

COASTAL CORPORATION LIMITED



**32nd Annual Report for the year ending
31st March, 2013**

COASTAL CORPORATION LIMITED

COASTAL CORPORATION LIMITED
VISAKHAPATNAM

32nd ANNUAL GENERAL MEETING
ON 27TH SEPTEMBER'2013 at 10.30 A.M.

at

D.No.6-42, Besides Toyota Showroom, Marikavalasa,
Visakhapatnam-530 041, Andhra Pradesh, India

BOARD OF DIRECTORS

Mr. T.Valsaraj	Managing Director
Mr. G.V.V.Satyanarayana	Director - Finance
Mr. S.Rajaram	Director
Mrs. Jeeja Valsaraj	Director
Mr. K.Venkateswara Rao	Director
Mr. Dilip Anant Bhiwalkar	Director

Auditors :

CA V.V.S.Bhagavan
Chartered Accountant
Hyderabad

BANKERS :

Bank of India
Main Branch
Visakhapatnam.

REGISTERED OFFICE :

D.No. 15-1-37/3, JAYAPRADAAPARTMENTS,
NOWROJI ROAD, MAHARANIPETA,
VISAKHAPATNAM-530 002, ANDHRA PRADESH, INDIA
Phone : 0891-2567118, 2552556 Fax : 0891 - 2567132
Email : coastal5@eth.net : cclinvestors@gmail.com
Company Website : www.coastalcorp.in

COASTAL CORPORATION LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY SECOND** Annual General Meeting of the Members of **COASTAL CORPORATION LIMITED** will be held on **Friday, 27th day of September'2013 at 10.30 A.M.** at the Plant Office of the Company situated at **D.No.6-42, besides Toyota Showroom, Marikavalasa, Visakhapatnam-530 041, Andhra Pradesh, India.**

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Annual Accounts consisting of the Profit & Loss Account for the year ended 31st March, 2013 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 Kamireddi Venkateswara Rao, who retires by rotation and being eligible, offer himself for re-appointment.
3. To consider the re-appointment of CAV.V.S.Bhagavan, Chartered Accountants, 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 to between the Board of Directors and the Auditors.

Regd. Office:
15-1-37/3,
Jayaprada Apartments,
Nowroji Road, Maharanipeta,
Visakhapatnam-530 002

By Order of the Board
for Coastal Corporation Limited

Sd/-
(T.Valsara)
Managing Director

Place : Visakhapatnam
Date : 28.08.2013

COASTAL CORPORATION LIMITED

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 18.09.2013 to 26.09.2013 (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.
6. Members are requested to kindly register their e-mail-id with the company as you are aware that the Ministry of Corporate Affairs has taken a "Green initiative with regard to "Corporate Governance" by allowing paperless compliance by the companies and clarified that the service of documents by Companies to shareholders can be made through electronic mode. In compliance thereof, your company proposes to implement the same by sending the Annual report, notice of Meetings and other communications to shareholders in electronic mode to the e-mail address provided by them through company email id cclinvestors@gmail.com

COASTAL CORPORATION LIMITED

DIRECTOR'S REPORT

To

The Members
Coastal Corporation Limited
Visakhapatnam.

Your Directors have pleasure in presenting the Thirty Second Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2013 and the report of the Auditors thereon:

1. FINANCIAL RESULTS :

	Year Ended 31.03.2013 Rs.	Year Ended 31.03.2012 Rs.
Sales	143,14,60,283	69,49,38,739
Interest	5,32,501	14,72,786
Other Income including Operating Income	15,41,28,435	6,51,47,336
Total Income	158,61,21,219	76,15,58,861
Less : Expenditure	149,38,20,496	68,66,01,493
Profit before Depreciation and Taxation	9,23,00,723	7,49,57,368
Less : Depreciation	1,00,19,198	48,29,506
Profit before Taxation(i)	8,22,81,525	7,01,27,862
Tax Expenses		
Less: Provision for Tax	2,74,56,533	2,31,91,914
Less : Dividend on Preference Shares	27,34,106	—
Total tax Expense and Preference Dividend (ii)	3,01,90,639	2,31,91,914
Less: Prior Period Adjustments (iii)	5,890	3,683
Net Profit After Tax & Prior period adjustments (a) = (i)+(ii)+(iii)	5,20,84,996	4,69,32,265
Balance brought forward from last year(b)	7,40,01,067	3,70,68,802
Less : Transfer to General Reserve(c)	1,00,00,000	1,00,00,000
Less : Transfer to Capital Redemption Reserve(d)	1,30,00,000	—
Balance Carried to Balance Sheet(a+b-c-d)	10,30,86,063	7,40,01,067

2. REVIEW OF OPERATIONS :

During the year under review, the Company has earned an income of Rs.158,61,21,219/- as compared to Rs. 76,15,58,861/- during the previous year and the expenditure incurred amounted to Rs. 149,38,20,497/- as against Rs. 68,66,01,493/- during the previous year. The depreciation provided for the reporting year was Rs. 100,19,198/- as compared to Rs. 48,29,506/- during the previous year. Hence, Net Profit after tax was amounted to Rs.5,20,84,995/- as compared to Rs. 4,69,32,265/- during the previous year.

The efforts of Managerial Directors & Key Managerial Personnel have been continuing for effective operations and increasing the business of the company by improving the exports. The Company has identified viable parties for increasing the exports and the business of the company. Hence, the Company expects more profits in the years to come.

3. DIVIDEND:

The Company has not recommended any dividend for equity shares in view of maintaining sound cash liquidity position for immediate requirements of the business, working capital for increasing the business of the Company, commencement of Production at new modern food processing unit at P.Dharmavaram village at Yelamanchili, Visakhapatnam District, Andhra Pradesh and also to strengthen the network and reserves of the Company.

The Company has declared Dividend on 6.5% Redeemable Preference Shares on redemption an amount of Rs. 27,34,106/- out of the Profits.

4. CREDIT & GUARANTEE FACILITIES:

The Company has been availing Packing Credit limits and Term Loan and other facilities from Bank of India, Main Branch, Visakhapatnam.

5. AWARDS/CERTIFICATIONS:

- (a) The Company has been awarded an NSIC-CRISIL Performance and Credit Rating of NSIC-CRISIL SE 1B indicates 'Highest Performance Capability and Moderate Financial Strength' issued by CRISIL.

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(b) CRISIL has assigned CRISIL BB+/Stable Credit Rating for Bank Loan facilities for Long Term Loan and CRISILA4+ Credit Rating for short term Loan facilities provided by the Bank.

(c) FAPCCI has chosen Coastal Corporation Ltd., for the most coveted and sought after Award, "Excellence in Export Performance (SSI) for the year 2011-2012 (Raja Saheb of Itkyl Silver Rolling Trophy - Instituted by Sri Ch.Venkateshwar Rao, Past-President, FAPCCI).

6. DEPOSITS:

The Company has not accepted any Deposits from the public attracting the provisions of Section 58A of the Companies Act, 1956 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 relationship with the staff and workers continued to be cordial during the year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company has been in touch relating to recruitment of required personnel from time to time.

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.

COASTAL CORPORATION LIMITED

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-I.

11. FOREIGN EXCHANGE EARNINGS AND OUTGO:

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is provided as under

Particulars	2012-2013 Rs.	2011-12 Rs.
Foreign Exchange Earnings (FOB)	96,26,31,954/-	67,77,09,368/-
Expenditure incurred in Foreign Currency :		
1. Antidumping Fee	95,96,139/-	34,65,549/-
2. Marine Rejection Insurance	52,51,320/-	55,18,512/-
3. Export Claims	6,78,566/-	1,28,582/-
4. Commission	3,32,247/-	2,15,472/-

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, 2013, 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 judgements 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, 2013 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, 2013 on a going concern basis.

13. THE BOARD:

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

14. CORPORATE GOVERNANCE:

Corporate Governance is given as an Annexure-II.

15. MANAGEMENT DISCUSSION AND ANALYSIS:

This has been dealt with in the separate Annexure-III.

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 and enclosed as Annexure-IV.

17. INTERNAL AUDIT:

The Internal Audit of the Company is done by CA.R.S.V.Raman, Chartered Accountant, Visakhapatnam, who is acting in independent manner and also responsible for regulatory and legal requirements relating to operational processes and internal systems. He reports directly to the Board of Directors.

18. AUDITORS:

The present Statutory Auditors of the Company CA 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

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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 CA V.V.S. Bhagavan, Chartered Accountant, Hyderabad as Statutory Auditors of the Company for the financial year 2013-14.

19. AUDITORS' REPORT:

The Auditor's Report is self Explanatory and does not require any comments from the Board of Directors.

20. COST ACCOUNTING RECORDS

Cost Accounting Records for the Financial Year under review were maintained as per Cost Accounting Records Rules. M/s. A.S.Rao & Co., Cost Accountants, Visakhapatnam were appointed as Cost Auditors of the Company pursuant to section 233B(2) and in accordance with the Provisions of sub-section(1B) of Section 224 of the Companies Act, 1956 and with the approval of Central Government to Audit the Cost Accounts for the financial year ended 31st March 2013.

The report for the year ended 31st March 2013 will be filed on or before 15th September 2013.

21. 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.

22. 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, Financial Institutions, Customs Authorities, Local Bodies, Overseas Bodies, other Corporate Bodies & Authorities and other Agencies. Your Directors also have pleasure in placing on record their appreciation for the assistance extended by the Company's Bankers viz. Bank of India, Main Branch, Visakhapatnam. 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

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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

Sd/-
(T. VALSARAJ)
MANAGING DIRECTOR

Sd/-
(G.V.V. SATYANARAYANA)
DIRECTOR-FINANCE

Place: Visakhapatnam
Date : 28.08.2013

**ANNEXURE -1
FORM "A"**

**COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF
BOARD OF DIRECTORS) RULES, 1998.**

(A) CONSERVATION OF ENERGY

Wherever possible energy conservation measures have already been implemented and there is no major area where further energy conservation measures can be taken. However, efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

Utmost priority has been given in achieving reduction in per unit consumption of energy as well as finding alternate cheaper source of energy.

(A) POWER AND FUEL CONSUMPTION:	Current Year 31.03.2013 (Rs.)	Previous year 31.03.2012 (Rs.)
Electricity :		
a) Purchase		
Units	20,34,306	18,77,940
Total Amount (in Rs.)	1,23,60,099	83,91,176
Rate/Unit (in Rs.)	6.07	4.46
Own Generation :		
Through D.G. Units	3,18,024	1,29,216
Total Amount (in Rs.)	38,42,948	11,84,480
Unit/Lt. of Diesel Oil	4.8	4.8
Cost/Unit (in Rs.)	12.08	9.16

(B) TECHNOLOGY ABSORPTION :

Efforts made in technology absorption as per Form "B" of Annexure not applicable.

ANNEXURE - II

(Annexure to the Corporate Governance)

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2012-2013

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

A. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company has been continuing the best practices of Corporate Governance for ensuring protection of the rights and interest of its stakeholders, customers, suppliers and persons dealing with the Company and also to strengthen its broad policies of Corporate Governance viz. Equality, fairness, transparency, integrity, openness and accountability which are the guiding principles of management of the Company along with focus on investors/customers periodically and also reviewing the Corporate Governance practices from time to time for adoption in the affairs of the company.

BOARD OF DIRECTORS:**(a) Composition and Category of Directors:**

As on 31st March, 2013, the strength of the Board of Directors is Six (6) and its composition is as follows:

(i) Promoter Directors

Sri T. Valsaraj	-	Promoter & Managing Director
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(ii) Executive Director

Sri G.V.V.Satyanarayana	-	Director-Finance
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(iii) Non-Executive Director

Smt Jeeja Valsaraj	-	Non-Executive Director
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(iv) Non- Executive Independent Directors

Sri K.Venkateswara Rao	-	Independent Director
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Sri Dilip Anant Bhiwalkar	-	Independent Director
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Sri S.Rajaram	-	Independent Director
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None of the Independent Non-Executive Director has any pecuniary relationship or transactions with the Company, its Promoters or its Senior Management which in the Judgement of the Board may affect the independence of the Directors.

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(b) Board Meetings & Related Information:

During the year, 7 meetings of the Board of Directors were held on

30.04.2012	30.07.2012	31.08.2012	29.09.2012
31.10.2012	31.01.2013	20.03.2013	

The attendance particulars of each Director at the Board Meetings and last Annual General Meeting

Name of the Director	No. of Board Meetings	Attendance at last AGM	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	7	7	Present	2	--	--
Sri G.V.V.Satyanarayana	7	7	Present	2	--	--
Smt Jeeja Valsaraj	7	6	Present	--	--	--
Sri S.Rajaram	7	5	Present	--	--	--
Sri K. Venkateswara Rao	7	5	Present	--	--	--
Sri Dilip Anant Biwalkar	7	4	Present	1	--	--

COMMITTEES:

(i) AUDIT COMMITTEE:

The Audit Committee has three members; Sri S.Rajaram, Sri K Venkateswara Rao and Smt. Jeeja Valsaraj.

Composition:

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

Sl. No	Name of the Director	Designation	Category
01.	Sri S.Rajaram	Chairman	Non-Executive Independent Director
02.	Sri K Venkateswara Rao	Member	Non-Executive Independent Director
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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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:

- (a) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure accuracy and correctness.
- (b) Discussion and review, with the management and auditors of the annual/quarterly financial statements before submission to the Board, with particular reference to the following :
 - (1) Validity of the assumption as regards the Company being a going concern;
 - (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) 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.
 - (9) Reviewing the Company's financial and risk management policies.
 - (10) To look into the reason for substantial defaults in the payment to creditors, if any.
 - (11) Compliance with listing and other legal requirements relating to financial statements.

Meetings and Attendance:

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

COASTAL CORPORATION LIMITED

Name	Number of Meetings held during the year	Number of Meetings attended during the year
1. Sri S.Rajaram	4	4
2. K.Venkateswara Rao	4	4
3. Smt Jeejavalsaraj	4	4

(ii) REMUNERATION COMMITTEE - POLICY - DETAILS:

The Company has constituted Remuneration Committee comprises Sri S. Rajaram, Sri Dilip Anant Biwalkar and Sri K. Venkateswara Rao to decide, fix the Remuneration payable to the Managing/Whole-Time Directors of the Company from time to time. 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 2012-2013

Name of Director	Salaries & Perks Rs.	Total Rs.
Sri T.Valsaraj	12,00,000	12,00,000
Sri G.V.V.Satyanarayana	12,00,000	12,00,000

(iii) SHAREHOLDERS/INVESTORS 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.

(iv) DETAILS OF THE COMPLIANCE OFFICER:

Sri G.V.V. Satyanarayana
15-1-37/3, Jayapada Apartments, Nowroji Road,
Maharanipeta, Visakhapatnam - 530 003
Andhra Pradesh, India

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.

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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, 2013." The Code has also been posted on the Company's Website. The Managing Director has given a declaration that all the Directors and concerned executives have affirmed compliance with the Code of Conduct.

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.

(v) GENERAL BODY MEETINGS:

Location and time where last Four AGMs held:

Year	Location	Date	Time	Special Resolution
2011-2012	D.No.6-42, Marikavalasa, Besides Toyota Showroom, Visakhapatnam-530 041, Andhra Pradesh, India	29.09.2012	10.30 A.M.	NIL
2010-2011	D.No.6-42, Marikavalasa, Besides Toyota Showroom, Visakhapatnam-530 041, Andhra Pradesh, India	30.09.2011	10.30 A.M	Passed
2009-2010	15-1-37/3, Nowroji Road, Maharanipecta, Visakhapatnam - 530 002, Andhra Pradesh, India.	30.08.2010	10.30AM	NIL
2008-2009	15-1-37/3, Nowroji Road, Maharanipecta, Visakhapatnam - 530 002, Andhra Pradesh, India	29.09.2009	10.30 AM	Passed

(vi) CORPORATE AFFAIRS & VISION:

- Advanced Planning Techniques and strategic supervision by the Board of Directors;
- Excellent co-ordination at all levels of management to achieve the tasks.
- Immediate attention towards customers' requirements and public relations.

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- (d) Cautious approach in operations, rendering services efficiently and effectively to the clients and
- (e) Adequate response towards socio-economic responsibilities.
- (f) Focus on protecting the safety of the clients and the employees.
- (g) To design the standards, policies, procedures and best practices in addition to the existing policies.
- (h) To grow the company and to generate long term business results and expanding market presence.
- (i) To retain the talented and dedicated employees.

(vii) OTHER DISCLOSURES:

- a) The Board is of the bona-fide belief that there are no materially significant related party transactions made by the company with Promoters, Directors or Management, their subsidiaries or relatives etc that may have potential conflict with the interests of the Company at large. The Register of Contracts containing the transactions in which Directors are interested is placed before the Board regularly for its approval.
- b) The company has established a whistle blower policy .
- c) The company has complied with all the mandatory disclosure requirements under Clause 49 of the Listing agreement and also makes efforts to make the non-mandatory disclosures to the extent they arise and are considered significant.

(viii) MEANS OF COMMUNICATION:

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

ix) GENERAL SHAREHOLDERS INFORMATION:

- i) Thirty Second Annual General Meeting of the Company :

Date & Time	:	Friday, 27th September, 2013 at 10:30 A.M.
Venue	:	D.No. 6-42, Besides Toyota Showroom, Marikavalasa, Visakhapatnam-530041, Andhra Pradesh, India

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ii)	Financial Year	1st April to 31st March.
iii)	Date of Book Closure	18th September, 2013 to 26th September, 2013 (both days inclusive)
iv)	Dividend Payable Date	Company has paid Dividend to the preference share holders 31.03.2013
v)	Listing on Stock Exchanges	1. Mumbai Stock Exchange 2. Delhi Stock Exchange 3. Ahmedabad Stock Exchange 4. Hyderabad (Not in operation)
vi)	Registrars & Share Transfer Agents	The Board has appointed M/s Big share Services Pvt. Ltd., Mumbai as its Share Transfer Agents
vii)	High/Low Market Price	There was no trading in Shares during the year 2012-13
viii)	Stock Code with BSE	Scrip ID : coastcorp - Scrip code : 501831
	ISIN(for Dematerialization)	INE377E01016

(x). Share Transfer System:

The Board has appointed M/s. Bigshare Services Private Limited, Mumbai as its Registrar & Share Transfer Agent. All the Share Transfers are carried out by the Registrar & Share Transfer Agent.

(xi) Contact Information:

As a Coastal Corporation Limited Shareholder - You are encouraged to contact the Registrar for all your shares related services and queries whose address is given below:

Name of the Registrar and Share Transfer Agent	Bigshare Services Private Limited, Mumbai
Head Office	E 2 & E3, Ansa Industrial Estate Saki-vihar Road, Sakinaka, Andheri(E), MUMBAI - 400 072, Telephone No. : 022 - 40430200 Fax : 022 - 28475207, Email : For Business relation : marketing@bigshareonline.com For Investor Query /Grievances: investor@bigshareonline.com
Branch Office	Bigshare Services Private Limited 306, Right wing, Amrutha Ville, Opp: Yashodha Hospital Somajiguda, Raj Bhavan Road Hyderabad - 500 082 Telephone No : 040 - 2337 4967, Fax : 040 - 2337 0295 Email : bsshyd@bigshareonline.com

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(xii) Dematerialization of Equity Shares and Liquidity:

The Company's Equity Shares are listed on Mumbai, Ahmedabad, Delhi and Hyderabad Stock Exchanges with a view to provide liquidity to the Shareholders. The Company's Equity Shares can be dematerialized now.

The Board entered into MOU with CDSL for Dematerialization of Shares. M/s. Bigshare Services Private Limited, Mumbai has been appointed as Registrar & Share Transfer Agents of the Company and for related matters.

XIII. DECLARATION BY THE MANAGING DIRECTOR

The Members of
Coastal Corporation Limited

In compliance with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges relating to Corporate Governance, I confirm that, on the basis of confirmations/ declarations received, all the Directors and senior management personnel of the Company have complied with the Code of Business Conduct and Ethics framed by the Company for the Financial Year ended 31st March'2013

Visakhapatnam
Date : 28.08.2013

T.Valsaraj
Managing Director

(XIV) AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

As required by Clause 49 of the Listing Agreement with the stock exchanges, the statutory Auditor's Certificate that the Company has complied with the conditions of Corporate Governance is given as an Annexure-IIA to the Report of the Director's & Management Discussion and Analysis. This certificate will be forwarded to the Stock Exchanges where the securities of the Company are listed, along with the Annual Report of the Company.

ANNEXURE - IIA

Auditor's Certificate

Auditor's Certificate on Compliance of Conditions of Corporate Governance as per Clause 49 of the Listing Agreement with the Stock Exchange

To
The Members of
Coastal Corporation Limited
Visakhapatnam.

I have examined the Compliance of Conditions of Corporate Governance by Coastal Corporation Limited ("Company") for the year ended 31st March'2013 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges in India.

The Compliance of Conditions of Corporate Governance is the responsibility of the Management. Our Examination was limited to procedures and implementation there on adopted by the Company for ensuring the Compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.

In my opinion and the best of information and according to the explanations given to me I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

Sd/-

V.V.S.Bhagavan

Chartered Accountants

Membership No: 008571

Place: Visakhapatnam

Date : 28.08.2013

ANNEXURE - III

(Annexure to the Directors' Report)

MANAGEMENT DISCUSSION AND ANALYSIS :

1. Industry Structure and Developments

Seafood Processing in India is entirely export oriented. According to ministry of food processing industries there are about 1078 registered exporters in the country and the Indian seafood processing industry is well developed. These units are HACCP certified. Marine products have created a huge demand in the world market. With the high unit value, seafood has been acclaimed as one of the fastest moving commodity in the world market.

India with its 7,500 km long coast line and an exclusive economic zone of 2.02 million square KM, has enormous potential for developing the fisheries and aquaculture in coastal states.

2. OUTLOOK.

During the financial year 2012-2013, exports of marine products reached an all time high of Rs18,856 crores. The increase in exports figures must be viewed in the light of weaker economic conditions in European union, still recovering economy in USA and continuous devaluation of Indian currency. Supply condition in other countries have also contributed for growth. The increased production of vannamei shrimp and increased export of chilled items have helped to achieve higher exports. MPEDA envisages an ambitious target of US\$ 4.3 billion for the year 2013-2014. Increased production of L.Vannamei Shrimp, quality control measures and increased infrastructure facilities for production of value added items are expected to help achieving this target.

OPPORTUNITIES AND THREATS

The Two factories of your company are well equipped and approved by USFDA, European union and Russian authorities. Three decades in the trade the Company's brands are well established in the International markets and has lot of scope for exploring new markets as its ongoing process. Presently the company's products exported to USA have antidumping duty at 9.34%. In every review by USDC, change of rate in duty is proposed which may have impact on company. More supply of shrimp from Vietnam, Thailand and China will have impact on price of export of the Indian Shrimps. Presently very low production is reported in these countries.

4. Internal Control Systems and their Adequacy

The Company has taken all precautions and adequate internal control procedures commensurate with the size and nature of business.

5. Financial Performance with respect to operational Performance

Your Directors wish to place on record that the company has achieved all time high turnover of Rs.158.61 crore and as well as profit of Rs.8.23 Crore during the year under report. The Company expects increased turnover and profitability in the current year, in view of the commencement of production of the second unit at P.Dharmavaram, availability of abundant quantity of raw material i.e., L.Vannamei, devaluation of rupee and high price realization for the products in the international markets due to demand and supply position.

6. Human Resources:

The Company's units are situated strategically at the places where requisite employees are available for smooth operation and the relation with the direct and indirect employees are cordial.

COASTAL CORPORATION LIMITED

ANNEXURE-IV

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 there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the Financial Year ended on 31st March, 2013. 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 there under 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 7 (Seven) times respectively on 30.04.2012, 30.07.2012, 31.08.2012, 29.09.2012, 31.10.2012, 31.01.2013 and 20.03.2013 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.
5. The Company has closed its Register of Members from Thursday 20th of September 2012 to Friday, the 28th day of September 2012 (both days inclusive) and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the Financial Year ended on 31st March, 2012 was held on 29th September 2012 after giving due notice (Date of Notice: 31.08.2012) to the members of the Company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.

COASTAL CORPORATION LIMITED

7. One Extra-Ordinary General Meeting was held on 13.04.2012 after giving due notice (Date of Notice: 19.03.2012) to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
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 duplicate Share Certificates during the Financial Year.
13. The Company:
 - (i) (a) has not allotted any Shares/Securities during the Financial Year and;
 - (b) has made transactions relating to transfer of equity shares during the Financial Year.
 - (c) has not made any transactions relating to transmission of shares during the Financial Year.
 - (ii) has not deposited any amount in a separate bank account as no dividend was declared on the Equity Share Capital of the Company except redemption of Preference Share Capital 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.
 - (v) has complied with the requirements of Section 217 of the Act.

COASTAL CORPORATION LIMITED

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/Whole-time Directors of the Company 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 there under.
19. The Company has not issued any shares, debentures or other securities during the Financial Year.
20. The Company has not bought back any shares during the Financial Year.
21. The Company has redeemed 13,00,000 preference shares 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 provisions of Section 293(1)(d) of the Companies Act, 1956.
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.
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 not altered the provisions of the Memorandum of Association with respect to share capital of the company during the year under scrutiny.

COASTAL CORPORATION LIMITED

30. The Company has not altered its Articles of Association during the Financial Year.
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.
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.66,976/- which was outstanding as on 31st March, 2013.

For ASN ASSOCIATES

Company Secretaries

Sd/-

Name of the

Company Secretary: Satyanarayana A.

C.P.No. : 2354

Place: Visakhapatnam

Date : 18.08.2013

COASTAL CORPORATION LIMITED**ANNEXURE 'A'**

Name of the Company : COASTAL 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 Duplicate Share Certificates
08.	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 Destruction of records/documents |
| 03. | Register of Debenture holders |
| 04. | Register of Unsecured loans taken from Directors of the Company |

COASTAL CORPORATION LIMITED**ANNEXURE 'B'**

Name of the Company : COASTAL 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, 2013:

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.	Form-32	303(2)	Appointment of Sri G.V.V.Satyanarayana as Whole-time Director of the Company	B37424108 23.04.2012	No	Yes
02.	Form-23	192	Revising the Remuneration to Sri T.Valsaraj, Managing Director of the Company.	B37424884 23.04.2012	No	Yes
03.	Form-23	192	Payment of Remuneration to Sri G.V.V.Satyanarayana, Whole-time Director of the Company	B37424496 23.04.2012	No	Yes
04.	Form-25C	269(2)	Revising the Remuneration to Sri T.Valsaraj, Managing Director of the Company.	B37426111 23.04.2012	No	Yes
05.	Form-23	192	Registration of Resolution.	B38963161 12.05.2012	Yes	No
06.	Form-23B	224(1A)	Return of Re-Appointment of Statutory Auditors for the year 2011-2012	S13899539 28.08.2012	No	Yes
07.	Form-23B	224(1A)	Return of Re-Appointment of Statutory Auditors for the year 2012-2013	S15910805 14.11.2012	Yes	No

COASTAL CORPORATION LIMITED

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
08.	Form-17	138	Filing of Satisfaction of Charges	B58685579 01.10.2012	Yes	No
09.	Form No.66	383A	Filing of Compliance Certificate for the Year 2011-12.	P92130343 26.10.2012	Yes	No
10.	Form No.20B (30.09.2012)	159	Filing of Annual Return for the year 2012.	P95625125 11.11.2012	Yes	No
11.	Form No.23 AC XBRL & ACA XBRL	220	Filing of Profit & Loss Account and Balance Sheet for the Year 2011-12.	Q05818992 12.01.2013	Yes	No
12.	Form-8	125	Filing of Creation of Charges	B66051061 16.01.2013	No	Yes
13.	Form-A (XBRL)	209(1) (d)	Filing of Compliance Certificate for Cost Audit	S20708905 31.03.2013	Yes	No

COMPANY LAW BOARD

NIL

REGIONAL DIRECTOR

NIL

CENTRAL GOVERNMENT

NIL

OTHER AUTHORITIES

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

For ASN ASSOCIATES
Company Secretaries

Place: Visakhapatnam
Date : 18.08.2013

Name of the
Company Secretary: (SATYANARAYANA A.)
C.P. No. : 2354

COASTAL CORPORATION LIMITED

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
M/S. COASTAL CORPORATION LIMITED**

Report on the Financial Statements

I have audited the accompanying financial statements of M/S. Coastal Corporation Limited (The Company), which comprise the Balance sheet at 31st March, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 ("The Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility:

My responsibility is to express an opinion on these financial statement based on my audit. I conducted my audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

COASTAL CORPORATION LIMITED

Opinion:

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

- (a) In case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) In the case of the Statement of Profit & Loss, of the profit of the company for the year ended on that date; and
- (c) In case of the Cash flow statement, of the cash flows of the company for the year ended on that date.

Report on other legal and regulatory requirements:

- 1. As required by the Companies (Auditor's Report) order, 2003 ("The Order") issued by the Central Government in terms of Section 227 (4A) of the Act, I give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
- 2. As required by Section 227 (3) of the Act, I report that:
 - a) I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit.
 - b) In my opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from my examination of those books.
 - c) The Balance Sheet, the Statement of Profit & Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In my opinion, the Balance Sheet, the statement of Profit and Loss and the Cash flow Statement comply with the Accounting Standards referred to in Section (3C) of section 211 of the Companies Act, 1956.
 - e) On the basis of the written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of Clause (g) of sub-section 274 (1) (g) of the Companies Act 1956.

(V.V.S.BHAGAVAN)
CHARTERED ACCOUNTANT
M NO. 8571

Place : Visakhapatnam
Date : 29.05.2013

Annexure to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on other Legal and Regulatory requirements' section of my report of even date)

On the basis of such checks as I considered appropriate and according to the information and explanation given to me during the course of my audit, I report that:

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) As explained to me, fixed assets have been physically verified by the management at reasonable intervals and no material discrepancies were noticed on such verification.
- (c) In my opinion and according to the information and explanations given to me, there are no sales of substantial part of fixed assets during the year and therefore does not affect the going concern assumption.
2. (a) As explained to me, inventories have been physically verified during the year by the management at reasonable intervals.
- (b) In my opinion and according to the information and explanations given to me, the procedures of physical verification of inventories 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 on the basis of my examination of the records, the Company is generally maintaining proper records of its inventories. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
3. (a) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 except for advances to the tune of Rs.121.49 lakhs to two of the companies in which two of the directors are interested for redemption of preference shares to the tune of Rs.157.33 lakhs. The residual amounts have been received/settled.
- (e) According to the information and explanations given to me and on the basis of my examination of the books of account, the Company has not taken loans from companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 and accordingly sub clauses (f) & (g) are not applicable to the company.
4. In my opinion and according to the information and explanations given to me, there is generally an adequate internal control procedure commensurate with the size of the company and the nature of its business, for the purchase of inventories & fixed assets and payment for expenses & for sale of goods. During the course of my audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. a) Based on the audit procedures applied by me and according to the information and explanations provided by the management, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.

COASTAL CORPORATION LIMITED

- b) As per the information and explanation given to me and in my opinion the transactions entered into by the company with parties covered under section 301 of the Act does not exceeds five lakhs rupees in financial year and therefore requirement of reasonableness of transactions does not arise.
6. The Company has not accepted any deposits from the public covered under section 58A and 58AA of the Companies Act, 1956.
7. As per information & explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
8. As per information & explanation given by the management, maintenance of cost records has been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Act and we are of the opinion that prima facie the prescribed accounts and records have been maintained. However we have not made any detailed examination of the cost records with regard to their accuracy.
9. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Excise Duty, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st of March, 2013 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to me, there are no amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty which have not been deposited on account of any disputes.
10. The Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by my audit and in the immediately preceding financial year.
11. Based on my audit procedures and on the information and explanations given by the management, I am of the opinion that, the Company has not defaulted in repayment of dues to any financial institution or bank.
12. According to the information and explanations given to me, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund or a nidhi /mutual benefit fund/society. Therefore, the provision of this clause of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
14. According to information and explanations given to me, the Company is not trading in Shares, Mutual funds & other Investments.
15. According to the information and explanations given to me, the Company has not given any guarantees for loans taken by others from a bank or financial institution.
16. The Company has taken term loan during the Financial Year and the Term Loan has been applied for the purpose for which it was obtained.
17. Based on the information and explanations given to me and on an overall examination of the Balance Sheet of the Company as at 31st March, 2013, I report that no funds raised on short-term basis have been used for long-term investment by the Company.

COASTAL CORPORATION LIMITED

18. Based on the audit procedures performed and the information and explanations given to me by the management, I report that the Company has not made any preferential allotment of shares during the year. During the year the company has redeemed the entire preference share capital to the tune of Rs.130.00 lakhs
19. The Company has not issued any debentures .
20. The Company has not raised any money by public issue during the year.
21. Based on the audit procedures performed and the information and explanations given to me, I report that no fraud on or by the Company has been noticed or reported during the year, nor have I been informed of such case by the management.

Place: Visakhapatnam.
Date : 29.05.2013

(V.V.S. BHAGAVAN)
CHARTERED ACCOUNTANT
M No. 8571

COASTAL CORPORATION LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31.03.2013

	Particulars	Note No.	As at 31.03.13 (Rs)	As at 31.03.12 (Rs)
	Equity and liabilities			
1	Shareholders' funds			
	Share capital	2	1,27,67,142	2,57,67,142
	Reserves and surplus	3	14,14,77,755	8,93,92,759
			15,42,44,897	11,51,59,901
2	Non-current liabilities			
	Long-term borrowings	4	4,61,42,851	7,42,86,172
	Deferred tax liabilities		42,45,843	12,17,666
	Other Long Term Liabilities	5	9,29,853	14,97,304
			5,13,18,547	7,70,01,142
3	Current liabilities			
	Short-term borrowings	6	23,97,02,751	14,98,98,678
	Trade payables	7	9,64,45,716	1,68,86,201
	Other current liabilities	8	3,46,92,449	2,78,78,702
	Short-term provisions	9	88,29,377	25,96,606
			37,96,70,293	19,72,60,187
	TOTAL		58,52,33,737	38,94,21,229
	Assets			
1	Non-current assets			
	Fixed assets			
	Tangible assets	10	28,19,92,629	9,49,00,283
	Intangible assets	10	75,799	16,980
	Capital work-in-progress	10	-	9,36,43,197
	Long-term loans and advances	11	55,13,562	1,41,11,937
	Other non-current assets	12	65,32,380	1,45,13,744
			29,41,14,370	21,71,86,141
2	Current assets			
	Inventories	13	11,04,30,237	102,908,416
	Trade receivables	14	8,37,95,209	14,331,419
	Cash and Cash equivalents	15	1,97,97,197	1,24,96,667
	Short-term loans and advances	11	77,096,724	4,24,98,586
			29,11,19,367	17,22,35,088
	Significant Accounting Policy and Notes 1 To 39			
	TOTAL		58,52,33,737	38,94,21,229

In terms of my report of even date attached

For and on behalf of the Board

V.V.S BHAGAVAN
Chartered Accountant
M.No.008571
Date : 29.05.2013
Place: Visakhapatnam

T.Valsaraj
Managing Director

G.V.V.Satyanarayana
Director Finance

COASTAL CORPORATION LIMITED

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2013

	Particulars	Notes	For the year ended 31.03.13 (Rs.)	For the year ended 31.03.12 (Rs.)
	Continuing operations			
	Income			
I	Revenue from operations	16	143,14,60,283	69,49,38,739
II	Other Operating Income	17	15,37,98,383	6,51,47,336
III	Other income	18	8,62,553	14,72,786
IV	Total Revenue (I+II+III)		158,61,21,219	76,15,58,861
V	Expenses			
	Cost of materials consumed	19	113,97,12,783	54,06,72,309
	Processing & Shipment expenses	20	19,20,16,857	13,05,92,930
	Manufacturing expenses	20A	10,70,70,120	-
	Changes in inventories of finished goods, work-in-progress and Stock in Trade	21	(80,85,540)	(3,48,93,903)
	Employee benefits expense	22	2,08,87,645	1,49,45,722
	Finance costs	23	3,20,94,875	2,90,75,371
	Depreciation	10	1,00,19,198	48,29,506
	Other expenses	24	1,00,43,831	62,09,064
	Loss on sale of car		79,926	-
	Total Expenses		150,38,39,695	69,14,30,999
VI	Prior Year's Expenses		5,890	3,683
VII	Profit before exceptional and extraordinary items and tax (IV-V-VI)		8,22,75,635	7,01,24,179
VIII	Profit before extraordinary items and tax		8,22,75,635	7,01,24,179
IX	Profit before tax		8,22,75,635	7,01,24,179
X	Tax expense			
	Current tax		2,44,28,356	2,29,16,085
	Deferred tax		30,28,177	275,829
	Dividend on Preference shares		27,34,106	-
XI	Total tax expense and Preference dividend		3,01,90,639	2,31,91,914
XII	Profit for the year from continuing operations		5,20,84,996	4,69,32,265
XIII	Profit/(loss) for the year		5,20,84,996	4,69,32,265
	Significant Accounting Policies and other notes	1To39		
	Earnings per equity share:			
	(1) Basic		40.08	36.12
	(2) Diluted		40.08	36.12

In terms of my report of even date attached

For and on behalf of the Board

V.V.S BHAGAVAN
Chartered Accountant
M.No.008571
Date : 29.05.2013
Place: Visakhapatnam

T.Valsaraj
Managing Director

G.V.V.Satyanarayana
Director Finance

COASTAL CORPORATION LIMITED

Cash Flow Statement for the Year Ended 31.03.2013

PARTICULARS	For the year ended 31.03.13 (Rs.)	For the year ended 31.03.12 (Rs.)
A) CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax & Extraordinary Item	8,22,81,524	7,01,27,862
Adjustment for:		
Depreciation	1,00,19,198	48,29,506
Interest and Finance Charges	3,20,94,875	2,90,75,371
Loss on Sale of Asset	79,926	-
Other Income	(8,62,553)	(14,72,786)
Operating Profit Before Changes in Working Capital	12,36,12,970	102,559,953
Adjustments for changes in Working Capital		
(Increase)/Decrease in Inventories	(75,21,821)	(3,69,29,665)
(Increase)/Decrease in Trade Receivables	(6,94,63,790)	1,02,17,153
(Increase)/Decrease in Short Term Loans and Advances	(3,45,98,138)	(37,92,860)
(Increase)/Decrease in Long Term Loans and Advances	85,98,375	(79,20,295)
(Increase)/Decrease in Other Current Assets	79,81,364	(1,36,15,069)
Increase/(Decrease) in Trade Payables	7,95,59,515	(1,23,12,425)
Increase/(Decrease) in Other Current Liabilities	68,13,747	1,53,27,066
Increase/(Decrease) in Short Term Provisions	32,34,303	560,525
Cash Generated from Operations	11,82,16,525	5,40,94,383
Income Tax Paid	(2,14,29,888)	(1,49,26,906)
Cash Flow before Prior Period Items	9,67,86,637	3,91,67,477
Prior Year Income/(Expenditure)	(5,890)	(3,683)
Net Cash Flow from Operating Activity	9,67,80,747	3,91,63,794

COASTAL CORPORATION LIMITED

Cash Flow Statement for the Year Ended 31.03.2013

PARTICULARS	For the year ended 31.03.13 (Rs.)	For the year ended 31.03.12 (Rs.)
B) CASH FLOW FROM INVESTING ACTIVITIES:		
Other Income Received	8,62,553	14,72,786
Purchase of Fixed Assets	(10,36,67,092)	(4,55,68,104)
(Increase)/Decrease in Capital Work in Progress	-	(9,05,62,594)
Sale of Fixed Assets	60,000	-
Net Cash Flow from Investing Activities	(10,27,44,539)	(13,46,57,912)
C) CASH FLOW FROM FINANCING ACTIVITIES:		
Preference Dividend Paid	(27,34,106)	-
Proceeds from Long Term Borrowings	(2,81,43,321)	7,38,40,807
Redemption of Preference Shares	(1,30,00,000)	-
Increase/(Decrease) in Other Long Term Liabilities	(5,67,451)	(2,24,297)
Interest Paid	(3,20,94,875)	(2,90,75,371)
Increase/(Decrease) in Packing Credit Utilization	8,98,04,075	32,402,317
Net Cash Flow from Financing Activities	1,32,64,322	7,69,43,456
D) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	73,00,530	(1,85,50,662)
Cash and Cash Equivalents as at the commencement of the year	1,24,96,667	3,10,47,329
Cash and Cash Equivalents as at the close of the year	1,97,97,197	1,24,96,667

In terms of my report of even date attached

For and on behalf of the Board

V.V.S BHAGAVAN
Chartered Accountant
M.No.008571
Date : 29.05.2013
Place: Visakhapatnam

T.Valsaraj
Managing Director

G.V.V.Satyanarayana
Director Finance

COASTAL CORPORATION LIMITED

NOTE 1: NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

1A) Corporate information:

Coastal corporation Ltd was originally Registered as Coastal Trawlers Pvt Ltd in the year 1981 under the Companies Act 1956 and converted into Public limited company in the year 1985. The company has made a public offer of equity shares in the year 1986. The name of the company has been changed to Coastal corporation Ltd in the year 2005. The company is carrying on business in Export of Fish & Fish Products with processing

1B) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Accounting and Preparation of Financial Statements

The Financial statements of the company have been prepared in accordance with generally accepted accounting principles in India to comply with Accounting Standards notified under the Companies Rules 2006 and the relevant provisions of the Companies Act 1956. The accounting Policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

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 Subsidies

b) Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles which requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting periods. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimated

c) Fixed Assets Tangible Assets

Tangible Fixed Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if Capitalisation criteria are met and directly attributable cost of bringing of the asset to its working condition for the intended use. Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets including day to day repairs and maintenance expenditure and cost of replacing parts are charged to the statement of Profit and Loss for the period during which such expenses are incurred.

Cost of fixed assets includes installation charges and any subsidies received are reduced from the cost.

COASTAL CORPORATION LIMITED

- d) **Expenditure during construction period:**
Expenditure during construction period is grouped under "Capital work in progress." Upon commencement of use of the asset, the expenditure is allocated to respective assets in the ratio of their direct cost.
- e) **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.
- f) **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. |
- g) **Income Recognition:**
Income is recognised on completion of shipment formalities in case of export sales and in other cases upon delivery of goods.
- h) **Foreign Currency Transaction**
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.
- i) **Borrowing Costs:**
Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs incurred on acquiring and construction of assets are capitalised as part of the cost of such assets.
- j) **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 as per the Company's policy.

k)

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. M.A.T Credit entitlement is recognised as per the rates of income Tax prevailing.

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.

COASTAL CORPORATION LIMITED

Note No. 2 : Share capital

	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)
Authorised :		
Equity Shares 30,00,000 equity shares of Rs. 10/- each (Previous year 30,00,000 equity shares of Rs.10/- each)	3,00,00,000	3,00,00,000
Preference Shares 20,00,000 6.5% Redeemable pref. shares of Rs. 10/- each (Previous year 20,00,000 Redeemable pref.shares of Rs.10/- each)	2,00,00,000	2,00,00,000
	5,00,00,000	5,00,00,000
Issued, subscribed and fully paid-up shares		
Equity Shares 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 a premium of Rs.10/- and 1,21,775 equity shares of Rs.10/- each allotted in cash at a premium of Rs.10/-) (Previous year 12,99,500 equity shares of Rs.10/- fully paid) (of the above 3,47,725 equity shares of Rs.10/- each allotted for consideration other than cash at a premium of Rs.10/- and 1,21,775 equity shares of Rs.10/- each allotted in cash at a premium of Rs.10/-)	1,29,95,000	1,29,95,000
Less: Calls in Arrears	2,27,858	2,27,858
Paid up Equity share capital	1,27,67,142	1,27,67,142
Preference Shares * 13,00,000 6.5% Redeemable Preference Shares of Rs.10 each fully paid (Previous year 13,00,000 6.5% Redeemable preference shares of Rs.10/- each fully paid)	-	1,30,00,000
Total issued, subscribed and fully paid-up share capital	1,27,67,142	2,57,67,142

* Pursuant to Board Resolution dated 20th March, 2013 the company has Redeemed the entire Preference share Capital during the year out of the Profits

COASTAL CORPORATION LIMITED

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	31.03.2013		31.03.2012	
	Numbers	Amount in Rs.	Numbers	Amount in Rs.
Shares outstanding at the beginning of the year	12,99,500	1,27,67,142	12,99,500	1,27,67,142
Shares outstanding at the end of the year	12,99,500	1,27,67,142	12,99,500	1,27,67,142

Preference Shares

Shares outstanding at the beginning of the year	13,00,000	1,30,00,000	13,00,000	1,30,00,000
Shares outstanding at the end of the year	-	-	13,00,000	1,30,00,000

(b) Terms and Rights attached to shares

Equity shares

The company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. The dividend if proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares are eligible to receive share in the remaining assets of the company after distribution of all preferential amounts in proportion to their shareholding.

Preference shares

The company has only one class of Preference shares of 6.5% Redeemable Preference shares having par value of Rs.10/- per share. Preference Share holders are not entitled to vote. Preference shares carry a preferential right for repayment in priority to the equity shares to the company but shall not carry any further or other right to participate either in the profits or assets of the company. Pursuant to the board resolution dated 20th March 2013 the company has redeemed the entire Preference share capital during the year out of the profits

COASTAL CORPORATION LIMITED

(c) Details of shares held by shareholders holding more than 5% shares in the company

Name of the shareholder	As at 31.03.2013		As at 31.03.2012	
	No.of Shares	% holding in the class	No.of Shares	% holding in the class
Equity shares of Rs.10/- each fully paid				
Eastward Exim & Shipping Pte.Ltd	1,61,500	12.43	1,61,500	12.43
Deepsea Fisheries Management Ltd	1,61,225	12.41	1,61,225	12.41
Top Fortune Marine International Ltd	1,21,775	9.37	1,21,775	9.37
Haribabu Kambhampati	97,700	7.52	97,700	7.52
TVR Estates & Resorts Pvt Ltd	84,911	6.53	84,911	6.53
	6,27,111	48.26	6,27,111	48.26
Preference Shares of Rs.10/- each fully paid				
Balaji Seafoods Ltd.	-	-	900000	69.23
Coastal Developers Pvt.Ltd	-	-	400000	30.77
	-	-	1300000	100.00

COASTAL CORPORATION LIMITED

Note No.3:Reserves and surplus

Particulars	As at 31.03.13 (Rs)	As at 31.03.12 (Rs)
a) Security premium account		
Opening Balance	46,95,000	46,95,000
Closing Balance	46,95,000	46,95,000
b) General reserve		
Opening Balance	1,06,96,692	6,96,692
Add: Transfer from Statement of Profit & Loss	1,00,00,000	1,00,00,000
Closing Balance	2,06,96,692	1,06,96,692
c) Capital Redemption reserve		
Opening Balance	-	-
Add: Transfer from Statement of Profit & Loss	1,30,00,000	-
Closing Balance	1,30,00,000	-
d) Surplus in the Statement of Profit and Loss		
Opening balance	7,40,01,067	3,70,68,802
Add: Profit for the current year	5,20,84,996	4,69,32,265
	12,60,86,063	8,40,01,067
Less: Transfer to Capital Redemption Reserve	1,30,00,000	-
Less: Transfer to General Reserve	1,00,00,000	1,00,00,000
Net surplus in the statement of profit and loss	10,30,86,063	7,40,01,067
Total reserves and surplus (a+b+c+d)	14,14,77,755	8,93,92,759

COASTAL CORPORATION LIMITED

Note No. 4 : Long Term Borrowings

	Non-current liability		Current liability	
	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)
Term loans from Banks (Secured)				
a) Term Loan from Bank of India (Ref.note 5a)	4,14,21,838	6,43,59,921	1,07,12,000	53,56,000
Other loans from Bank (secured)				
b) Secured loan from Bank of India - Car-Liva (Ref.note 5b)	3,53,417	4,88,626	1,33,728	81,442
c) Secured loan from Bank of India - car- innova (Ref.note 5c)	4,88,995	-	5,23,776	-
d) Secured loan from Bank of India - Car- Indigo (Ref.note 5d)	23,912	2,37,038	2,18,436	2,00,147
e) Secured loan from Tata Motors Finance Ltd - Trucks (Ref. Note 5e)	31,39,303	90,42,607	75,51,600	75,51,600
f) Secured loan from Bank of India - Car- Swift	-	-	-	1,14,729
g) Secured loan from HDFC Bank Ltd - Car- Nissan (Ref.note 5g)	-	1,57,980	1,57,980	1,72,658
h) Secured loan from Bank of India - Car - Rapid (Ref.Note 5 h)	4,59,888	-	3,53,328	-
i) Secured loan from Bank of India - Car - Figo (Ref.Note 5 i)	2,55,498	-	1,96,296	-
j) Secured loan from Kotak Mahindra Bank - Generator (Ref Note. 5 j)	-	-	51,35,000	-
Note: 5a. Term Loan from Bank of India secured on hypothecation of stocks and other immovable & movable assets, export letters of credit from prime banks, equitable mortgage of land, buildings, plant & Machinery belonging to the company and also on collateral security of lands and buildings of 2 Directors and also guaranteed by the directors and their associates				

Contd. on page No. 47

COASTAL CORPORATION LIMITED

Note No. 4 : Long Term Borrowings contd.,

	Non-current liability		Current liability	
	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)
Note: 5b. Car Loan secured on hypothication of car repayble in 60 installments - No defaults in repayments				
Note: 5c,5d,5h and 5i. Car Loans secured on hypothication of cars repayble in 36 installments - No defaults in repayments				
Note: 5e. Trucks Loan secured on hypothication of trucks repayble in 36 installments - No defaults in repayments				
Note: 5g. Car Loans secured on hypothication of cars repayble in 36 installments - No defaults in repayments				
Note: 5j. Generators Loan secured on hypothication of Generators repayble in 12 installments - No defaults in repayments				
A sum of Rs. 2,49,82,144/- was disclosed under Other current liabilities(ref.note.8)				
Net amount	4,61,42,851	7,42,86,172	2,49,82,144	1,34,76,576

Note No.5 :Other Long-Term Liabilities

	Non-current liability		Current liability	
	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)
Trade payables	3,92,810	9,60,260	-	-
Others	5,37,043	5,37,043	-	-
Total	9,29,853	14,97,303	-	-

COASTAL CORPORATION LIMITED

Particulars			Current liability	
	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)
Note No. 6 : Short - Term Borrowings				
Packing credit from Bank of India (secured)			23,97,02,751	14,98,98,678
Packing Credit from Bank of India secured on hypothecation of stocks and other immovable & movable assets, export letters of credit from prime banks, equitable mortgage of land , buildings , plant & Machinery belonging to the company and also on collateral security of lands and buildings of 2 Directors and also guaranted by the directors and their associates	-	-		
Total	-	-	23,97,02,751	14,98,98,678
Note No. 7: Trade Payables				
Trade payables	-	-	9,64,45,716	1,68,86,201
	-	-	9,64,45,716	1,68,86,201
Note No.8: Other Current Liabilities				
Current liabilities / Maturities of long-term borrowings	-	-	2,49,82,144	1,34,76,576
Other liabilities - Captial works	-	-	24,40,614	1,08,12,696
Others payables	-	-	2,55,440	10,24,911
Statutory payables	-	-	64,78,720	21,46,180
Creditors for Expenses	-	-	5,35,531	4,18,339
Total	-	-	3,46,92,449	2,78,78,702
Note No.9 :Short Term Provisions				
Other short term provisions				
Provision for Tax	-	-	35,95,425	10,40,497
Provision for Expenses	-	-	44,22,792	11,88,489
Provision for Doubtful Advances	-	-	3,67,620	3,67,620
Provision for corporate dividend tax	-	-	4,43,540	-
Total	-	-	88,29,377	25,96,606

COASTAL CORPORATION LIMITED

Note No. 10 : FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation				Net Block	
	As at 01/04/2012	Additions	Deletions	As at 31/03/2013	As at 01/04/2012	Depreciation charge for the year	Depreciation On deletions	As at 31/03/2013	As at 31/03/2012
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
a									
Tangible Assets									
Land	2,97,70,116	6,58,010		3,04,26,126				3,04,26,126	2,97,70,116
Buildings	2,36,97,834	8,98,05,139	-	11,35,02,973	58,33,326	15,13,269	-	10,61,56,378	1,78,64,508
Plant and Equipment	3,88,92,538	10,15,78,883		1,40,47,142	1,65,55,425	27,51,727		12,11,64,269	2,23,37,113
Furniture and Fixtures	42,52,973	16,63,156		59,16,129	29,85,004	2,46,308		26,84,817	12,67,969
Vehicles	2,77,10,511	33,10,442	3,91,530	3,06,29,423	51,70,425	51,68,624	2,51,604	2,05,40,977	2,25,40,085
Office equipment	33,61,742	55,549		34,17,291	24,64,650	1,62,032		7,90,609	8,97,092
Roads	4,06,473	-		4,06,473	2,30,792	13,576		1,62,105	1,75,681
Computers	8,07,435	1,65,410		9,72,845	7,59,716	1,45,781		9,05,497	47,719
Total	12,88,99,622	19,72,34,589	3,91,530	32,57,42,681	3,39,99,339	1,00,02,317	2,51,604	4,37,50,052	28,19,92,628
b									
Intangible Assets									
Computer Software	46,450	75,700		122,150	29,470	16,881		46,351	16,980
Total	46,450	75,700	-	122,150	29,470	16,881	-	46,351	16,980
c									
Capital Work In Progress									
Progress	9,36,43,197		9,36,43,197	-				-	9,36,43,197
Total	9,36,43,197	-	9,36,43,197	-	-	-	-	-	9,36,43,197
Grand Total	22,25,89,269	19,73,10,289	9,40,34,727	32,58,54,831	3,40,28,809	1,00,19,198	2,51,604	4,37,56,403	28,20,68,428
Previous Year	8,64,58,571	13,61,30,698	-	22,25,89,269	2,91,99,303	48,29,506	-	3,40,28,809	18,85,60,460
									5,72,59,268

COASTAL CORPORATION LIMITED

Note No. 11 :Long Term Loans and Advances

Particulars			Current liability	
	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)
Advances against Captial Works				
Unsecured, considered good	-	-	44,85,435	1,02,41,400
	-	-	44,85,435	1,02,41,400
Security deposits				
Unsecured, considered good	29,71,268	24,52,968	-	-
	29,71,268	24,52,968	-	-
Loan and advances to related parties				
(Unsecured, considered good)	-	90,82,707	-	-
Advances recoverable in cash or kind				
(Unsecured, considered good)	25,42,294	25,76,262	3,34,72,060	85,63,090
Export Benefits Receivables	-	-	3,76,20,415	2,28,05,301
	25,42,294	1,16,58,969	7,10,92,475	3,13,68,391
Other loans and advances				
Prepaid expenses	-	-	9,93,749	5,38,227
Advances to employees	-	-	5,25,065	3,50,568
	-	-	15,18,814	8,88,795
Grand Total	55,13,562	1,41,11,937	7,70,96,724	4,24,98,586

Note : A sum of Rs.7,70,96,724/- was shown under current loans and advances

COASTAL CORPORATION LIMITED

Note no. 12: Other Non Current Assets

Particulars	Non-current		Current	
	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)	As at 31.03.2013 (Rs)	As at 31.03.2012 (Rs)
Fixed Deposits with Banks	65,32,380	1,45,13,744	-	-
Note No.13: Inventories				
Inventories (valued at lower of cost and net realizable value)				
Finished goods (refer note 21)	-	-	10,61,39,796	9,80,54,256
Stores and spares	-	-	42,90,441	48,54,159
	-	-	11,04,30,237	10,29,08,416
Note No.14: Trade receivables and other assets				
Trade receivables				
Outstanding for a period exceeding six months from the date they are due for payment, unsecured considered good	-	-	-	-
Others considred good	-	-	8,37,95,209	1,43,31,419
	-	-	8,37,95,209	1,43,31,419
Note No.15: Cash and Cash Equivalents				
Cash and cash equivalents				
Balances with banks:				
- On current accounts	-	-	1,93,07,147	1,23,60,758
Cash on hand	-	-	4,90,050	1,35,909
	-	-	1,97,97,197	1,24,96,667
Other bank balances				
- Deposits with original maturity for more than 12 months	65,32,380	1,45,13,744	-	-
	65,32,380	1,45,13,744	-	-
Amount disclosed under Other non-current assets (note 12)	65,32,380	1,45,13,744	-	-

COASTAL CORPORATION LIMITED

Particulars	For the Year ended 31.03.13 (Rs)	For the Year ended 31.03.12 (Rs)
Note No.16 Revenue from Operations		
Revenue from operations		
Sale of products (Shrimp): Finished goods	143,14,60,283	69,46,18,368
Sale of services - Processing Charges	-	3,20,371
Total	143,14,60,283	69,49,38,739
Details of products sold		
Sale of Finished goods		
Shrimp	98,65,57,275	69,46,18,368
Poly Pack	44,49,03,008	-
Total	143,14,60,283	69,46,18,368
Note No.17 Other Operating Income		
Export Benefits	15,37,98,383	6,51,47,336
	15,37,98,383	6,51,47,336
Note No. 18 Other income		
Interest on Bank deposits	4,42,469	3,49,789
Interest from Others	31,032	4,14,997
Income from Toll plaza	59,000	7,08,000
Other income	3,30,052	
Total	8,62,553	14,72,786

COASTAL CORPORATION LIMITED

Particulars	For the Year ended 31.03.13 (Rs)	For the Year ended 31.03.12 (Rs)
Note No. 19 : Cost of Material consumed		
Inventory at the beginning of the year	-	-
Add: Purchases		
- Shrimp	71,89,25,846	54,06,72,309
- Granuels	42,07,86,937	-
	113,97,12,783	54,06,72,309
Less: inventory at the end of the year	-	-
Cost of raw material and components consumed	113,97,12,783	54,06,72,309
Note No. 20 : Processing & Shipment Expenses		
Procurement Expenses	28,73,536	28,27,364
Cold Storage Charges	68,35,450	61,45,407
Peeling Charges	69,75,645	34,54,175
Plant Electricity Charges	1,32,46,350	85,43,499
processing Charges	1,84,66,880	1,52,75,532
Plant Maintenance	2,37,52,406	1,37,46,724
Plant Other Expenses	5,34,1,212	25,01,444
Agricultural Market Cess	30,21,444	18,57,429
Antidumping Fee	95,25,963	34,65,549
Chemicals	75,31,068	49,43,625
Commission	61,74,784	49,86,769
ECGC Fees	12,44,213	15,28,098
Freight Charges	2,39,25,321	1,69,09,000
Total Carried Forward	12,89,14,272	8,61,84,615

COASTAL CORPORATION LIMITED

Particulars	For the Year ended 31.03.13 (Rs)	For the Year ended 31.03.12 (Rs)
Total Brought Forward	12,89,14,272	8,61,84,615
Ice Purchases	59,16,860	30,11,615
Monitoring Fee	16,85,100	13,41,000
Packing & Stocking	2,86,13,781	1,80,42,615
Shipment Expenses	26,97,352	18,74,122
Stock Insurance	54,20,021	57,24,975
Testing charges	30,21,014	15,35,716
THC & DOC Charges	37,20,855	26,95,790
Truck Rep & Maintenance	74,87,176	67,42,636
Transportation Expenses	45,40,426	34,39,846
Total	19,20,16,857	13,05,92,930
Note No. 20 A: Poly Pack Division Expenses		
Antidumping Fee	70,176	-
Basic Customs Duty	2,20,70,193	-
Carriage Inward	51,83,540	-
Clearing charges	69,78,886	-
Halting charges	42,960	-
Job/ Processing charges	7,13,43,539	-
Sales Tax Expenses	1,05,656	-
Service Charges	12,71,981	-
Telephone charges	664	-
V.A.T Registration charges	2,525	-
Total	10,70,70,120	-

COASTAL CORPORATION LIMITED

Particulars	For the Year ended 31.03.13 (Rs)	For the Year ended 31.03.12 (Rs)
Note No. 21 : (Increase)/ decrease in inventories		
Inventories at the end of the year		
Finished goods	10,61,39,796	9,80,54,256
	10,61,39,796	9,80,54,256
Inventories at the beginning of the year		
Finished goods	9,80,54,256	6,31,60,353
	9,80,54,256	6,31,60,353
Total	(80,85,540)	(3,48,93,903)
Note No. 22 : Employee benefits expense		
Salaries, wages and bonus	1,62,98,475	1,10,12,287
Directors Remuneration	2,400,000	13,20,000
Contribution to provident and other funds	4,16,628	4,62,449
Gratuity expense	5,41,171	8,34,544
Staff welfare expenses	12,31,371	13,16,442
	-	
Total	2,08,87,645	1,49,45,722
Note No. 23 : Finance costs		
Interest to Bank	3,06,77,553	2,72,90,445
Bank charges	14,17,322	17,84,926
Total	3,20,94,875	2,90,75,371

COASTAL CORPORATION LIMITED

Particulars	For the Year ended 31.03.13 (Rs)	For the Year ended 31.03.12 (Rs)
Note No.24: Other Expenses		
Audit Fee *	1,40,000	1,00,000
Directors Travelling Expenses	15,05,151	11,18,961
Insurance	3,01,070	2,84,999
Rent ,Rate & Taxes	11,30,144	3,52,008
Stock Exchange Listing Fee	3,80,900	4,38,995
Telex & telephone	4,24,840	3,90,429
Travelling Expenses	4,47,416	4,63,367
Miscellaneous Expenses	26,14,251	9,62,440
Professional Charges	9,84,590	18,81,950
Electricity Charges	1,38,180	91,650
Postage & Telegrams	1,86,168	1,24,265
Carriage Outward	1,05,700	-
Commission charges	8,50,000	-
Factory Rent	2,09,700	-
Freight	5,17,721	-
Security charges	1,08,000	-
Total	100,43,831	62,09,064
*Details of Payments to Auditors		
As Auditor		
Audit Fee	105,000	70,000
Tax Audit Fee	15,000	15,000
other Matters	20,000	15,000
Total	1,40,000	1,00,000

COASTAL CORPORATION LIMITED

Note	Particulars	Unit	2012-2013	2011-2012
25	Contingent liabilities/claims not provided for : Unexpired Bank Guarantees issued in farvour of : - Against letters of credit (S B L C) - A.P.TRANSOCO	Rs. Rs.	75.00 Lakhs 20.00 Lakhs	50.00 Lakhs -
26	Estimated amount of contracts remaining to be executed on account of Capital works	Rs.	200.00 Lakhs	500.00 Lakhs
27	Opening Stock : Value Closing Stock : Value	Rs. Rs.	98,054,526 106,139,796	63,160,353 98,054,256
28	Expenditure incurred in foreign currency : Imported Spares(including for Capital goods) Travelling Expenses Antidumping Fee Marine Rejection Insurance Export Claims Commission Earnings in Foreign Exchange(FOB)	Rs. Rs. Rs. Rs. Rs. Rs. Rs.	NIL 1,12,168 95,96,139 52,51,320 6,78,566 3,32,247 96,26,31,954	2,07,61,660 2,88,462 34,65,549 55,18,512 1,28,582 2,15,472 67,77,09,368
29	Details of Remuneration to Whole-time Directors : Sri T. Valsaraj, Managing Director i) Salary ii) Allowances Sri G.V.V.Satyanarayana i) Salary ii) Allowances	Rs. Rs. Rs. Rs.	12,00,000 - 12,00,000 -	7,20,000 - 6,00,000 -
30	Donations included in Other expenses	Rs.	56,000	30,000

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

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

COASTAL CORPORATION LIMITED

33. ACCOUNTING STANDARD 17: SEGMENT REPORTING

(Rs.in Lakhs)

Particulars	Seafood Division Current Year	Poly Pack Division Current Year	Consolidated Total
Segment Revenue	10,497.34	5,363.88	15,861.22
Inter segment sales			
Total Revenue	10,497.34	5,363.88	15,861.22
Segment Result	511.09	311.67	822.76
Unallocated Corporate Expenses			-
Operating Profit	831.99	311.67	1,143.66
Interest Expenses	320.95	-	320.95
Interest Income	4.73	-	4.73
Income Taxes	151.75	92.53	244.28
Profit from ordinary activities	359.29	219.14	578.43
Deferred Tax / Preference Divident	57.62	-	57.62
Net profit	301.67	219.14	520.81
OTHER INFORMATION			
Segment Assets	5,271.00	581.33	5,852.33
Unallocated corporate assets	-	-	-
Total assets	5,271.00	581.33	5,852.33
Segment Liabilities	3,733.72	576.16	4,309.88
Unallocated Corporated Liabilities	-	-	-
Total Liabilities	3,733.72	576.16	4,309.88
Capital Expenditure	-	-	-
Depreciation	100.16	0.03	100.19
Non-cash expenses other than depreciation	-	-	-

Note: There are no reportable segments in the previous year.

Secondary Disclosures

Revenue from External	=	The main customer for compnay's products
Customers by location of Customers		are in Europe, USA, and Russia
Composition of each	=	State of Andhra Pradesh and Karnataka
geographical segment		
Carrying amount of segment	=	State of Andhra Pradesh and Karnataka
assets by location of assets		

- 34 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.2,75,829/- on account of timing difference in the method of depreciation adopted.

Deferred Tax liability as on 1.4.12	25,75,696
Current tax liability as on 1.4.12	10,90,721
	36,66,417
Less : Deferred Tax Asset as on 1.4.12	24,48,751
	12,17,666
Deferred tax liability provided during the year	30,28,177
Deferred tax liability as on 31.03.2013	42,45,843

35 Accounting Standard - 18 — Related Party Disclosure

- (i) Names of related parties and description of relationship

Key Management Personnel

(a) Sri T. Valsaraj - Key Management Personnel

(b) Sri.G.V.V.Satyanarayana- Key Management Personnel

Enterprises in which KMP or Relatives having significant influence

(a) M/s.T.V.R.Estates and Resorts Pvt. Ltd. - Associate Company

(b) M/s.Balaji Seafoods Ltd. - Associate Company

(c) M/s.Coastal Developers Pvt. Ltd. - Associate Company

(d) M/s. Sai Srekara Realtors & Fisheries - Associate Firm

(e) M/s. Snehadara Consultants - Associate Firm

COASTAL CORPORATION LIMITED

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 31.3.13
1)	Sri T. Valsaraj	Managing Director	Remuneration	12.00	
			Amount Paid	44.61	
2)	M/s.T.V.R.Estates and Resorts Pvt. Ltd.	Associate Company	Amount Received	44.07	0.04(DR)
			Amount Received/Paid	0	3.02(CR)
3)	M/s.Balaji Seafoods Ltd.	Associate Company	Amount Paid	48.01	
	shares		Amount Received	18.81	0
			Redemption of	108.92	
4)	Coastal Developers Pvt. Ltd	Associate Company	Amount Paid	73.48	
			Amount Received	36.16	0
			Redemption of shares	48.41	
5)	Snehadara Consultants	Associate Firm	Amount Paid	5.00(DR)	0
6)	SaiSrekara Realtors & Fisheries	Associate Firm	Amount Received/Paid	2.22 (DR)	0.72(DR)
7)	Sri G.V.V.Satyanarayana	Director Finance	Remuneration	12.00	0
			Amount Received/Paid	10.53	

- 36 There are no overdue amounts payable to micro,small, and medium enterprises
- 37 The company has been utilising duty free credit entitlement certificates granted by the Ministry of Commerce and Industry, Government of India for import of plastic granuels for manufacture of plastic woven sacks. The license issued has expired on 31st January 2013 and hence the operation under this segment have been completed.
- 38 Interest on calls-in-arrears has not been provided in the accounts. Notices have been issued for forfeiture of shares.
- 39 Previous years figures have been regrouped where ever necessary.

Signatures to Notes to Financial Statements

(T.VALSARAJ)

Managing Director

Place : Visakhapatnam

Date : 29.05. 2013

(G.V.V.SATYANARAYANA)

Director Finance

(V.V.S. BHAGAVAN)

Chartered Accountant

M.No: 008571

COASTAL CORPORATION LIMITED

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS	: Registration No.	: 3047
	State Code	: 01
	Balance Sheet Date	: 31.03.2013

II. CAPITAL RAISED DURING THE YEAR : NIL

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

Total Liabilities	Amount in Rs.	Total Assets	Amount in Rs.
SOURCE OF FUNDS	58,52,33,737	APPLICATION OF FUNDS	58,52,33,737
Paid-up Capital	1,27,67,142	Net Fixed Assets	28,20,68,428
Reserves and Surplus	14,14,77,755	Capital Work in Progress	--
Non-Current Liabilities	5,13,18,547	Non-Current Assets	1,20,45,942
Current Liabilities	37,96,70,293	Current Assets	29,11,19,367

IV. **GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY**
(as per Monetary Terms)

1.	Item Code No. (ITC Code)	Product Description
	030613.01	Frozen Prawns

For COASTAL CORPORATION LIMITED Per our Report of even date annexed.

Sd/-
(T.VALSARAJ)
Managing Director

Sd/-
(V.V.S.BHAGAVAN)
Chartered Accountant

Place : Visakhapatnam
Date : 29.05.2013

COASTAL CORPORATION LIMITED

COASTAL CORPORATION LIMITED

15-1-37/3, Nowroji Road, Maharanipeta, Visakhapatnam - 530 002, A.P. India.

PROXY FORM

I/We in the
District of being a member(s) of
Coastal Corporation Limited hereby appoint.....of
.....in the
District ofof failing him/
herof.....
in the District ofas my/our company to be held at D.No.6-42, Besides Toyota
Showroom, Marikavalasa, Visakhapatnam-530 041, Andhra Pradesh, India on Friday,
the 27th September, 2013 at 10.30 A.M. and at any adjournment thereof. Signed
this.....day of2013.

Members(s) Folio Number.....

No.of Shares held.....



SIGNATURE

NOTES

1. Every instrument of Proxy should contain proper identification of non-member proxy holder by verification of his specimen signature on the proxy by the members concerned.
2. The Proxy form duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

COASTAL CORPORATION LIMITED

15-1-37/3, Nowroji Road, Maharanipeta, Visakhapatnam - 530 002, A.P. India.

ATTENDANCE SLIP

Thirty Second Annual General Meeting on the 27th day of September, 2013 at 10.30 A.M.

Full name of the Member attending the meeting
First Holder/Joint Holder/Proxy (strike of whichever is not applicable) Member's Register
Folio Number..... Name of
Proxy (in Full & Block Letters) (if Proxy attends instead of the member)
..... No. of shares held.....

I hereby record my presence at the Thirty Second Annual General Meeting at D.No.6-42,
Marikavalasa, Visakhapatnam-530041 on 27th day of September, 2013 at 10-30 A.M.

.....
Member / Proxy's Signature

PRINTED MATTER - BOOK POST

If undelivered please return to :

Coastal Corporation Limited

Regd. Office : 15-1-37/3, Nowroji Road,
Maharanipeta, Visakhapatnam - 530 002.
Andhra Pradesh, India.


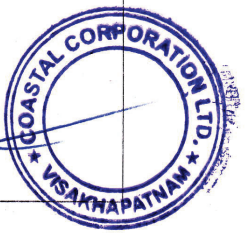
COASTAL CORPORATION LIMITED

CIN No: L63040AP1981PLC003047

REGD OFFICE : 15-1-37/3, JAYAPRADA APARTMENTS,
NOWROJI ROAD, MAHARANIPETA,
VISAKHAPATNAM-530003, ANDHRA PRADESH, INDIA
www.coastcorp.in, Email: cclinvestors@gmail.com
Phone No. 0891-2567118 Fax: 0891-2567132

FORM A

Format of Covering letter of the Annual Audit Report to be filed with the Stock Exchange

1.	Name of the Company	Coastal Corporation Limited
2.	Annual Financial Statements for the year ended	31 st March'2013
3.	Type of Audit Observation	Un-qualified/Matter of Emphasis There is no qualifications given by the Auditors in their Audit Report of the Company.
4.	Frequency of observation	Whether appeared first time/repetitive/since how long period. There is no qualifications in the audit report
5.	To be signed by CEO/Managing Director CFO Auditor of the Company Audit Committee Chairman	For COASTAL CORPORATION LTD  MANAGING DIRECTOR 

Place : Visakhapatnam