956.00	48,66,628-00

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// 2 //

2. REVIEW OF OPERATIONS :

During the year under review, the Company has earned an income of **Rs.27,18,73,312-00** as compared to **Rs.24,04,41,735-00** during the previous year and the expenditure incurred amounted to **Rs.25,98,78,808-00** as against **Rs.23,25,00,443-00** during the previous year. The depreciation provided for the reporting year was **Rs.34,09,639-00** as compared to **Rs.29,20,934-00** during the previous year. Hence, Net Profit after tax was amounted to **Rs.70,32,956.00** as compared to **Rs.48,66,628-00** during the previous year.

The efforts taken by the Directors as well as efficient and effective services given to its valuable customers is clearly evident with the rise of the turnover, the Company is continuing in the line of profit. However, your Directors have making all possible ways and means for increasing the business of the company and also striving to control Overheads. Hence, the Company expects more profits in the years to come.

3. DIVIDEND:

In view of meeting the working capital requirements for the business, 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, 2010.

4. PREFERENTIAL SHARES :

During the period under review the Company has issued and allotted 6.5% 13,00,000 (Thirteen lakhs) Redeemable Preference Shares of Rs. 10/- (Rupee Ten only) each at par.

5. 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 ICICI Bank Limited for other Term Loans for the business requirements.

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// 3 //

6. DEPOSITS:

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

7. INSURANCE:

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

8. EMPLOYEE RELATIONS:-

The Company has been in touch relating to recruitment of required personnel at all levels, for operations of the Company and to render services efficiently and effectively. The Board wishes to place on record their sincere appreciation to their employees at all levels for their commitment dedication for the growth and development of the Company.

9. 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.

10. PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ETC:

Your Company continues to explore all possible avenues to reduce energy consumption.

As your Company is covered in the Schedule to the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, read with Section 217(1)(e) of the Companies Act, 1956, the details under Form 'A' are furnished as an annexure-1.

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// 4 //

11. FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the period under review, the Company has earned Foreign Exchange to the tune of Rs.19,46,00,253/- (FOB) and has not incurred any amount in Foreign Exchange.

12. 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, 2009, 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, 2009 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, 2010 on a going concern basis.

13. THE BOARD :

The Board of Directors of the Company is duly constituted. Sri Venkateswara Rao Kamireddy, 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.

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14. CORPORATE GOVERNANCE:

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

15. MANAGEMENT DISCUSSION AND ANALYSIS:

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

16. COMPLIANCE CERTIFICATE:

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

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 him to the effect that his appointment if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956 and that he is 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 Auditors of the Company for the financial year 2010-11.

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.

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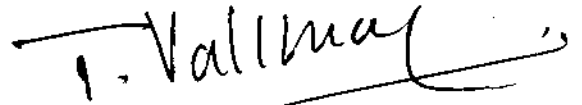
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// 6 //

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, Financial Institutions, Customs Authorities, Local Bodies, Overseas Bodies, other Corporate 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, well-wishers and all other persons dealing with the Company.

By Order of the Board
For COASTAL CORPORATION LIMITED



(T. VALSARAJ)
MANAGING DIRECTOR



(G.V.V. SATYANARAYANA)
DIRECTOR

Place : Visakhapatnam
Date : 22.06.2010

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ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS :

THE GLOBAL & INDIAN ECONOMY

It's almost a decade since we entered into the 2000s. Economic growth in these years wasn't so impressive for the western economies. Indeed, the so-called fastest growing economies (such as India, Brazil, China, Mexico, Russia, and Indonesia) have seen a unprecedented economic expansion because, the eastern economies were the producers and the western economies were the consumer and the same trend would likely to continue as the companies, nowadays, are more conscious about the cost. Rising input cost (or raw material) are forcing the corporations in the industrialized economies to shift their focus on the cost-effective region to keep up the pricing competitiveness in the specific industry, they are in. Change in consumer trend is also major concern for the companies to invest more in the process of innovation, research and development (R&D).

As the economic pace is picking up, global commodity prices have staged a comeback from lows and global trade has also seen a decent growth over the last two years. Unprecedented Government intervention and exceptionally large interest rate cuts by the central bank in advanced and emerging economies have contributed a lot to pull the global economy up from the deepest recession since the World War II. Several Governments around the world launched the stimulus packages to prop up the economic growth, generate employment opportunities and the overall economic growth with the aim to reduce uncertainty in the economy and increased confidence. Global economy is seems to be expanding after a recent shock. Indian Economy, however just felt the blow of the global economic recession and the real economic growth have seen a sharp fall followed by the lower exports, capital outflow and corporate restructuring.

Year 2009 has started on the gloomy note, however the trend reversed from the first quarter of the year, financial markets posted strong gains fueled by huge amount of capital inflows which was set-aside during the economic downturn in search of a higher yield. Number of companies jumped into the equity markets to raise funds to de-leverage themselves, corporate risk have declined. Before the beginning of the economic recession, several companies betted on the better economic future and blindly raised funds thru various options (largely in a way of debt). Real Estate was the hardest hit industry during the recession. Many companies even offloaded their huge amount of stake, in order to meet the deadline to pay-off the short-term debt. Not only the realty companies which has faced that situation, actually many Small & Medium Enterprises (SMEs) have opted that option to expand themselves aggressively and routed out of the business. As the new year begins, the new wave of optimism has surrounded the economies to expand further from the recent shock, with the expectations of fresh stimulus package, shrink in unemployment rate, expectations of the high inflation, higher interest rates in the emerging economies.

// 2 //

INDUSTRY STRUCTURE AND DEVELOPMENT:

As per the official report by Marine Exports Product Development Authority (MPEDA) Aquaculture production increased by more than 30% during the last financial year largely because of increased output in Andhra Pradesh and Tamil Nadu. During 2009-10, total production touched 1,06,000 tonne and exports were also on the higher side as per the MPEDA data.

Indian aquaculture has demonstrated a six-and-a-half-fold growth over the last two decades, with freshwater aquaculture contributing over 95% of the total production. India utilises only about 40% of the available 2.36 million hectares of ponds and tanks for freshwater aquaculture and 13% of a total potential brackish water resource of 1.2 million hectares. In other words, there is room for both horizontal and vertical expansion of these sectors. Despite global recession and a stronger rupee, marine exports crossed the \$2-billion mark for the first time in the 2009-2010 fiscal. Indian seafood export volumes grew 10 per cent to 6,63,603 tonnes while realisation grew 15 per cent to Rs 9,921.46 crore during 2009-10. Foreign exchange earnings were up 10 per cent at \$2.105 billion.

There were also problems such as anti-dumping duties imposed by the US on shrimp imports from India, export rejections on some seafood consignment to the EU on quality concerns and problems with the Japanese markets. In spite of the above and global economic recession growth was achieved due to lower consumption of high-end seafood products.

Increased exports have due to increased trade in Middle East and South Asian countries, while exports to the traditional US market recorded a decline. Exports to Middle East countries have increased by 27% during the last one year while Southeast Asian countries imported 62% more during the last fiscal. Exports to countries like Libya, Reunion Islands, Australia, Puerto Rico, Dominican Republic, Kenya, Tanzania, Ukraine and Brazil also registered a positive growth. European Union (EU) continued to be the largest market for Indian seafood exports with a share of 30.07% in dollar realisation.

Shrimp exports continued to dominate seafood exports and accounted for 44 per cent of the total volume. However, shrimp volumes have been coming down over the years and today account for just 20 per cent. Even in foreign exchange earnings, shrimp accounted for 44 per cent of the total realisation. Close to 40 per cent of the total volume of exports was contributed by frozen fish. Although there was no significant growth in volumes on a year-on-year basis, the value realisation has moved up close to 10 per cent. The bulk of the frozen fish exports would have been contributed by China which have been importing low-value fishes such as ribbon from India in recent years. Frozen cuttlefish and squid have all along been dominating exports to the EU. While there have been handsome gains in the export of cuttlefish, squid exports have been looking down. Squid exports dropped in volume by 12 per cent and even more sharply in value by 20 per cent. This was more or less compensated by a growth in cuttlefish exports by close to 10 per cent in value.

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// 3 //

Human Resources/Industrial Relations:

Industrial relations during the year under review were cordial and peaceful. Your Directors wish to place on record the excellent cooperation and contribution made by the employees at all levels to the growth and development of the Company.

Internal Control Systems and their Adequacy:

Your Company has instituted adequate internal control systems commensurate with its size and scale of operations. The Audit Committee periodically reviews such systems with the help of the internal and Statutory Auditors and reports to the Board on its adequacy.

Future Outlook:

The Indian Sea Food industry is developing with near double-digit positive levels of growth posted consistently year-on-year since the beginning of the decade. The growth of the Indian industry across the decade is significant and second only to China with regard to rates of expansion for Asia-Pacific. Hence, the sea food export industry is a major constituent of the Indian Economy. The Indian sea food export industry by and large still remains fragmented and dominated by traditional methods with excessive labor deployment.

Opportunities and Threats

The Indian seafood industry has successfully shifted to other destinations than US and EU. With resurgent growth in volume and value of exports to China and other South Asian countries, exports to the East is now way ahead of the West in both volume and value. The acceleration to India's seafood exports are expected to come from China and other South East Asian countries in the coming years.

The importance of the US as an export destination has also been coming down over the years. The recent spike in the rate of anti-dumping duty for Indian shrimp exports to the US continues to be a cause of concern. The growth from the EU will depend on how fast they are able to overcome the economic downturn and resume the accelerated rate of growth.

// 4 //

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-2010

(As required under Clause 49 of the Listing Agreements entered with Stock Exchanges)

A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Your Company believes that the fundamental objective of Corporate Governance is enhancing the interests of all stakeholders. The Company's Corporate Governance practices emanate from its commitment towards discipline, accountability, transparency and fairness. Key elements in Corporate Governance are timely and adequate disclosure, establishment of internal controls and high standard of accounting fidelity, product and service quality.

Your Company also believes that good Corporate Governance practices help to enhance the performance and valuation of the Company.

BOARD OF DIRECTORS:

(a) Composition and Category of Directors:

As on 31.03.2010, the strength of the Board of Directors is 6 and its composition is as follows:

(i) Promoter Directors

- | | | | |
|-----|-----------------|---|------------------------------|
| 01. | Sri T. Valsaraj | - | Promoter & Managing Director |
| 02. | Sri S. Rajaram | - | Director |

(ii) Non- Executive Director

01. Smt Jeeja Valsaraj

(iii) Non- Executive Independent Directors

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

// 5 //

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

[PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT]

Name of Director	Sri Venkateswara Rao Kamireddi
Date of birth	15.06.1945
Date of Appointment	01.10.2004
Areas of Experience	Consultancy
Educational Qualifications	M.Tech
Other Company's in which hold Directorship	NIL
Membership / Chairmanship of Board Committees including other Companies	NIL
Shareholding in this Company	NIL

(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	11	11	Present	1	--	--
Sri S. Rajaram	11	11	Present	0	--	--
Sri G.V.V. Satyanarayana	11	11	Present	2	--	--
Smt. Jeeja Valsaraj	11	11	Present	1	--	--
Sri K. Venkateswara Rao	11	11	Present	0	--	--
Sri Dilip Kumar Biwalkar	11	11	Present	0	--	--

// 6 //

(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:

- (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.

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// 7 //

- (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

// 8 //

(d) REMUNERATION COMMITTEE – POLICY – DETAILS:

The Company has constituted Remuneration Committee comprises Sri G.V.V. Satyanarayana, Sri S. Rajaram and Sri 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 2009-2010

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 Valasaraj	-	-	-
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.

(f) DETAILS OF THE COMPLIANCE OFFICER:

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

// 9 //

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, 2010."

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
2008-2009	15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530 002, Andhra Pradesh, India	29.09.2009	10.30AM	One
2007-2008	15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530 002, Andhra Pradesh, India	27.09.2008	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

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// 10 //

(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.

Coastal Corporation Ltd.

(Formerly known as Coastal Trawlers Ltd.)

GOVT. OF INDIA RECOGNISED ★ STAR EXPORT HOUSE

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

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

// 11 //

(j) GENERAL SHAREHOLDER INFORMATION:

i) Twenty-Nineth Annual General Meeting of the Company :

Date & Time : Monday, 30th August, 2009 at 10:30 A.M.

Venue : Registered Office of the Company
15-1-37/3, Nowroji Road,
Maharanipeta,
Visakhapatnam – 530 002
Andhra Pradesh, India

ii) Financial Calendar : April to March.

iii) Date of Book Closure Date : Monday, 23rd August, 2010 to
Friday, 27th August, 2010 (both
days inclusive)

iv) Dividend Payable Date : Not Applicable

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 Agents : The Board has appointed M/s
Bigshare Services Pvt. Ltd., Mumbai
as its Share Transfer Agents

vii) High/Low Market Price : There was no trading in Shares
during the year 2009-10

Coastal Corporation Ltd.

(Formerly known as Coastal Trawlers Ltd.)

GOVT. OF INDIA RECOGNISED ★ STAR EXPORT HOUSE

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Phone : 2739323

// 12 //

(k). Share Transfer System :

The Board has appointed M/s.Bigshare Services Private Limited, Mumbai 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.

(l) Distribution of Shareholding :

(a) Shareholding Pattern as on 31st March, 2010

SL NO	CATEGORY	NO. OF SHARES HELD	% OF SHAREHOLDING
A	PROMOTERS HOLDINGS		
1.	PROMOTERS:-		
	- Directors	2,99,030	23.01
	- Foreign Promoters	NIL	NIL
2.	PERSONS ACTING IN CONCERT	NIL	NIL
	SUB-TOTAL:-	2,99,030	23.01
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. FII's	NIL	NIL
	SUB-TOTAL:-	28,614	2.20
4.	OTHERS		
	a. Private Corporate Bodies	2,700	0.21
	b. Indian Public	4,94,556	38.06
	c. NRIs/OCBs	4,74,600	36.53
	d. Any Other(Please Specify)	NIL	NIL
	SUB-TOTAL:-	9,71,856	74.80
	GRAND TOTAL:-	12,99,500	100.00

// 13 //

(b) Distribution of Shareholding as on 31.03.2010

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		1286	91.66	2267100	17.44
5001 to 10000		42	3.00	353600	2.72
10001 to 20000		26	1.86	433000	3.33
20001 to 30000		10	0.71	256000	1.96
30001 to 40000		05	0.35	197000	1.51
40001 to 50000		07	0.50	300860	2.31
50001 to 100000		05	0.35	334000	2.57
100001 and above		16	1.57	8853440	68.16
Total		1397	100.00	12995000	100.00

(m) 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.Bigshare Services Private Limited, Mumbai have been appointed as Registrar & Share Transfer Agents of the Company and for related matters.

- 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., F.C.A.
Chartered Accountant

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

Date: 22.06.2010

AUDITOR'S REPORT

To
The Members of
M/s. COASTAL CORPORATION LIMITED

I have examined the attached Balance Sheet of M/s. Coastal Corporation Ltd., (Formerly known as Coastal Trawlers Ltd.), Visakhapatnam as at 31st March, 2010, the Profit and Loss Account for the year ended 31st March, 2010 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 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 assessment of 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.

- A. As required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government of India in terms of Sub-section (4A) of Section 227 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.
- B. 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 account, as required by Law have kept by the Company so far as appears from my examination of such books.



Contd..2.

- iii) The Company's Balance Sheet and Profit and 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) Based on representations made by all the Directors of the Company and the information and explanations made available, the Directors of the Company do not prima facie have any dis-qualification as referred to in Clause (g) of sub-section (1) of Sec.274 of the 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 and Loss Account and the 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, 2010 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

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in paragraph 1 of my 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 the 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 the book records were not material and have been properly dealt with in the books of account.
3. According to the information and explanations given to me, the Company has not taken any loans from the parties covered under section 301 of the Companies Act, 1956.
4. In my 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 company has an internal audit system and 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.
9. 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, Employee's State Insurance, Income-Tax, Cess and other statutory dues with the appropriate authorities. As on 31st march 2010 there are no dues which are outstanding for a period of more than 6 months from the date they became payable.
10. The Company has no accumulated losses as on 31st March 2010. Further it has not incurred any cash loss in the financial year under report and in the immediately preceding financial year.
11. According to the information and explanations given to me, the Company has not granted any loans and advances on the basis of Security by way of pledge of shares and other securities.
12. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the company.



Contd..3.

13. The company is not dealing or trading in shares or securities.
14. The company has not given any guarantee for loans taken by others from Banks or financial institutions.
15. The Company has not taken any term loans during the Financial Year.
16. According to the information and explanations given to me and on an overall examination of the balance sheet of the Company, I report that no funds raised on short-term basis have been used for long-term investment by the Company and vice versa.
17. The Company has made preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956.
18. The Company has not issued any Debentures.
19. The Company has not raised any money from public.
20. To the best of my knowledge and belief and according to the information and explanation given to me, no fraud on or by the Company has been noticed or reported during the year.


(V.V.S. BHAGAVAN)
Chartered Accountant



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

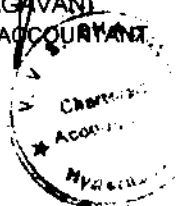
BALANCE SHEET AS AT 31ST MARCH, 2010

	Schedule No.	As at 31st Mar-10 Rupees	As at 31st Mar-09 Rupees
SOURCES OF FUNDS :			
SHAREHOLDERS' FUNDS			
Share Capital	"A"	25,767,142	12,767,142
Reserves & Surplus	"B"	22,665,458	15,632,502
LOAN FUNDS			
Secured Loans	"C"	73,764,683	83,390,761
DEFERRED TAX LIABILITY	"D"	831,139	639,230
		123,028,422	112,429,635
APPLICATION OF FUNDS :			
FIXED ASSETS			
Gross Block	"E"	79,686,159	65,457,527
Less : Depreciation		25,839,503	22,802,708
Net Block		53,846,656	42,654,819
Capital Work in Progress		193,220	463,728
INVESTMENTS			
	"F"	-	-
CURRENT ASSETS, LOANS AND ADVANCES :			
i) Current Assets	"G"	75,429,476	81,372,118
ii) Loans and Advances	"H"	8,009,406	8,015,875
LESS : CURRENT LIABILITIES AND PROVISIONS :			
i) Current Liabilities	"I"	14,450,336	20,076,905
		123,028,422	112,429,635
MISCELLANEOUS EXPENDITURE & LOSS			
i) Profit & Loss Account		-	-
Notes to the Accounts	"Q"	123,028,422	112,429,635

T. Valima
(T. VALSARAJ)
MANAGING DIRECTOR

Satyanarayana
(G.V.V. SATYANARAYANA)
DIRECTOR

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



Place : Visakhapatnam
Date : 22.06.2010

COASTAL CORPORATION LIMITED :: VISAKHAPATNAM
SCHEDULES TO BALANCE SHEET

	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SCHEDULE "A"		
<u>SHARE CAPITAL</u>		
<u>AUTHORISED</u>		
30,00,000 Equity Shares of Rs.10 each (Previous year 50,00,000 Equity Shares of Rs.10 each)	30,000,000	50,000,000
20,00,000 Preference Shares of Rs.10 each	20,000,000	-
(During the Accounting Year the Authorised Share Capital has been reclassified - Refer Note No.9(VI))		
	<u>50,000,000</u>	<u>50,000,000</u>
<u>ISSUED,SUBSCRIBED AND PAID UP:</u>		
<u>EQUITY</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/- each and 1,21,775 Equity shares of Rs. 10/-each allotted in Cash at a premium of Rs. 10/-	12,995,000	12,995,000
Less: Calls in Arrears	227,858	227,858
	<u>12,767,142</u>	<u>12,767,142</u>
<u>PREFERENCE</u>		
13,00,000 6.5% Redeemable Preference Shares of Rs.10 each fully paid up	13,000,000	-
	<u>25,767,142</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	17,273,766	10,240,810
	<u>22,665,458</u>	<u>15,632,502</u>



	<u>As at 31st March 2010 Rupees</u>	<u>As at 31st March 2009 Rupees</u>
SCHEDULE "C"		
SECURED LOANS		
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 properties of the Directors (includes PCFC limit of Rs.2.50 crores)	64,888,041	66,891,068
ii) Term Loan from Bank of India secured on 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	8,212,852	16,074,060
iii) Secured Loan from Centurion Bank of Punjab Ltd. on hypothecation of Construction Equipment repayable in instalments	-	1,200
iv) Secured loan from ICICI Bank Ltd. on hypothecation Car repayable in instalments	239,545	424,433
v) Secured loan from Bank of India on hypothecation Car repayable in instalments	424,245	-
	<u>73,764,683</u>	<u>83,390,761</u>

SCHEDULE "D"
Deferred Tax Liability

i) For Deferred Taxation	2,575,696		2,575,696	
Less: Deferred Tax Asset	<u>2,448,751</u>	126,945	<u>2,448,751</u>	126,945
ii) For Deferred Tax		704,194		512,285
		<u>831,139</u>		<u>639,230</u>



SCHEDULE - "E"

FIXED ASSETS

DESCRIPTION	GROSS BLOCK AT COST		DEPRECIATION		NET BLOCK	
	As at 31.3.09 Rupees	Add/del during the year Rs.	Upto 31.3.09 Rupees	For the year (Deletion)Rs	As at 31.3.10 Rupees	As at 31.3.09 Rupees
01. Land	1,713,871	5,713,000	7,426,871	-	7,426,871	1,713,871
02. Buildings - Office	613,931	-	613,931	10,007	148,440	475,498
Processing Plant-1	16,802,771	753,007	17,555,778	580,093	4,259,405	13,296,373
Processing Plant-2		5,887,100	5,887,100	-	-	5,887,100
03. Plant & Machinery	23,016,321	1,461,473	24,477,794	1,243,121	8,242,839	16,016,603
04. Roads	406,473	-	406,473	13,576	203,640	202,833
05. Sheds	75,950	-	75,950	-	75,950	-
06. Electrical installations	2,546,896	-	2,546,896	120,978	1,377,620	1,169,276
07. Fixtures & Fittings	1,352,655	-	1,352,655	85,623	1,213,195	225,083
08. Other Assets	3,239,840	75,702	3,315,542	154,583	2,149,024	1,166,518
09. Computers	594,972	121,733	716,705	99,993	673,905	42,800
10. Trucks	4,603,693	(372,844)	4,230,849	685,821	3,238,688	992,161
11. Motor Vehicles	3,998,514	589,461	4,587,975	406,554	2,632,775	1,955,200
12. Construction Equipment	5,504,318		5,504,318	-	1,366,688	4,137,630
13. Crushers	797,017		797,017	-	102,590	694,427
14. Temporary Structures	143,855		143,855.00	-	143,855	-
15. Software	46,450		46,450.00	9,290	10,889	44,851
TOTAL	65,457,527	14,228,632	79,686,159	3,409,639	25,839,503	42,809,968
PREVIOUS YEAR	40,854,092	24,603,435	65,457,527	2,920,934	22,802,708	20,972,318

	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SCHEDULE "F"		
INVESTMENTS		
i) 4,800 Equity Shares of Rs.100/- in M/s.Arya Fisheries Ltd., (unquoted - valued at par)	480,000	
Less : Written off / Provision for Dimunition in value	- 480,000	-

SCHEDULE "G"

CURRENT ASSETS

i) CASH AND BANK BALANCES

Cash on Hand	926,498	139,080
Cash in Current Account with Banks	3,400,988	7,778,289
Cash in Term Deposits with BOI	251,410	236,049
Cash in Term Deposits with Hong Kong & Shanghai Banking Corp.	4,972	4,972
ii) Stock of Fish Crates / Tools (at cost)	665,549	601,395
iii) Stock of Packing Material (at cost)	1,412,034	483,458
iv) Stock of Shrimp (Valued at net realisable value)	44,518,860	55,622,848
v) Duty Entitlement/Other Receivables	11,805,888	14,959,707
vi) Income Tax Refund Receivable	204,218	204,218
vii) Freight Subsidy Receivable	1,380,696	-
viii) Sundry Debtors (Unsecured - Considered good)		
More than six months	-	-
Less than six months	10,858,363	1,342,102
	<u>10,858,363</u>	<u>1,342,102</u>
	<u>75,429,476</u>	<u>81,372,118</u>

SCHEDULE "H"

LOANS AND ADVANCES

Advances recoverable in cash or kind or for value to be received	3,365,966	4,072,435
Less: Provision for doubtful Advances	<u>367,620</u>	<u>467,620</u>
	2,998,346	3,604,815
Deposits	1,888,358	1,888,358
Advance Tax	900,000	300,000
Other Advances	2,222,702	2,222,702
	<u>8,009,406</u>	<u>8,015,875</u>



	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SCHEDULE "I"		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
i) Sundry Creditors	6,514,021	12,314,612
ii) Other Liabilities	5,578,686	6,451,930
	<u>12,092,707</u>	<u>18,766,542</u>
PROVISIONS :		
For Taxation		
Income Tax	2,357,629	1,217,629
F.B.T	-	92,734
	<u>14,450,336</u>	<u>20,076,905</u>

	For the year ended 31st March 2010 Rupees	For the year ended 31st March 2009 Rupees
SCHEDULE "J"		
SALES		
Shrimp	233,910,537	212,457,153
Less: Sales Returns	-	2,166,990
	<u>233,910,537</u>	<u>210,290,163</u>

SCHEDULE "K"		
OTHER INCOME		
Export Benefits	29,673,113	25,941,217
Processing Charges	8,005,235	3,534,844
Credit Balances Written back	108,718	19,358
	<u>37,787,066</u>	<u>29,495,419</u>

SCHEDULE "L"		
PURCHASES		
Shrimp	175,037,512	163,811,809
	<u>175,037,512</u>	<u>163,811,809</u>



SCHEDULE "Q"

NOTES TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010 AND BALANCE SHEET AS AT THAT DATE

I) 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) Finished Goods | : | At net realisable value. |
| b) Stock-in-process | : | At cost. |
| c) Rawmaterial | : | At cost. |
| d) Stores/Tools/Fish Crates | : | At cost. |

5. Income Recognition:

- b) Income is recognised on completion of shipment formalities in case of export sales.

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. 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.

8. 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 Incometax 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.

9. Additional Information :

<u>S.No.</u>	<u>Particulars</u>	<u>Unit</u>	<u>2009-2010</u>	<u>2008-2009</u>
I)	Contingent liabilities/claims not provided for :			
a)	Unexpired Bank Guarantees	Rs.	NIL	NIL
II)	Estimated amount of contracts remaining to be executed on account of Capital works	Rs.	1.00 Lakh	11.00 lakhs
III)	Information pursuant to Paragraph 3 and 4 Part II of Schedule VI to the Companies Act, 1956			
a)	Licenced Capacity		N.A.	N.A.
b)	Installed Capacity	M.T.	10,500	10,500
c)	Actual Production *	M.T.	806.59	729.518
d)	Sales :			
i)	Quantity of Shrimp	M.T.	816.87	762.86
ii)	Value of Shrimp	Rs.	233,910,537	210,290,163
e)	Purchases :			
i)	Quantity of Shrimp (Raw material)	M.T.	952.14	937.79
ii)	Value of Shrimp (Raw material)	Rs.	175,037,512	163,811,809
f)	Raw Material consumed :			
	Shrimp Qty.	M.T.	952.14	937.79
g)	Opening Stock :			
i)	Shrimp Qty. *	M.T.	120.72	154.06
ii)	Value of Shrimp (* includes raw material)	Rs.	55,622,848	47,495,413



h) Closing Stock .

Shrimp Qty.	M.T.	110.44	120.72
Value of Shrimp (* including Stock in Transit)	Rs.	44,518,860	55,622,848

i) Expenditure incurred in foreign currency :

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

j) Earnings in Foreign Exchange(FOB) Rs. 225,587,505 194,600,253

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. 25,000 20,700

VI) During the Accounting year the Authorised Capital of 50,00,000 Equity Shares of Rs.10 each has been reclassified as 30,00,000 Equity Shares of Rs.10 each and 20,00,000 Redeemable Preference Shares of Rs.10 each Vide special resolution passed at E.G.M held on 15.03.2010

VII) Other Income includes export benefits earned on account of exports amounting to Rs.296.73 lakhs.

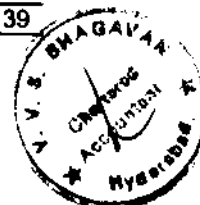
VIII) The Company has not made any Provision towards leave encashment.

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

XI) 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 provided deferred tax liability of Rs.1,91,909/- on account of timing difference in the method of depreciation adopted. The company has provided Rs.13.60 lakhs towards income under Minimum Alternate Tax.

Deferred Tax liability as on 1.4.09	2,575,696
Current tax liability as on 1.4.09	512,285
	<hr/>
	3,087,981
Less : Deferred Tax Asset as on 1.4.09	2,448,751
	<hr/>
	639,230
Deferred tax liability provided during the year	191,909
Deferred tax liability as on 31.03.2010	<hr/>
	831,139



10. Accounting Standard - 18 -- Related Party Disclosure

(i) List of related parties and their 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.Coastal Developers Pvt. Ltd. - Associate

(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 31.3.10
1)	Sri T. Valsaraj	Managing Director	Remuneration Reimbursement of Expenditure	2.40(CR) 2.18(CR)	2.01(CR)
2)	M/s.Konad Investments & Finance Pvt. Ltd.	Associate	Amount Received/Paid	0.74 (DR) 0.74(CR)	3.06 (CR)
3)	M/s.Coastal Feed Products Pvt. Ltd.	Associate	Op. Bal		0.01(DR)
4)	M/s.Balaji Seafoods Ltd.	Associate	Redeemable Preference Shares	90.00	
			Sale of Material	44.55(CR) 43.25(DR)	4.05(CR)
5)	Coastal Developers Pvt. Ltd	Associate	Issue of 6.5% Redeemable Preference Shares Miscellaneous Advance Received	40.00 2.26(CR) 2.00(DR)	0.26(CR)

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 " Q "

Place : Visakhapatnam

Date : 22.06.2010

T. Valsaraj

(T.VALSARAJ)
Managing Director

G.V.V. Satyanarayana

(G.V.V. SATYANARAYANA)
Director

V.V.S. Bhagavan

(V.V.S. BHAGAVAN)
Chartered Accountant



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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

	Schedule No.	For the year ended 31.03.2010 Rupees	For the year ended 31.03.2009 Rupees
INCOME:			
Sales	"J"	233,910,537	210,290,163
Interest		95,709	656,153
Other Income	"K"	37,787,066	29,495,419
Profit On Sale of Assets		80,000	-
		<u>271,873,312</u>	<u>240,441,735</u>
EXPENDITURE:			
Purchases	"L"	175,037,512	163,811,809
Packing & Shipment Expenses	"M"	55,964,994	54,164,937
Administrative Expenses	"N"	6,586,402	5,450,633
Interest & Financial Charges	"O"	11,079,723	12,595,583
Depreciation	"E"	3,409,639	2,920,934
Increase/(Decrease) in Stock	"P"	11,103,988	(8,127,435)
Loss on Sale of Investments		-	1,272,960
Loss on Exchange		-	2,851,956
Investments Written Off		-	480,000
		<u>263,182,259</u>	<u>235,421,377</u>
Net Profit / (loss) for the year		8,691,053	5,020,358
Provision For Taxation			
- Current Tax		(1,360,000)	(600,000)
- Deferred Tax		(191,909)	(388,477)
- Fringe Benefit Tax		-	(88,235)
Previous year adjustments		(106,188)	1,355,141
Prior Period Taxes		-	(912,159)
Provision for Diminution of investment no longer required Writtenback		-	480,000
		<u>7,032,956</u>	<u>4,866,628</u>
Balance brought forward from last year		10,240,810	5,374,182
Notes to the Accounts	"Q"		
Balance carried to Balance Sheet		<u>17,273,766</u>	<u>10,240,810</u>
Earning per Share		5.41	3.75

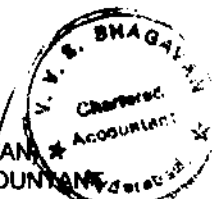
Place : Visakhapatnam
Date : 22.06.2010

T. Valsaraj

(T. VALSARAJ)
MANAGING DIRECTOR

B.V.V. Satyanarayana
(B.V.V. SATYANARAYANA)
DIRECTOR

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



	As at 31st March 2010 Rupees	As at 31st March 2009 Rupees
SCHEDULE "I"		
CURRENT LIABILITIES & PROVISIONS		
CURRENT LIABILITIES		
i) Sundry Creditors	6,514,021	12,314,612
ii) Other Liabilities	5,578,686	6,451,930
	<u>12,092,707</u>	<u>18,766,542</u>
PROVISIONS :		
For Taxation		
Income Tax	2,357,629	1,217,629
F.B.T	-	92,734
	<u>14,450,336</u>	<u>20,076,905</u>

	For the year ended 31st March 2010 Rupees	For the year ended 31st March 2009 Rupees
SCHEDULE "J"		
SALES		
Shrimp	233,910,537	212,457,153
Less: Sales Returns	-	2,166,990
	<u>233,910,537</u>	<u>210,290,163</u>

	For the year ended 31st March 2010 Rupees	For the year ended 31st March 2009 Rupees
SCHEDULE "K"		
OTHER INCOME		
Export Benefits	29,673,113	25,941,217
Processing Charges	8,005,235	3,534,844
Credit Balances Written back	108,718	19,358
	<u>37,787,066</u>	<u>29,495,419</u>

	For the year ended 31st March 2010 Rupees	For the year ended 31st March 2009 Rupees
SCHEDULE "L"		
PURCHASES		
Shrimp	175,037,512	163,811,809
	<u>175,037,512</u>	<u>163,811,809</u>

	For the year ended 31st March 2010 Rupees	For the year ended 31st March 2009 Rupees
SCHEDULE " M "		
PROCESSING, PACKING & SHIPMENT EXP.		
Salaries	3,159,866	2,358,611
Agricultural Cess	649,897	479,792
Freight Charges	8,323,032	10,119,741
Packing & Stocking	9,819,935	9,926,528
Processing Charges	5,920,306	4,680,210
Shipment Expenses	765,054	994,056
Inspection Charges	189,419	158,273
Transportation	914,559	580,543
Peeling Charges	1,579,572	1,752,832
Ice	1,185,445	827,289
Electricity Charges	5,363,960	4,246,903
Other Expenses	2,595,002	1,857,211
Staff Welfare Expenses	265,136	141,430
Monitoring Fee	462,237	415,884
Insurance	566,442	186,547
Truck Repairs & Maintenance Charges	2,045,926	2,724,808
Procurement Expenses	1,108,329	769,348
Commission	3,241,975	3,298,283
Export Claims	248,415	1,328,040
Fish Crates Written Off	170,680	136,502
Stores & Maintenance	6,360,389	4,650,138
Cold Storage Charges	1,029,418	2,531,968
	55,964,994	54,164,937



	For the year ended 31st March 2010 Rupees	For the year ended 31st March 2009 Rupees
SCHEDULE "N"		
ADMINISTRATIVE EXPENSES		
Salaries and Other Benefits	2,575,013	1,941,698
Rent, Rates and Taxes	187,043	178,105
Telex & Telephones	312,888	397,883
Postage & Telegrams	142,820	139,170
Directors Remuneration	240,000	240,000
Repairs to Other Assets	210,593	69,227
Travelling Expenses	280,729	304,527
Directors Travelling Expenses	142,234	123,839
Conveyance	40,548	44,849
Printing & Stationery	84,688	98,125
Insurance	228,870	186,517
Audit Fee		
- As Auditors	40,000	40,000
- For Tax Audit	15,000	15,000
Professional Charges	466,616	223,726
Advertisement	18,850	24,450
Vehicle Maintenance	144,044	144,494
Miscellaneous Expenses	470,070	598,132
Sales Tax	986,396	680,891
	<u>6,586,402</u>	<u>5,450,633</u>

SCHEDULE "O"

INTEREST & FINANCIAL CHARGES

Interest paid	10,482,225	11791214
Bank / Other Charges	597,499	804369
	<u>11,079,723</u>	<u>12,595,583</u>



	<u>For the year ended 31st March 2010 Rupees</u>	<u>For the year ended 31st March 2009 Rupees</u>
SCHEDULE "P"		
STOCK VARIATION		
OPENING STOCK		
Shrimp	55,622,848	47,495,413
	<u>55,622,848</u>	<u>47,495,413</u>
CLOSING STOCK		
Shrimp	44,518,860	55,622,848
	<u>44,518,860</u>	<u>55,622,848</u>
VARIATION	11,103,988	(8,127,435)



COMPLIANCE CERTIFICATE

CIN : L63040AP1981PLC003047
Nominal Capital: Rs.5,00,00,000/-

To,

The Members
COASTAL CORPORATION LIMITED
VISAKHAPATNAM.

We have examined the registers, records, books and papers of 'COASTAL CORPORATION LIMITED', Visakhapatnam as required to be maintained under the Companies Act, 1956, (the Act) and the Rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its Officers and Agents, We certify that in respect of the aforesaid Financial Year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this Certificate, as per the provisions of the Act and the Rules made thereunder and all entries therein have been recorded.
2. The Company has filed the Forms and Returns as stated in Annexure 'B' to this Certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board, or other Authorities.
3. The restriction clauses as provided in Section 3(i)(iii) of the Companies Act, 1956 are not applicable to the Company as it is a Public Limited Company.
4. The Board of Directors duly met 11 (Eleven) times respectively on 27.04.2009, 30.04.2009, 29.06.2009, 31.07.2009, 31.08.2009, 14.10.2009, 30.10.2009, 25.01.2010, 30.01.2010, 15.02.2010 and 20.03.2010 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. There were no Circular resolutions passed.
5. The Company has closed its Register of Members from day, 21st September, 2009 to Friday, 25th September 2009 (both days inclusive) and necessary compliance of Section 154 of the Act, has been made.

Contd...2.



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6. The Annual General Meeting for the Financial Year ended on 31st March, 2009 was held on 29th September, 2009 after giving due notice (Date of Notice: 31.08.2009) to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra-Ordinary General Meeting was held on 15.03.2010 relating to Re-classification of Authorised Share Capital and Issue of Redeemable Preference Shares during the Financial Year.
8. The Company has not advanced any loans to the Directors and/or persons or firms or Companies referred to under Section 295 of the Act during the Financial Year.
9. The Company has not contravened the provisions of Section 297 of the Act, during the Financial Year.
10. The Company has made necessary entries in the Register maintained under Section 301 of the Act.
11. The Company has not contravened the provisions of Section 314 of the Act during the Financial Year.
12. The Company has not issued any duplicate Share Certificates during the Financial Year.
13. The Company:
 - (i) (a) has allotted 13,00,000 Redeemable Preference Shares during the Financial Year and delivered all the Share Certificates on such allotment.
 - (b) has made transactions relating to transfer of equity shares during the Financial Year.
 - (ii) was not required to deposit any amount in a separate bank account as no dividend was declared during the Financial Year.
 - (iii) was not required to post warrants to any member of the Company as no dividend was declared during the Financial Year.
 - (iv) has not transferred any amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund as there were no such amounts outstanding during the Financial Year under review.

Contd..3.



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- (v) has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancies during the Financial Year.
 15. The Company has not appointed any Managing Director/Whole-Time Director/ Manager during the Financial year.
 16. The Company has not appointed any sole-selling agents during the Financial Year.
 17. The Company was not required to obtain any approval from the Central Government, Company Law Board, Regional Director, Registrar of Companies and/or such authorities prescribed under the various provisions of the Act during the Financial Year.
 18. The Directors have disclosed their interest in other Firms/Companies to the Board of Directors pursuant to the provisions of the Act and the Rules made thereunder.
 19. The Company has issued 13,00,000 Redeemable Preference Shares during the Financial Year.
 20. The Company has not bought back any shares during the Financial Year.
 21. There was no redemption of Preference Shares or Debentures during the Financial Year.
 22. There were no transactions necessitating the Company to keep in abeyance the rights to Dividend, Rights Shares and Bonus Shares pending registration of transfer of Shares.
 23. The Company has not invited / accepted any deposits from the public falling within the purview of Section 58A of the Act during the Financial Year.
 24. The borrowings made during the Financial Year are within the limits of the Company.
 25. The Company has not made any Loans and advances or given guarantees or provided securities to other Bodies Corporate and consequently no entries have been made in the register kept for this purpose during the Financial Year.
 26. The Company has not altered the provisions of the Memorandum of Association with respect to situation of the Company's Registered Office from one State to another State during the year under scrutiny.

Contd..4.



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27. The Company has not altered the provisions of the Memorandum of Association with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum of Association with respect to Name of the Company during the year under scrutiny.
29. The Company has altered the provisions of the Memorandum of Association with respect to Re-classification of the Authorised Share Capital of the Company. The Authorised Share Capital of Rs.5,00,00,000/- divided into 50,00,000 Equity Shares of Rs.10- each has been reclassified into 30,00,000 Equity Shares of Rs.10/- each and 20,00,000 Preference Shares of Rs.10/- each at the Extra-Ordinary General Meeting held on 15th March, 2010.
30. The Company has altered its Articles of Association during the Financial year relating to Re-classification of the Authorised Share Capital of the Company. The Authorised Share Capital of Rs.5,00,00,000/- divided into 50,00,000 Equity Shares of Rs.10- each has been reclassified into 30,00,000 Equity Shares of Rs.10/- each and 20,00,000 Preference Shares of Rs.10/- each at the Extra-Ordinary General Meeting held on 15th March, 2010.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the Financial Year, for offences under the Act except Additional Fee paid for delayed filing of documents as mentioned in 'Annexure B'.
32. The Company has not received any money as security from its employees during the Financial Year.
33. The Company has deposited both employee's and employer's contribution to Provident Fund with prescribed authorities except Rs.56,397/- which was outstanding as on 31st March, 2010.



For ASN ASSOCIATES
Company Secretaries

Signature

Name of the
Company Secretary: (D.GIRIDHAR REDDY)

PARTNER

C.P. No. : 8354

Place: Visakhapatnam

Date : 01.06.2010

ANNEXURE 'A'

Name of the Company : **COSTAL CORPORATION LIMITED**
Corporate Identity No : **L63040AP1981PLC003047**

Registers as maintained by the Company:**A. STATUTORY REGISTERS:**

S. NO.	NAME OF THE REGISTER/RECORDS	UNDER SECTION
01.	Register of Investments	49
02.	Register of Share Transfers	108
03.	Register of Members	150
04.	Register of Charges	143
05.	Minutes of Board Meetings	193
06.	Minutes of General Meetings	193
07.	Books of Account	209
08.	Register of Contracts with Companies/ Firms in which Directors are interested	301
09.	Register of Directors, Managing Director, Manager etc.	303
10.	Register of Director's Shareholdings	307

B. OTHER REGISTERS:

S.NO.	NAME OF THE REGISTER/BOOK
01.	Register of Share Applications and Allotment of Shares
02.	Directors' Attendance Register
03.	Shareholders' Attendance Register
04.	Register of Fixed Assets
05.	Copies of Annual Returns prepared under Section 159
06.	Register of Common Seal
07.	Register of Proxies

C. THE COMPANY HAS BEEN ADVISED TO MAINTAIN THE FOLLOWING REGISTERS FOR ENTRIES/TRANSACTIONS TO BE RECORDED AS AND WHEN REQUIRED :

01.	Register of Securities bought back
02.	Register of Renewed and Duplicate Certificates
03.	Register of Destruction of records/documents
04.	Register of Debentureholders
05.	Register of Deposits



ANNEXURE 'B'

Name of the Company : **COSTAL CORPORATION LIMITED**
Corporate Identity No : **L63040AP1981PLC003047**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government and/or Other Authorities during the Financial Year ending on 31st March, 2010:

REGISTRAR OF COMPANIES

Sl. No	Form No./ Return	Filed Under Section	For/ Description/ Purpose	Date of filing/SRN	Whether filed within prescribed time Yes/No	If delay in filing whether requisite additional fee paid Yes/No
01	F.No.23B	224(1A)	Relating to appointment of Auditors	27.10.2009 SRN : S01432814	N.A	N.A
02	Form No.23 AC & ACA	220	Filing of Profit & Loss Account and Balance Sheet for the Year 2008-09.	31.10.2009 SRN : P39237946	No	Yes
03	Form No.66	383A	Filing of Compliance Certificate for the Year 2008-09.	29.10.2009 SRN : P38621967	Yes	N.A
04	Form No.20B (29.09.2009)	159	Filing of Annual Return for the year 2009.	28.11.2009 SRN : P42687822	No	Yes
05	F.No.23 (29.09.2009)	192	Relating to appointment of Share Transfer Agent.	31.10.2009 SRN : A71789168	No	Yes
06	F.No.5 (15.03.2010)	95	Relating to Re-classification of Authorised Share Capital of the Company.	23.03.2010 SRN : A81281917	Yes	N.A

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07	F.No.23 (15.03.2010)	192	Relating to Re-classification of Authorised Share Capital of the Company and Issue of Redeemable Preference Shares.	22.03.2010 SRN : A81164253	Yes	N.A
08	F.No.2 (20.03.2010)	75(2)	Relating to issue of Redeemable Preference Shares	31.03.2010 SRN : A81877953	Yes	N.A
09	F.No.8 (18.03.2010)	125	Relating to Registration of Modification of Charges.	--- To be Filed ---		

COMPANY LAW BOARD
NIL
REGIONAL DIRECTOR
NIL

CENTRAL GOVERNMENT

NIL

OTHER AUTHORITIES

The Company has submitted information to Stock Exchanges from time to time.



Place: Visakhapatnam
Date : 01.06.2010

For ASN ASSOCIATES
Company Secretaries

Signature

Name of the
Company Secretary: (D.GIRIDHAR REDDY)
PARTNER

C.P. No. : 8354