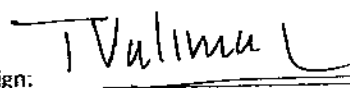
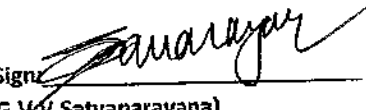
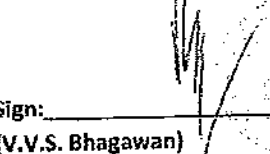



**FORM A**  
**(Pursuant to Clause 31(a) of Listing Agreement)**  
**Format of covering letter of Annual Report to be filed with the Stock Exchange**

| S. No | Particulars                                    | Details  |
|-------|--|--|
| 1.    | Name of Company                                | COASTAL CORPORATION LIMITED<br>(CIN: L63040AP1981PLC003047)  |
| 2.    | Annual Financial Statements for the year ended | 31.03.2015   |
| 3.    | Type of audit observations                     | Un-qualified   |
| 4.    | Frequency of observations                      | Not Applicable   |
| 5.    | To be Signed by:                               |  |
|       | Managing Director                              | <br>Sign: _____<br>(T. Valsara)  |
|       | Director – Finance                             | <br>Sign: _____<br>(G.V.V. Satyanarayana)  |
|       | Auditors of the Company                        | For K.P. Rao Associates<br>Chartered Accountants<br>Firm Reg No. 0031365<br><br><br>Sign: _____<br>(V.V.S. Bhagawan) |
|       | Chairman of the Audit Committee                | <br>Sign: _____<br>(S. Rajaram)  |

COASTAL CORPORATION LIMITED

# COASTAL CORPORATION LIMITED

(CIN: L63040AP1981PLC003047)

VISAKHAPATNAM

## 34th ANNUAL GENERAL MEETING

on Monday, 14th SEPTEMBER'2015 at 10.30 A.M.

at

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

### REGISTERED OFFICE :

D.No. 15-1-37/3, JAYAPRADA APARTMENTS, NOWROJI ROAD,  
MAHARANIPETA, VISAKHAPATNAM-530 002, ANDHRA PRADESH, INDIA

Phone : 0891-2567118, 2552556 Fax : 0891 - 2567132

Email : coastal6@eth.net , cclinvestors@gmail.com

Company Website : [www.coastalcorp.in](http://www.coastalcorp.in)

**COASTAL CORPORATION LIMITED**

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**COASTAL CORPORATION LIMITED****COMPANY INFORMATION****BOARD OF DIRECTORS:**

1. **Shri. T. Valsaraj**  
Managing Director
2. **Shri. G.V.V. Satyanarayana**  
Director – Finance
3. **Smt. JeejaValsaraj**  
Non – Executive Director
4. **Shri. Kamireddi Venkateshwara Rao**  
Independent Director
5. **Shri. S. Rajaram**  
Independent Director

**REGISTERED OFFICE:**

D.No. 15-1-37/3, JAYAPRADA APARTMENTS,  
NOWROJI ROAD, MAHARANIPETA,  
VISAKHAPATNAM-530 002,  
ANDHRA PRADESH, INDIA

Phone : 0891-2567118, 2552556

Fax : 0891 - 2567132

Email : [coastal6@eth.net](mailto:coastal6@eth.net) ,

[cclinvestors@gmail.com](mailto:cclinvestors@gmail.com)

Company Website : [www.coastalcorp.in](http://www.coastalcorp.in)

**AUDITORS :**

M/s. K.P. Rao Associates  
Chartered Accountants  
Hyderabad.

**SECRETARIAL AUDITORS:**

M/s. ASN Associates  
Company Secretaries  
Visakhapatnam

**INTERNAL AUDITORS:**

Mr. R.S.V. RAMAN  
Chartered Accountant  
Visakhapatnam

**COMPANY SECRETARY  
& COMPLIANCE OFFICER:**

Ms. Swaroopa Meruva

**BANKERS :**

Bank of India  
Main Branch  
Visakhapatnam  
Andhra Pradesh.

**BOARD COMMITTEES:**

| <b>AUDIT COMMITTEE</b>   | <b>STAKEHOLDERS RELATIONSHIP COMMITTEE</b>  |
|--|---|
| Shri. S. Rajaram<br>Shri. KamireddiVenkateshwara Rao<br>Smt. JeejaValsaraj | Shri. G.V.V. Satyanarayana<br>Shri. KamireddiVenkateshwara Rao<br>Shri. S. Rajaram  |
| <b>NOMINATION AND REMUNERATION<br/>COMMITTEE</b>                           | <b>CORPORATE SOCIAL RESPONSIBILITY<br/>COMMITTEE</b>                                |
| Shri. S. Rajaram<br>Shri. KamireddiVenkateshwara Rao<br>Smt. JeejaValsaraj | Shri. G.V.V.Satyanarayana<br>Shri. KamireddiVenkateshwara Rao<br>Smt. JeejaValsaraj |



## COASTAL CORPORATION LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **THIRTY FOURTH** Annual General Meeting of the Members of **COASTAL CORPORATION LIMITED** will be held on **Monday, the 14th day of September' 2015 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 consider and adopt the Audited Annual Accounts consisting of the Profit & Loss Account for the year ended 31st March, 2015 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 declare a dividend at the rate of 15%.
3. To appoint a Director in place of Smt. Jeeja Valsaraj (Din 01064411), who retires by rotation and being eligible, offer herself for re-appointment.
4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.**

**"RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. K.P Rao Associates, Chartered Accountants, Hyderabad (Firm No. 003136S) Statutory Auditors of the Company, be and is hereby ratified by the Members of the Company for the Financial Year 2015-16 at such remuneration plus Service Tax, Out of Pocket, Travelling and Living expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### **SPECIAL BUSINESS:**

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

**"RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri. M.V. Suryanarayana (DIN 00372812), be and is hereby appointed as an Independent Director of the Company and in respect of whom the Company has received a notice in writing who has submitted a declaration that meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment with effect from 14th September, 2015 to hold office for Five consecutive years and not liable to retire by rotation."

**COASTAL CORPORATION LIMITED**

**6. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 196,197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act and subject to the approval of the Central Government and such other authorities as may be necessary, Shri. T. Valsaraj (holding DIN: 00057558) be and is hereby appointed, as Managing Director of the Company with effect from 25th January, 2016 for a period of 5 years, during which term of office, he shall not be liable to retire by rotation, on the terms and conditions as to the payment of remuneration as hereunder:

**Salary** : Rs. 2,75,000/- (Rupees Two Lakh Seventy Five Thousand) per month.  
In addition to the salary, he shall be provided with the following perquisites:

- (i) Medical Reimbursement : Actual Expenses incurred for the Managing Director and his family.  
Explanation: "Family" means the spouse, the dependent children and dependent Parents
- (ii) Gratuity : Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act, 1972.

"RESOLVED THAT RESOLVED FURTHER THAT where in any Financial Year during his tenure, if the Company has no profits or its profits are inadequate, the minimum remuneration will be paid, subject to such statutory approvals as may be applicable.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation relating to the payment of remuneration to the managerial personnel or to Schedule V to the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration within the prescribed limits.

**RESOLVED FURTHER ALSO THAT** the Board of Directors be and are hereby authorized to take all necessary steps and do all deeds and things as may be deemed expedient or desirable to give effect to this resolution."

**7. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft Clauses contained in the Memorandum of Association, a copy of which is placed before the meeting and duly initialed by the Chairman for the purposes of identification, be

**COASTAL CORPORATION LIMITED**

and are hereby approved and adopted in substitution, and to the entire exclusion, of the Clauses contained in the existing Memorandum of Association of the Company with effect from the date hereof.

**RESOLVED FURTHER THAT** any of the Directors and the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to this resolution including but not limited to incorporation of amendment/ suggestion/observations made by the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad."

**8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:**

"RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013, the existing Articles of Association of the Company be substituted by a new set of Articles of Association of the Company as placed before the members at the meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution.

**RESOLVED FURTHER THAT** any of the Directors and the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to this resolution including but not limited to incorporation of amendment/ suggestion/observations made by the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad."

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

"RESOLVED THAT pursuant to Section 63 and all other applicable provisions of the Companies Act, 2013 or any amendment or reenactment thereof and as authorized by Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such consents and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, the Board of Directors (which term shall include any Committee thereof) of the Company be and are hereby authorized to capitalize a sum of 1,27,11,000/- (Rupees One Crore Twenty Seven Lakhs Eleven Thousand Only) out of the Capital Redemption Reserves Account, or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended 31st March, 2015 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of 12,71,100 (Twelve Lakhs Seventy One Thousand One Hundred) Equity

**COASTAL CORPORATION LIMITED**

Shares of Rs. 10/- each as Bonus Equity Shares credited as fully paid up, to the eligible Members of the Company holding Equity Shares of Rs. 10/- each whose names appear in the Register of Members/Beneficial Owners' position of the Company on such date ("Record Date") as the Board may determine, in the proportion of 1 (One) new Equity Share of Rs. 10/- each for every 1 (One) Equity Share of Rs. 10/- each held as on the Record Date and that the new Bonus Equity Shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the Equity Share Capital of the Company held by each such members and not as income and the said Bonus Equity Shares shall be issued and allotted, inter alia, on the following terms and conditions:

- i. The new Equity Shares of Rs. 10/- each to be issued and allotted as Bonus Equity Shares shall be subject to the provisions of the Memorandum & Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid Equity Shares of the Company.
- ii. No letter of allotment shall be issued in respect of the Bonus Equity Shares. The Share Certificate(s) for Bonus Equity Shares be issued / dispatched to the Shareholders who hold the existing shares in physical form and the respective beneficiary accounts be credited with the Bonus Equity Shares.
- iii. The allotment of the new equity Bonus Shares to the extent that they relate to Non-Resident Members, Foreign Institutional Investors (FIIs) and other Foreign Investors of the Company shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and other applicable provisions.
- iv. The Board be and is hereby authorized to take necessary steps for Listing of the Bonus Equity Shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the Listing Agreements with the Stock Exchanges concerned and other applicable laws and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may in its absolute discretion, deem necessary, expedient including settling any question, doubt or difficulties that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution and the Board's decision in this regard shall be final and binding."

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

By Order of the Board  
For Coastal Corporation Limited

Sd/-  
(T.Valsaraj)  
Managing Director

Place : Visakhapatnam  
Date : 18.07.2015

**COASTAL CORPORATION LIMITED**

**NOTES:**

1. The relative Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed here to and forms part of notes.
2. A member entitles to attend and vote at the Annual General 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.
3. The instrument of Proxy, in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, Societies and other Juristic Persons must be supported by an appropriate resolution / authority as applicable. A person can act as proxy on behalf of Members not exceeding Fifty(50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Pursuant to the Provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed on 27.08.2015 for annual closing, determining the entitlement of the Members to the dividend for the Financial Year 2014-15.
5. Subject to the provisions of the Companies Act, 2013 dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid within the period of 30 days from the date of declaration, to those Members whose names appear on the Register of Members as on 26.08.2015(i.e.,*pre bonus issue shareholders*). In respect of the shares held in dematerialized form, the dividend will be paid to the shareholders whose names are furnished by the Central Depository Services (India) Limited (CDSL) as beneficial owners as on 26.08.2015(i.e.,*pre bonus issue shareholders*).
6. Subject to the provisions of the Companies Act, 2013 Bonus Shares recommended by the Board of Directors, if declared at the Meeting, will be issued to those Members whose names appear on the Register of Members as on record date. In respect of the shares held in dematerialized form, the Bonus Shares will be issued to the Members whose names are furnished by the Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
7. Members desiring to seek any information on the annual accounts are requested to write to the Company's Compliance Officer at least 7 (Seven) days in advance of the meeting so that the information can be made available at the meeting.
8. The members are requested to intimate to the Company any change of their address quoting their Share Ledger Folio No(s).

**COASTAL CORPORATION LIMITED**

9. Members / Proxy holders must bring the Attendance Slip duly filled and signed, and hand over it at the entrance of the meeting hall. Xerox Copy / torn attendance slips will not be accepted at the entrance of the Meeting Hall. Members are requested to bring their copy of the Annual Report to the Meeting, as copies will not be distributed at the Meeting hall, as measure of austerity. Corporate members are requested to send to the Company's duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
10. Only bonafide members of the Company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting
11. In case of Joint holders attending the meeting, the Member whose name appears as the First Holder in the order of names as per the Register of Members of the Company will be entitled to vote.
12. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders are entitled to make nomination in respect of shares held by them in physical form, Shareholders desirous of making nominations are requested to send their requests to the Registrar and Share Transfer Agents.
13. As per the Circular Number MRD/DOP/CIR-05/2009 DT: May 20, 2009 issued by the Securities Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer/ transmission of shares in physical form. Therefore, the transferee(s) / legal heirs requested to furnish a copy of PAN to the Registrar and Share Transfer agents.
14. Details under Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, form integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
15. Electronic copy of the Annual Report for the year 2014-15 is being sent to all the members whose email ID are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2014-15 is being sent in the permitted mode.
16. 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 compliances 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 share holders in electronic mode to the e-mail address provided by them through company email id: cclinvestors@gmail.com

**COASTAL CORPORATION LIMITED**

17. Members who hold shares in the dematerialized form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their Folio Number in the attendance slip and hand it over at the entrance of the Meeting Hall.
18. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days except Sunday and Holidays.

**Annexure to the Notice:**

**EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS OF THE ACCOMPANYING NOTICE PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.**

**Item No. 5.**

The Members are informed that Shri. M.V. Suryanarayana is a Fellow Member of the Institute of Chartered Accountants of India and had a distinguished career spanning 35 years in Life Insurance Corporation of India in Accounts, Marketing, Administration, Banking and Finance. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri. M.V. Suryanarayana, is proposed to be appointed as an Independent Director for a term of 5 (Five) consecutive years. Notice has been received from a member proposing the candidature of Shri. M.V. Suryanarayana for the office of Independent Director of the Company. Shri. M.V. Suryanarayana fulfils the conditions specified in the Companies, Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Shri M.V. Suryanarayana as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during the office hours on all working days except Sundays and public holidays upto the date of Annual General Meeting of the Company between 9.30 A.M. to 11.30 A.M.

Except Shri. M.V.Suryanarayana, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in any manner, in passing the resolution set out in the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 6**

The members are informed that Shri. T. Valsaraj, aged 60 years, is the Chief Promoter, First Director and presently Managing Director of the Company. He has been appointed as Managing Director in Extra-Ordinary General Meeting of the Company held on 27th day of January'2011. He is a B. Tech. He has total experience of over 36 years in the varied fields viz., project management, construction, infrastructure development projects and 33 years in export business of marine products and other merchandise. He has been devoting his entire time, efforts and energy to develop this Company in all aspects including strategic

**COASTAL CORPORATION LIMITED**

business planning and analysis of future competition and threats at Global level as the business of the company is export oriented in all kinds of marine products. His rich experience has brought this Company into one of the big players in export of marine products. His extensive involvement in wealth maximization and net worth build-up is clearly evident from the present financial structure of the Company.

In accordance with the provisions of Schedule V to the Companies Act, 2013, any remuneration payable to the Managerial personnel shall have to be approved by the Nomination and Remuneration Committee constituted with at least ~~two~~ Non-Executive independent Directors and also a Special Resolution to that effect has to be passed at the General Meeting of the members of the Company for payment of such remuneration. Accordingly, as per the provisions of Schedule V to the Companies Act, 2013, the Nomination and Remuneration Committee has considered financial position of the Company in all aspects & the profile of Shri. T. Valsaraj and duly approved the proposed remuneration of Rs. 2,75,000/-. Keeping in view of these provisions, the Board considered all these facts and proposed to pay the remuneration of Rs. 2,75,000/- and other perquisites w.e.f. 25th January, 2016.

The copy of letter of appointment is kept open for inspection by any member of the Company under Section 190(2) of the Companies Act, 2013.

Except Shri. T. Valsaraj, being an appointee and Smt. Jeeja Valsaraj, wife of appointee and none of the other Directors and Key Managerial Personnel of the Company and their Relatives is concerned or interested in any manner in passing the resolution.

**Item No. 7**

The Company was incorporated on 30th May, 1981 under the provisions of the Companies Act, 1956 and deemed to exist within the purview of the Companies Act, 2013. The existing Memorandum of Association ("MOA") was drafted in compliance with the provisions of the Companies Act, 1956. As per the provisions of Section 4 of the Companies Act, 2013, read with the Companies (Incorporation) Rules, 2014, the MOA of the Company will no longer carry other Objects Clause. However, the existing Memorandum of Association of the Company specifies other Objects Clause and contains several other provisions which are not in conformity with the provisions of the Companies Act, 2013.

Since many alterations, insertions and deletions are required to be made in the existing MOA, it is considered expedient to adopt a restated MOA in place of the existing MOA. Pursuant to the provisions of Section 13 of the Companies Act, 2013, the approval of members of the Company is required for adopting a restated MOA.

The approval of the Members for adopting the new set of MOA is therefore now being sought, by way of a Special Resolution, pursuant to Section 13 of the Act.



**COASTAL CORPORATION LIMITED**

The Directors therefore, recommend the Resolutions at Item No. 7 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company is concerned or interested in the passing of the Resolutions at Item No. 7.

**Item No. 8**

The Articles of Association ("AOA") of the Company presently in force are in line with the provisions of the erstwhile Companies Act 1956 and also some of the Articles under the Companies Act, 2013, which is no longer in force. Several Clauses / Regulations in the existing AOA contain references to specific Sections of the Companies Act, 1956 and some of the provisions are not in conformity with the provisions of Companies Act, 2013 ('New Act'). Further, some of the Articles also shall be renumbered. Thus several Articles of the existing AOA of the Company require alterations/ deletions to bring in line with the provisions of the New Act.

Considering the numerous amendments and alterations to be made in the existing AOA, it is thus expedient to adopt a new set of AOA (primarily based on Table F set out under the Companies Act, 2013), in place of existing AOA of the Company. In terms of Section 5 and 14 of the Companies Act, 2013, the consent of the members by way of Special Resolution is required for adoption of new set of Articles of Association of the Company.

The approval of the Members for adopting the new set of AOA is therefore now being sought, by way of a Special Resolution, pursuant to Section 14 of the Act.

The Directors therefore, recommend the Resolutions at Item No. 8 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company is concerned or interested in the passing of the Resolutions at Item No. 8.

**Item No. 9**

The members are informed that your Company had a successful financial year ended 31st March, 2015, during which:

- \* It has recorded consolidated revenue of Rs.2,60,18,33,093/-.
- \* It has posted a net profit after tax on consolidated basis of Rs.9,81,68,218/-.
- \* The Reserves of the Company increased to Rs.34,64,20,304/- on consolidated basis and Rs.35,02,72,950/- on standalone basis as at the end of financial year ended 31st March, 2015.

**COASTAL CORPORATION LIMITED**

\* In view of the strong financial performance of the Company the Board of Directors at their meeting have recommended Bonus Shares in the ratio of 1:1, that is, one new fully paid up Equity Share of Rs. 10/- each for every one fully paid-up Equity Share of Rs. 10/- each held by the members as on the Record Date to be determined by the Board for this purpose.

The present paid-up Equity Share Capital of the Company is Rs.1,27,11,000 (One Crore Twenty Seven Lakhs Eleven Thousand Only) consisting of 12,71,100 Equity Shares.

In accordance with the enabling provisions of the Articles of Association of the Company, the Companies Act, 2013, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 and such other Regulations/Acts etc., as may be applicable, the Bonus Equity Shares will be issued by capitalizing a sum of Rs.1,27,11,000 (One Crore Twenty Seven Lakhs Eleven Thousand Only) (based on the present paid up equity capital) from Capital Redemption Reserve to the extent permissible, or any other permitted accounts as per the Audited Accounts of the Company for the financial year ended on 31st March, 2015, as the case may be.

The Bonus Equity Shares so allotted shall rank pari-passu with the existing fully paid-up equity shares of the Company in all respects.

The issue of fully paid Bonus Equity Shares by way of capitalization of profits/ reserves is permitted under Section 63 of the Companies Act, 2013. The proposed issue of Bonus Equity Shares also fulfills the SEBI Regulations. Applications will be made to the Stock Exchanges for permission to listing and dealing in such Bonus Equity Shares as may be applicable. The Articles of Association of the Company permits capitalization of reserves by applying the same towards issue and distribution of fully paid shares to the Members, after obtaining approval of the Members of Company by way of an Ordinary Resolution and hence the above resolution is proposed for the approval of the Members as an Ordinary Resolution.

It is also necessary/expedient to authorize the Board of Directors of the Company or any Committee thereof, to complete all the regulatory formalities in connection with the issue of Bonus Shares that may be prescribed by SEBI, the Stock Exchanges on which the Company's securities are listed, Reserve Bank of India and / or any other regulatory authority.

The Promoters, Directors, Key Managerial Personnel of your Company and their relatives are interested in this resolution to the extent of their respective shareholdings in the Company or to the extent of the shareholdings of the Companies / Institutions / Trusts of which they are Directors or members or Trustees with or without any beneficial interest. Your Directors recommend the Resolution at Item No. 9 of this Notice, for your approval.

**COASTAL CORPORATION LIMITED**

Name of the entity/companies (which shall be allotted bonus shares) in which Promoters, Directors, Key Managerial Personnel have shareholding interest more than 2%.

| Name of the Entity                    | % of Share Holding |
|---------------------------------------|--------------------|
| TVR Estates & Resorts Private Limited | 6.68%              |

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.Valsaraj)

Managing Director

Place: Visakhapatnam

Date: 18.07.2015

**ANNEXURE FOR E-VOTING PROCEDURE**

The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- (i) Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

|                   |           | E-Voting<br>Start Date &<br>Time | E-Voting<br>End Date<br>&<br>Time |
|-------------------|-----------|----------------------------------|-----------------------------------|
| EVSN Reference No | 150818004 | 11.09.2015<br>AT<br>9.00 A.M     | 13.09.2015<br>AT<br>5.00 P.M      |

- (iv) **Now Enter your User ID**
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

**COASTAL CORPORATION LIMITED**

|                       |  |
|-----------------------|--|
|                       | For Members holding shares in Demat Form and Physical Form   |
| PAN                   | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as Physical Shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Serial Number (refer Serial No. printed on the name and Address Sticker/Postal Ballot Form) in the PAN Field.</li> <li>In case the Serial Number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL Letters. Eg. if your name is Ramesh Kumar with Serial Number 1 then enter RA00000001 in the PAN field.</li> </ul> |
| DOB                   | Enter the Date of Birth as recorded in your Demat account or in the Company Records for the said Demat account or folio in dd/mm/yyyy format.  |
| Dividend Bank Details | <p>Enter the Dividend Bank Details as recorded in your Demat account or in the Company Records for the said Demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member ID / Folio Number in the Dividend Bank details filed.</li> </ul>  |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in Demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the Demat holders for voting for Resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the Resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the Resolution, you will not be allowed to modify your vote.

**COASTAL CORPORATION LIMITED**

- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- \* Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - \* They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - \* After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - \* The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - \* They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**IN CASE OF MEMBERS RECEIVING THE PHYSICAL COPY:**

- (A) Please follow all steps from Sl. No. (i) to Sl. No. (xvii) Above to cast vote.
- (B) The voting period begins on 11.09.2015 at 9.00 A.M. and ends on 13.09.2015 at 5.00 P.M. During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 07.09.2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help Section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

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

Place: Visakhapatnam  
Date: 18.07.2015

By Order of the Board  
For Coastal Corporation Limited

Sd/-  
(T.Valsaraj)  
Managing Director  
DIN: 00057558

**COASTAL CORPORATION LIMITED****DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting the Thirty Fourth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2015 and the report of the Auditors thereon.

**1. FINANCIAL SUMMARY (STANDALONE)**

| Particulars   | Year Ended<br>31.03.2015<br>Rs. | Year Ended<br>31.03.2014<br>Rs. |
|---|---------------------------------|---------------------------------|
| Sales   | 2,59,87,97,554                  | 206,06,04,498                   |
| Interest  | 47,56,496                       | 22,05,238                       |
| Other Income including Operating Income             | 17,95,28,849                    | 24,06,80,401                    |
| Total Income  | 2,78,30,82,899                  | 230,34,90,137                   |
| Less : Expenditure                                  | 2,59,97,49,133                  | 2,12,22,23,435                  |
| Profit before Depreciation and Taxation             | 18,33,33,766                    | 18,12,66,702                    |
| Less : Depreciation                                 | 2,60,91,987                     | 1,56,34,498                     |
| Profit before Taxation                              | 15,72,41,779                    | 16,56,32,204                    |
| Less: Provision for Tax                             | 5,47,47,842                     | 5,66,90,231                     |
| Less: Prior Period Adjustments                      | 4,73,073                        | 21,926                          |
| Net Profit After Tax & Prior period adjustments (a) | 10,20,20,864                    | 10,89,20,048                    |
| Balance brought forward from last year(b)           | 19,60,06,111                    | 10,30,86,063                    |
| Less : Transfer to General Reserve(c)               | 1,50,00,000                     | 1,60,00,000                     |
| Less: Proposed Dividend @ 15%(d)                    | 19,06,650                       | -                               |
| Less: Tax on Dividend(e)                            | 3,81,139                        | -                               |
| Less : Transfer to Capital Redemption Reserve(f)    | -                               | -                               |
| Balance Carried to Balance Sheet(a+b-c-d-e-f)       | 28,07,39,186                    | 19,60,06,111                    |

**2. DIVIDEND**

The Company has recommended a Dividend of Rs.1.50/- per Equity Share i.e., at the rate of 15% of the Equity Share Capital of the Company. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on 14<sup>th</sup> September, 2015.

The Register of Members and Share Transfer Books will remain closed on 27.08.2015(one day) for the purpose of payment of the Dividend for the Financial Year ended March 31<sup>st</sup>, 2015, and the Annual General Meeting.

3. **STATE OF COMPANY'S AFFAIRS OF THE COMPANY DURING THE YEAR**

During the year under review, the Company has earned an income of Rs. 2,78,30,82,899/- as compared to Rs. 2,30,34,90,137/- during the previous year and the expenditure incurred amounted to Rs. 2,59,97,49,133/- as against Rs. 212,22,23,435/- during the previous year. The depreciation provided for the reporting year was Rs. 2,60,91,987/- as compared to Rs. 1,56,34,498/- during the previous year. Hence, Net Profit after tax was amounted to Rs. 10, 20, 20,864/- as compared to Rs. 10, 89, 20,048/- during the previous year. The Company has achieved these results by availing the opportunities in exports of marine foods to various countries and maintaining the stabilized dollar value.

Still, 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 to various countries. The Company has identified viable parties for increasing the exports and the business of the Company by adding more products for exporting to various other countries. Further, after the acquisition of the Fully Owned Subsidiary Company, this year the Company has achieved in adding more new business activity of tuna fishing. Hence, the Company expects more business and profits in the years to come.

4. **PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT.**

In compliance with the requirement of Section 2(87) of the Companies Act, 2013, Directors' Report along with the Statement of Accounts of Continental Fisheries India Private Limited, the Subsidiary of your Company, for the year ended 31st March 2015 are appended to the Annual Report.

**Continental Fisheries India Private Limited**

Continental Fisheries India Private Limited is a Wholly Owned Subsidiary of the Company, which has been established with an objective of deep sea fishing.

The Statement containing the salient features of the financial statement of Subsidiary as per sub-section (3) of Section 129 of the Companies Act, 2013 in Form AOC - 1 is herewith annexed as **Annexure - 1** to this report.

5. **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure - 2** to the report.



**COASTAL CORPORATION LIMITED**

These have been discussed in detail in the Notes to the Standalone Financial Statements in this Annual Report.

**6. DEPOSITS**

The Company has not accepted any fixed deposits attracting the provisions of the Companies Act, 2013 and, as such, no amount of principal or interest was outstanding as on the Balance Sheet date.

**7. STATUTORY AUDITORS:**

At the Annual General Meeting held on September 30<sup>th</sup>, 2014, M/s. K.P.Rao Associates, Chartered Accountants, were appointed as Statutory Auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2017 subject to ratification of Shareholders in every Annual General Meeting. Accordingly a resolution seeking Members' ratification on appointment of M/s. K.P. Rao Associates., Chartered Accountants, Hyderabad as statutory auditors of the Company for the Financial Year 2015-16 is included at Item No. 4 of the Notice convening the 34<sup>th</sup> Annual General Meeting. As required under Clause 49 of the Listing Agreement.

**8. AUDITORS' REPORT**

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation or adverse remarks.

**9. SECRETARIAL AUDITOR**

Shri Satyanarayana. A, Practicing Company Secretary, ASN Associates, Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Audit Report for FY 2014-15 forms part of the Annual Report as **Annexure - 3** to the *Board's report*.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Board has appointed Satyanarayana A, ASN Associates, Practicing Company Secretaries, as secretarial auditor of the Company for the financial year 2015-16.

**10. INTERNAL AUDITORS**

The Board of Directors based on the recommendations of the Audit Committee have re-appointed CAR.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.

**11. AWARDS/CERTIFICATIONS:**

CRISIL has assigned CRISIL BBB-/Stable Credit Rating for Bank Loan facilities for Long Term Loan and CRISILA3+ Credit Rating for short term Loan facilities provided by the Bank.

**12. CREDIT & GUARANTEE FACILITIES:**

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

**13. PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

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

The particulars as prescribed under Sub – Section (3)(m) of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure - 4** to the Board's Report.

**14. MANAGEMENT DISCUSSION ANALYSIS**

Management Discussion & Analysis is given as an **Annexure - 5**.

The Board has been continuing its efforts and taken the required steps in the following areas:

1. Industry Structure and Development
2. Growth strategy.
3. Segment-wise Performance
4. Internal Control Systems and their adequacy
5. Strengths, Weaknesses, Opportunities and Threats
6. Financial performance with respect to operational performance
7. Material developments in human resources / industrial relations
8. Strict Compliances
9. Talent Management, Leadership Development, and Talent Retention.
10. Learning and Development

**15. CORPORATE GOVERNANCE**

The Company is committed to maintain the highest standards of Corporate Governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance as stipulated under the Listing Agreement forms an integral part of this Report as **Annexure - 6**.

**Auditors' Certificate on Corporate Governance**

As required by Clause 49 of the Listing Agreement, the Auditors' Certificate on Corporate Governance is enclosed as **Annexure - 7** to the *Board's Report*.

**Board diversity**

The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage.

**16. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which have been approved by the Board. The key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability.

The Company has identified two focus areas of engagement which are as under:

1. **Health:** Affordable solutions for healthcare through improved access, awareness and health seeking Behavior, Sanitation.
2. **Skill Development:** Access to quality education, training and skill enhancement.

The Company would also undertake other need based initiatives in compliance with Schedule VII to the Act. During the year, the Company has spent Rs. 6,57,730/- on CSR activities. The Annual Report on CSR activities is annexed herewith marked as **Annexure - 8**.

**17. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the Annual Return in the Form No. MGT – 9 is appended as **Annexure - 9** to the *Board's report*.

**18. INTERNAL FINANCIAL CONTROLS**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**19. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Shri T.Valsaraj had been continuing as the Managing Director of the Company. The Company has re-appointed Shri. G.V.V. Satyanarayana on 30<sup>th</sup> September, 2014 for a period of 3(Three) years w.e.f 01.10.2014.

In accordance with the provisions of the Act and the Articles of Association of the Company, Smt. Jeeja Valsaraj, Non- Executive Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible have offered herself for re-appointment.

As on the date of this Report, the Company's Board consists of the following Independent Directors:

1. Shri. Venkateshwara Rao Kamireddi
2. Shri. Sirangu Rajaram

3. Shri. Dilip Anant Biwalkar - (Resigned w.e.f. 07.02.2015)

During the Year, the Company has appointed Ms. Swaroopa Meruva as the Company Secretary and Compliance Officer of the Company w.e.f. 07.02.2015.

A brief profile of the Directors of the Company is annexed herewith as **Annexure 10** to this report

**20. PARTICULARS OF EMPLOYEES AS PER SECTION 197(12) UNDER RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Particulars of employees as required in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not given as your Company has not paid any remuneration attracting these provisions –The same has been annexed to this Board Report s **Annexure - 11**

**21. DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 (3) (C) OF THE COMPANIES ACT, 2013**

The financial statements are prepared in accordance with the Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies(Accounts) Rules, 2014, the Provisions of the Act (to the extent notified) and guidelines issued by Securities Exchange Board of India (SEBI). There are no material departures from prescribed accounting standards in the adoption of these standards.

The Directors confirm that:

- (a) In the preparation of the annual accounts for the Financial Year ended March 31, 2015, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts on a going concern basis;  
and
- (e) The directors have laid down internal financial controls, which are adequate and are operating effectively.
- (f) The directors have devised proper systems to ensure compliance.

**22. DECLARATION BY INDEPENDENT DIRECTORS**

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law. The declaration is annexed to the Board Report as **Annexure - 12**

**23. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There were no significant and material Orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

**24. MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which this financial statement relate on the date of this report.

**25. VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES**

The Vigil Mechanism of the Company, which also incorporates a whistle blower policy in terms of the Listing Agreement, includes an Ethics & Compliance Task Force comprising senior executives of the Company. Protected disclosures can be made by a whistle blower through an e-mail, or dedicated telephone line or a letter to the Task Force or to the Chairman of the Audit Committee.

**26. RISK MANAGEMENT POLICY**

During the year, the Company manages monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structures, processes, standards, code of conduct and behaviors together form the Coastal Management System that governs how the Group conducts the business of the Company and manages associated risks.

**27. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013**

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

**28. CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with Accounting Standard AS-21, the Consolidated Financial Statements are furnished herewith and form part of this Report and Accounts. These statements have been prepared on the basis of audited financial statements received from the Subsidiary Company as approved by their Board of Directors.

**29. PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and Compliance Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

**30. INSURANCE**

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

**31. EMPLOYEE RELATIONS**

The relationship with the staff and workers continued to be cordial during the entire 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 is taking necessary steps to recruit the required personnel from time to time.

**32. 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.

**34. GENERAL**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Neither the Managing Director nor the Whole Time Director of the Company receives any remuneration or commission from any of its subsidiary.
- b. Issue of Equity Shares with differential rights as to Dividend, voting.
- c. Issue of Shares (including sweat equity shares) to employees of the Company under any scheme.

Your Directors further state that during the year The internal compliants committee have been consitituted with 2 woman members and a male member and under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**35. LISTING WITH STOCK EXCHANGES:**

The Company confirms that it has paid the Annual Listing Fees for the year 2015-2016 to BSE, ASE and DSE where the Company's Shares are listed.

**36. 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, 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 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 : 18.07.2015

## Annexure -1

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5  
of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of  
Subsidiaries/Associate Companies/Joint Ventures**

#### Part "A": Wholly Owned Subsidiaries

(Amounts in Rs.)

| Sl. No. | Particulars   | Details  |
|---------|---|--|
|         | Name of the subsidiary  | Continental Fisheries India Private Limited<br>U05000AP2014PTC094907 |
|         | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | 23.07.2015 to 31.03.2015   |
|         | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | NA   |
|         | Share capital   | 2,76,000   |
|         | Reserves & surplus  | (3,852,646)  |
|         | Total assets  | 6,707,973  |
|         | Total Liabilities   | 6,707,973  |
|         | Investments   | Nil  |
|         | Turnover  | 3,035,539  |
|         | Profit before taxation  | Rs. (3,852,646/-)  |
|         | Provision for taxation  | Nil  |
|         | Profit/Loss after taxation  | Rs. (3,852,646/-)  |
|         | Proposed Dividend   | Nil  |
|         | % of shareholding   | 100%   |



**COASTAL CORPORATION LIMITED**

**Part "B": Associates and Joint Ventures:**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

| Name of associates/Joint Ventures   | Balaji Sea Foods Limited | TVR Estates and Resorts Private Limited | Coastal Developers Private Limited |
|---|--------------------------|---|------------------------------------|
|   | Associate Company        | Associate Company                       | Associate Company                  |
| 1. Latest audited Balance Sheet Date  | 31.03.2014               | 31.03.2014                              | 31.03.2014                         |
| 2. Shares of Associate/Joint Ventures held by the company on the year end     | Nil                      | Nil                                     | Nil                                |
| No.   |                          |   |                                    |
| Amount of Investment in Associates/Joint Venture                              | Nil                      | Nil                                     | Nil                                |
| Extend of Holding%  | Nil                      | Nil                                     | Nil                                |
| 3. Description of how there is significant influence                          | -                        | -                                       | -                                  |
| 4. Reason why the associate/joint venture is not consolidated                 | -                        | -                                       | -                                  |
| 5. Net worth attributable to shareholding as per latest audited Balance Sheet | -                        | -                                       | -                                  |
| 6. Profit/Loss for the year   |                          |   |                                    |
| i. Considered in Consolidation  | -                        | -                                       | -                                  |
| ii. Not Considered in Consolidation   | -                        | -                                       | -                                  |

**As per our Report  
For K.P. Rao Associates  
Chartered Accountants**

**By order of the Board**

**Sd/-  
(V.V.S. Bhagawan)  
Partner  
M.No: 08571**

**Sd/-  
(T.Valsaraj)  
Managing Director**

**Place: Hyderabad  
Date: 18.07.2015**

**Sd/-  
(G.V.V Satyanarayana)  
Director - Finance**

**COASTAL CORPORATION LIMITED****ANNEXURE 2****FORM NO. AOC -2**

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

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions at Arm's length basis.

| Name of the Related Party       | Nature of Relationship | Duration of Contracts      | Salient Terms                                  | Amount (Rs. in Lakhs)   |
|---------------------------------|------------------------|----------------------------|--|-------------------------|
| Shri T. Valsaraj                | Managing Director      | Ongoing                    | Remuneration<br>Amount Paid<br>Amount Received | 27.00<br>15.44<br>15.44 |
| Shri. G.V.V. Satyanarayana      | Director - Finance     | Ongoing                    | Remuneration                                   | 19.50                   |
| M/s. Balaji Sea Foods Limited   | Associate Company      | Completed as on 31.03.2015 | Amount Paid<br>Amount Received                 | 112.66<br>112.66        |
| Sai Srekar & Realtors Fisheries | Associate Firm         | Completed as on 31.03.2015 | Amount Paid<br>Amount Received                 | 2.72<br>2.72            |

As per our report  
For K.P. Rao Associates  
Chartered Accountants

Sd/-  
(V.V.S. Bhagwan)  
Partner  
MNo. : 08571

On behalf of the Board

Sd/-  
(T. Valsaraj)  
Managing Director

Sd/-  
(G.V.V. Satyanarayana)  
Director - Finance

Place: Visakhapatnam

Date: 18.07.2015

**ANNEXURE - 3**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st March, 2015**

**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2015**

To,  
The Members,  
Coastal Corporation Limited .

We have conducted the Secretarial Audit of the compliance of applicable Statutory provisions and the adherence to Good Corporate Practices by M/s. Coastal Corporation Limited. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts/Statutory Compliances and expressing my opinion thereon.

Based on our verification of Coastal Corporation Limited books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2015, the Company has complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Coastal Corporation Limited for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made

**COASTAL CORPORATION LIMITED**

thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the Audit Period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (Not notified and hence not applicable to the company)
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange, Ahmedabad stock Exchange and Delhi Stock Exchange, if applicable;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above further during the year M/s. Seacrest Seafoods & LLC had been incorporated in the State of Delaware, USA. The company had paid requisite fees towards belated submission of documents. The company has to file form MGT-10 with the Registrar of Companies, relating to change in the shareholding pattern of the promoters and top 10 shareholders of the company.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. However, after the resignation of Shri. Dilip Anant Biwalkar, to the position of Independent Director of the company, there were changes in the Composition of the Board and an Independent Director is required to be appointed for the purpose of Optimum Composition of the Board.

Adequate notice is given to all Directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least Seven Days in advance, and a system exists for seeking and obtaining further information and clarifications on the Agenda Items before the meeting and for meaningful participation at the meeting.

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

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

**For ASN Associates**

**Sd/-  
Satyanarayana A  
Company Secretary in Practice  
FCS No.3986  
C P No.:2354**

**Place: VISAKHAPATNAM  
Date: 18.07.2015**

**\*This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.**

**COASTAL CORPORATION LIMITED**

**'ANNEXURE A'**

To,  
The Members,  
Coastal Corporation Limited  
Visakhapatnam – 530002.

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

1. Maintenance of Secretarial Record is the responsibility of the Management of the company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**For ASN Associates**

**Sd/-**

**SATYANARAYANA. A**  
Company Secretary in Practice

**FCS No : 3986**

**CP No. : 2354**

**Date: 18.07.2015**

**Place: Visakhapatnam**

**COASTAL CORPORATION LIMITED**

**ANNEXURE - 4**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND  
FOREIGN EXCHANGE EARNINGS AND OUTGO**  
[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The  
Companies (Accounts) Rules, 2014]

**(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 have been continuing.

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<br>31.03.2015 | Previous year<br>31.03.2014 |
|-----|------------------------------|----------------------------|-----------------------------|
|     | Electricity :                |                            |                             |
| a)  | Purchase                     |                            |                             |
|     | Units                        | 41,34,886                  | 31,91,532                   |
|     | Total Amount (in Rs.)        | 3,14,74,354                | 2,70,78,126                 |
|     | Rate/Unit (in Rs.)           | 7.61                       | 8.48                        |
| b)  | Own Generation :             |                            |                             |
|     | Through D.G. Units           | 4,58,267                   | 2,12,873                    |
|     | Total Amount (in Rs.)        | 81,44,855                  | 39,40,720                   |
|     | Unit/Lt. of Diesel Oil       | 3.09                       | 3.03                        |
|     | Cost/Unit (in Rs.)           | 17.77                      | 18.51                       |

**(B) TECHNOLOGY ABSORPTION :**

Not Applicable.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:**

During the period under review, the Foreign Exchange Earnings and Outgo is as follows:

| Particulars               | 2014-15       | 2013-14       |
|---------------------------|---------------|---------------|
| Foreign Exchange Earnings | 253,61,10,728 | 198,31,86,504 |
| Foreign Exchange Outgo    | 8,12,41,589   | 7,91,48,672   |

Date : 18.07.2015  
Place: Visakhapatnam

**Sd/-**  
**G.V.V.SATYANARAYANA**  
Director (Finance)

**ANNEXURE - 5**

(Annexure to the Directors' Report)

**MANAGEMENT DISCUSSION AND ANALYSIS**

**1. INDUSTRY STRUCTURE AND DEVELOPMENTS**

Seafood Processing in India is entirely export oriented. According to the Ministry of Food Processing Industries there are about 1084 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 long coast line and an exclusive economic zone has enormous potential for developing the fisheries and aquaculture in coastal states.

**2. OUTLOOK**

During the financial year 2014-15, exports of marine products reached an all-time high of USD 5511.12 million. Marine product exports crossed all previous records in quantity, rupee value and USD terms. Exports aggregated to 10,51,243 MT valued at Rs. 33441.61 crores and USD 5511.12 million. Compared to the previous year, seafood exports recorded a growth of 6.86 % in quantity, 10.69% in rupee and 10.05 % growth in USD earnings.

**3. OPPORTUNITIES AND THREATS**

**OPPORTUNITIES:**

The demand for sea food is increasing all over the world, particularly Indian Seafood exports as could be seen from the increase in exports during 2014-15. One of the reasons being, seafood is considered healthier as compared to other meat. India is gifted with long coast line ideally suited for development of seafood industry. A planned development would provide abundant opportunities for seafood industry. The successful adoption of Vannamei Species culture is poised for a significant increase in the shrimp production and export. Increase in production of shrimps in the country is also expected to increase domestic consumption of shrimps due to competitive prices compared to other meat products.

**THREATS:**

The aqua culture activity is dependent on climatic conditions prevailing during season to season, which is unpredictable. Natural calamities like floods, cyclones, during the culture season can have serious impact on the prospects of successful culture. In spite of technical advancement and development, the possibilities of the shrimps getting affected by virus and diseases such as white spot diseases, EMS cannot be ruled out. Volatility of international prices of shrimps and fluctuating foreign exchange rates, US anti-dumping duty and US Countervailing Duty continues to be the major areas of threat for the industry. However, development of domestic market to support exports, strict



## COASTAL CORPORATION LIMITED

adherence of traceability, scientific pond management, a judicious approach on prices and forex management is expected to reduce the impact of threats to a great extent.

The two factories of your company are well equipped and approved by USFDA and European union. Three decades in the trade, the Company's brands namely "Coastal", "Coastal Gold", Coastal Premium" are well established in the International Markets and have lot of scope for exploring new markets as its ongoing process. Presently the company's products exported to USA have antidumping duty at 2.96%. 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 may have impact on price of export of the Indian Shrimps.

#### 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.278.30 core and as well as profit of Rs.10.20 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.

**ANNEXURE - 6**

(Annexure to the Corporate Governance)

**CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-2015**

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

**1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE**

We believe that it is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values. For us, corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. Our corporate governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. Accordingly, we always seek to ensure that our performance is driven by integrity. This is vital to gain and retain the trust of our stakeholders.

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

As on 31<sup>st</sup> March, 2015, the strength of the Board of Directors is Five (5) and its composition is as follows:

|   |  |
|---|--|
| <b>(i) Promoter Directors</b>           |  |
| <b>Sri T. Valsaraj</b>                  | <b>- Promoter &amp; Managing Director</b>              |
| <b>(ii) Executive Director</b>          |  |
| <b>Sri G.V.V.Satyanarayana</b>          | <b>- Director Finance</b>                              |
| <b>(iii) Non-Executive Director</b>     |  |
| <b>Smt Jeeja Valsaraj</b>               | <b>- Non-Executive Director</b>                        |
| <b>(iv) Independent Directors</b>       |  |
| <b>Prof. Kamireddi Venkateswara Rao</b> | <b>- Independent Director</b>                          |
| <b>Sri Sirangu Rajaram</b>              | <b>- Independent Director</b>                          |
| <b>Sri Dillip Anant Biwalkar</b>        | <b>- Independent Director (Resigned on 07.02.2015)</b> |

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 Judgment of the Board may affect the independence of the Director except receiving sitting fees for attending Board/Committee meetings from the Company.

**COASTAL CORPORATION LIMITED**

**(b) Board Meetings & Related Information:**  
During the year, 5 meetings of the Board of Directors were held on:

|                   |                   |                   |                   |                   |
|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>10.05.2014</b> | <b>12.08.2014</b> | <b>30.08.2014</b> | <b>08.11.2014</b> | <b>07.02.2015</b> |
|-------------------|-------------------|-------------------|-------------------|-------------------|

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

| Name of the Director & DIN No                 | Category of Directors                               | No. of Board Meetings |          | Attendance at last AGM | No. of Directorship in other Public Companies | No. of Committee Membership in other public Companies |          |
|---|---|-----------------------|----------|------------------------|---|---|----------|
|   |   | Held                  | Attended |                        |   | Member  | Chairman |
| Sri T. Valsaraj<br>(DIN No. 00057558)         | Promoter & Managing Director                        | 5                     | 5        | Present                | 2   | --  | --       |
| Sri G.V.V.Satyanarayana<br>(DIN No.00187006)  | Whole time Director                                 | 5                     | 5        | Present                | 2   | --  | --       |
| SmtJeejaValsaraj<br>(DIN No. 01064411)        | Director  | 5                     | 5        | Present                | 1   | --  | --       |
| Sri S.Rajaram<br>(DIN No. 01679004)           | Independent Director                                | 5                     | 3        | Present                | --  | --  | --       |
| Sri K. Venkateswara Rao<br>(DIN No. 01678973) | Independent Director                                | 5                     | 5        | Present                | --  | --  | --       |
| Sri DilipAnantBiwalkar<br>(DIN No. 00016677)  | Independent Director<br>(Resigned w.e.f.07.02.2015) | 5                     | --       | --                     | 2   | --  | --       |

**COMMITTEES:**

**(i) AUDIT COMMITTEE:**

The Audit Committee has three members; Sri S.Rajaram, Prof.Kamireddi 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    | Independent Director   |
| 02.     | Prof. KamireddiVenkateswara Rao | Member      | Independent Director   |
| 03.     | SmtJeejaValsaraj                | Member      | Non-Executive Director |

**COASTAL CORPORATION LIMITED**

In accordance with Clause 49 of the Listing Agreement and the terms of reference stipulated by the Board to the Audit Committee as per Section 177 of the Companies Act, 2013:

- (a) Oversight of the Company's financial reporting process and disclosure of its financial information to ensure accuracy and correctness.
- (b) Recommending to the Board the appointment, re-appointment and removal of Statutory Auditors, Internal Auditors and fix their remuneration.
- (c) 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) Any changes in accounting policies and practices;
  - (2) Major accounting entries based on exercise of judgment by management;
  - (3) Qualifications in draft audit report
  - (4) Significant adjustments arising out of audit
  - (5) The going concern assumption
  - (6) Compliance with accounting standards;
  - (7) Compliance with listing and legal requirements concerning financial statements
  - (8) All related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large; and
  - (9) Reviewing with the management, statutory and internal auditors, internal controls and the adequacy of internal control systems.
  - (10) Reviewing the quarterly and half yearly financial results.
  - (11) Reviewing the adequacy of internal audit functions, 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.
  - (12) Discussion with internal auditors, any significant findings and follow up thereon.
  - (13) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularities or a failure of internal control systems of a material nature and reporting the matter to the board.
  - (14) Reviewing the operations, new initiatives and performance of the business divisions.
  - (15) Approval of appointment of key managerial personnel i.e. Chief Financial Officer/Company secretary.
  - (16) Review and monitor the auditor's Independence and effectiveness of audit processes.
  - (17) To review the functioning of the whistle blower/vigil mechanism. Risk coverage policy
  - (18) All such other functions as may be specified from time to time.

**COASTAL CORPORATION LIMITED**

During the period under review, the Audit committee held Five (5) meetings on 10.05.2014, 12.08.2014, 30.08.2014, 08.11.2014, 07.02.2015, Necessary quorum was present at all the meetings;

The details of meetings attended by the Directors are given below.

| Sl. No. | Name of the Director     | Designation | Category             | No. of Audit Committee meetings attended |
|---------|--------------------------|-------------|----------------------|--|
| 01.     | Shri S.Rajaram           | Chairman    | Independent Director | 3  |
| 02.     | Prof. K Venkateswara Rao | Member      | Independent Director | 5  |
| 03.     | Smt. JeejaValsaraj       | Member      | Director             | 5  |

**(ii) NOMINATION AND REMUNERATION COMMITTEE:**

The Committee comprises of Three Non-Executive Independent Directors as member viz. Shri S. Rajaram, Shri Kamireddi Venkateswara Rao and Shri Dilip Anant Biwalkar (Resigned w.e.f. 07.02.2015).

The terms of reference of the Committee inter alia, include the following:

- \* Succession planning of the Board of Directors and Senior Management Employees;
- \* Identifying and selection of candidates for appointment as Directors / Independent Directors based on certain laid down criteria;
  
- \* Identifying potential individuals for appointment as Key Managerial Personnel and to other Senior Management positions;
  
- \* Formulate and review from time to time the policy for selection and appointment of Directors, Key Managerial Personnel and senior management employees and their remuneration;
  
- \* Review the performance of the Board of Directors and Senior Management Employees based on certain criteria as approved by the Board.

The details of meetings attended by the Directors are given below:  
During the period the Remuneration Committee was held on 30.08.2014.

**The details of members attendance at the meeting is as under:**

**COASTAL CORPORATION LIMITED**

| Name of the Director                                    | Designation | Category             | No. of Remuneration Committee meetings attended |
|---|-------------|----------------------|---|
| Shri SiranguRajaram                                     | Chairman    | Independent Director | 1   |
| Prof. KamireddiVenkateswara Rao.                        | Member      | Independent Director | 1   |
| Shri DilipAnantBiwalkar<br>(Resigned w.e.f. 07.02.2015) | Member      | Independent Director | ---   |

**Details of remuneration paid to the Directors during 2014-2015**

| Name of Director         | Designation         | Remuneration Rs.  |
|--------------------------|---------------------|---|
| Shri T.Valsaraj          | Managing Director   | 1,75,000/- P.M upto 30.09.2014<br>2,75,000/- P.M w.e.f 01.10.2014 to 31.03.2015 |
| Shri G.V.V.Satyanarayana | Whole-time Director | 1,50,000/- P.M upto 30.09.2014<br>1,75,000/- P.M w.e.f 01.10.2014 to 31.03.2015 |

**(iii) STAKEHOLDER RELATIONSHIP COMMITTEE:**

The Company has a Stakeholders Relationship Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of notices/annual reports etc.

(i) The Stakeholders Relationship committee comprises of 3 (Three) Directors

- (a) Shri G.V.V. Satyanarayana as Chairman
- (b) Shri Sirangu Rajaram - Member
- (c) Prof. Kamireddi Venkateswara Rao - Member.

The terms of reference of the Committee are:

- transfer/transmission of shares/debentures and such other securities as may be issued by the Company from time to time;
- issue of duplicate share certificates for shares/debentures and other securities reported lost, defaced or destroyed, as per the laid down procedure;
- issue new certificates against subdivision of shares, renewal, split or consolidation of share certificates / certificates relating to other securities;
- issue and allot right shares / bonus shares pursuant to a Rights Issue / Bonus Issue made by the Company, subject to such approvals as may be required;
- to grant Employee Stock Options pursuant to approved Employees' Stock Option Scheme(s), if any, and to allot shares pursuant to options exercised;
- to issue and allot debentures, bonds and other securities, subject to such approvals as may be required.
- to approve and monitor dematerialization of shares / debentures / other securities and all matters incidental or related thereto;
- to authorize the Company Secretary and Head Compliance / other Officers of the Share Department to attend to matters relating to non-receipt of annual reports, notices, non-receipt of declared dividend / interest, change of address for correspondence etc. and to monitor action taken;

**COASTAL CORPORATION LIMITED**

- monitoring expeditious redressal of investors / stakeholders grievances;
- all other matters incidental or related to shares, debenture

During the period 5 (five) meetings of the committee held on 10.05.2014, 12.08.2014, 30.08.2014, 08.11.2014 and 07.02.2015.

The Minutes of the meetings of Stakeholders Relationship Committee are reviewed and noted by the Board. The Composition of the Committee and the details of the Committee meetings attended by the Members are given below:

| Name of the Director              | Designation | Category             | No. of audit Committee meetings attended |
|-----------------------------------|-------------|----------------------|--|
| Shri G.V.V. Satyanarayana         | Chairman    | Director - Finance   | 5  |
| Prof. Kamireddi Venkateswara Rao. | Member      | Independent Director | 5  |
| Shri Sirangu Rajaram              | Member      | Independent Director | 3  |

The Stakeholders Relationship Committee received and reviewed the Complaints received from the investors of the Company during the period 2014-15. All the complaints were resolved by the Company to the satisfaction of the investors as on 31st March'2015 and there were no pending letters/complaints as on 31st March'2015.

**Independent Directors' Meeting**

- During the year under review, the Independent Directors met once, inter alia, to discuss:
- \* Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
  - \* Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors.
  - \* Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
  - \* All the Independent Directors were present at the Meeting.

**Name, Designation and Address of Compliance Officer:**

Ms. Swaroopa Meruva  
Company Secretary & Compliance Officer  
15-1-37/3, Jayaprada Apartments, Nowroji Road,  
Maharanipeta, Visakhapatnam - 530 003  
Andhra Pradesh, India

**COASTAL CORPORATION LIMITED**

**(iv) CSR COMMITTEE:**

The Company has constituted CSR Committee comprising of the following Directors:

| Sl. No. | Name of the Director            | Designation | Category                |
|---------|---------------------------------|-------------|-------------------------|
| 01.     | Shri G.V.V. Satyanarayana       | Chairman    | Director- Finance       |
| 02      | Prof. KamireddiVenkateswara Rao | Member      | Independent Director    |
| 03      | SmtJeejaValsaraj                | Member      | Non- Executive Director |

During the period 3 (Three) the meetings of the committee held on 10.05.2014, 31.01.2015 and 30.03.2015.

The Minutes of the meetings of CSR Committee are reviewed and noted by the Board. The Composition of the Committee and the details of the Committee meetings attended by the Members are given below:

| Sl. No | Name of the Director            | Designation | Category                 | No. of audit Committee meetings attended |
|--------|---------------------------------|-------------|--------------------------|--|
| 01.    | Shri G.V.V. Satyanarayana       | Chairman    | Director - Finance       | 3  |
| 02     | Prof. KamireddiVenkateswara Rao | Member      | Independent Director     | 3  |
| 03.    | SmtJeejaValsaraj                | Member      | Non – Executive Director | 3  |

**CODE OF CONDUCT**

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

A declaration signed by the Managing Director is as follows:

"It is hereby declared that all members of the Board and Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended 31<sup>st</sup> March, 2015." 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.

**Sd/-**  
T. Valsaraj  
Managing Director



#### **CEO & MD / CFO CERTIFICATION**

The MD have issued Certificate Pursuant to the provisions of Clause 49 of the Listing Agreement Certifying that the financial statements do not contain any untrue statement and these statements represent a true and fair view of the Company's affairs. The said certificate is annexed and forms part of the Annual Report.

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

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

#### **PERFORMANCE EVALUATION**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interest of the Company and its minority shareholders, etc.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Secretarial Department. The Directors expressed their satisfaction with the evaluation process.

**COASTAL CORPORATION LIMITED**

**(v) GENERAL BODY MEETINGS:**

**Location and time where last Four AGMs held:**

| Year      | Location   | Date       | Time       | Special Resolution |
|-----------|--|------------|------------|--------------------|
| 2013-2014 | D.No.6-42, Marikavalasa, Besides Toyota Showroom, Visakhapatnam-530 041, Andhra Pradesh, India | 30.09.2014 | 10.30AM    | Passed             |
| 2012-2013 | D.No.6-42, Marikavalasa, Besides Toyota Showroom, Visakhapatnam-530 041, Andhra Pradesh, India | 27.09.2013 | 10.30 A.M  | NIL                |
| 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             |

**EXTRA-ORDINARY GENERAL MEETING DURING THE PERIOD (2014-15):**

One Extra-Ordinary General Meeting was held on 24<sup>th</sup> December 2014 at 10.30 A.M. at Plant office : D. No. 6-42, Besides Toyota Showroom, Marikavalasa, Visakhapatnam- 530 041, Andhra Pradesh, India.

**(vi) CORPORATE AFFAIRS & VISION:**

- (a) Advanced Planning Techniques and strategic supervision by the Board of Directors;
- (b) Excellent co-ordination at all levels of management to achieve the tasks.
- (c) Immediate attention towards customers' requirements and public relations.
- (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) Disclosure of Related Party Transactions:**

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

**COASTAL CORPORATION LIMITED**

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 bowler 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) The Quarterly unaudited financial results and the annual audited financial results, intimation of Board Meetings date, Record Date, Book Closure are normally published in leading News Papers.
- ii) The Company has not issued any press release or made any presentations to the investors about its financial results during the year.
- iii) A Management Discussion and Analysis (MD&A) of relevant matters forms part of the Annual Report.

**COASTAL CORPORATION LIMITED**

**ix) GENERAL SHAREHOLDERS INFORMATION:**

**i) Thirty Fourth Annual General Meeting of the Company:**

|                        |          |   |
|------------------------|----------|---|
| <b>Date &amp; Time</b> | <b>:</b> | <b>14<sup>th</sup> September, 2015</b>  |
| <b>Venue</b>           | <b>:</b> | <b>D.No. 6-42, Besides Toyota Showroom, Marikavalasa,<br/>Visakhapatnam-530041,<br/>Andhra Pradesh, India</b> |

| <b>ii)</b>  | <b>Financial Year</b>   | <b>:</b> | <b>1<sup>st</sup> April to 31<sup>st</sup> March.</b>   |               |                                      |   |                          |   |  |   |  |   |                        |
|---|---|----------|---|---------------|--------------------------------------|---|--------------------------|---|--|---|--|---|------------------------|
| <b>ii)</b>  | <b>Financial Calendar(Tentative)</b>  | <b>:</b> | <table border="1"> <thead> <tr> <th><b>Period</b></th> <th><b>Approval of Quarterly Results</b></th> </tr> </thead> <tbody> <tr> <td>1<sup>st</sup> Quarter ending 30.06.2015</td> <td>1st week of August, 2015</td> </tr> <tr> <td>2<sup>nd</sup> Quarter and half year ending 30.09.2015</td> <td>1<sup>st</sup> week of November, 2015</td> </tr> <tr> <td>3<sup>rd</sup> Quarter ending 31.12.2015</td> <td>2<sup>nd</sup> week of February, 2016</td> </tr> <tr> <td>4<sup>th</sup> Quarter ending 31.03.2016</td> <td>Last week of May, 2016</td> </tr> </tbody> </table> | <b>Period</b> | <b>Approval of Quarterly Results</b> | 1 <sup>st</sup> Quarter ending 30.06.2015 | 1st week of August, 2015 | 2 <sup>nd</sup> Quarter and half year ending 30.09.2015 | 1 <sup>st</sup> week of November, 2015 | 3 <sup>rd</sup> Quarter ending 31.12.2015 | 2 <sup>nd</sup> week of February, 2016 | 4 <sup>th</sup> Quarter ending 31.03.2016 | Last week of May, 2016 |
| <b>Period</b>   | <b>Approval of Quarterly Results</b>  |          |   |               |                                      |   |                          |   |  |   |  |   |                        |
| 1 <sup>st</sup> Quarter ending 30.06.2015               | 1st week of August, 2015  |          |   |               |                                      |   |                          |   |  |   |  |   |                        |
| 2 <sup>nd</sup> Quarter and half year ending 30.09.2015 | 1 <sup>st</sup> week of November, 2015  |          |   |               |                                      |   |                          |   |  |   |  |   |                        |
| 3 <sup>rd</sup> Quarter ending 31.12.2015               | 2 <sup>nd</sup> week of February, 2016  |          |   |               |                                      |   |                          |   |  |   |  |   |                        |
| 4 <sup>th</sup> Quarter ending 31.03.2016               | Last week of May, 2016  |          |   |               |                                      |   |                          |   |  |   |  |   |                        |
| <b>iii)</b>   | <b>Date of Book Closure</b>   | <b>:</b> | <b>27.08.2015</b>   |               |                                      |   |                          |   |  |   |  |   |                        |
| <b>iv)</b>  | <b>Dividend Payable Date</b>  | <b>:</b> | <b>Within 30 days from the date of declaration</b>  |               |                                      |   |                          |   |  |   |  |   |                        |
| <b>v)</b>   | <b>Listing on Stock Exchanges</b>   | <b>:</b> | <b>1.Mumbai Stock Exchange</b><br><b>2.Delhi Stock Exchange</b><br><b>3.Ahmedabad Stock Exchange</b>  |               |                                      |   |                          |   |  |   |  |   |                        |
| <b>vi)</b>  | <b>Registrars &amp; Share Transfer Agents</b>   | <b>:</b> | <b>The Board has appointed M/s Big share Services Pvt. Ltd., Mumbai as its Share Transfer Agents</b>  |               |                                      |   |                          |   |  |   |  |   |                        |
| <b>vii)</b>   | <b>High/Low Market Price</b>  | <b>:</b> | <b>Rs. 24.40 / 25.60</b>  |               |                                      |   |                          |   |  |   |  |   |                        |
| <b>viii)</b>  | <b>Stock Code<br/>BSE<br/>ISIN(for Dematerialization)</b>   | <b>:</b> | <b>Scrip ID : coastcorp - Scrip code : 501831<br/><br/>INE377E01016</b>   |               |                                      |   |                          |   |  |   |  |   |                        |
| <b>ix)</b>  | <b>CIN No</b>   | <b>:</b> | <b>L63040AP1981PLC003047</b>  |               |                                      |   |                          |   |  |   |  |   |                        |
| <b>x)</b>   | <b>Board Meeting for consideration of Accounts for the financial year ended March 31, 2015 and recommendation of dividend</b> | <b>:</b> | <b>28<sup>th</sup> May, 2015</b>  |               |                                      |   |                          |   |  |   |  |   |                        |

**(x). Share Transfer System:**

The Shares for transfer received in physical form are transferred expeditiously provided the documents are complete and the share transfer is not under any dispute. A summary of transfer/ transmission of securities so approved by the share transfer and transmission committee are placed at Meetings. The share certificates duly endorsed are sent to the shareholders by Registrar and Share Transfer Agents (i.e., Big share Services Private Limited, Hyderabad). Confirmation in respect to the requests for dematerialization of shares is sent to the respective depositories i.e., CDSL, expeditiously.

**COASTAL CORPORATION LIMITED**

Pursuant to the Clause-47C of the Listing Agreement, Certificates on Half-yearly basis confirming due compliance of share transfer formalities were complied with.

In addition, a Reconciliation of Share Capital Audit Report for reconciliation of the share capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with CDSL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Stock Exchanges.

**(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:

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

**Registered Office of the Company**

|           |                                   |  |
|-----------|-----------------------------------|--|
| <b>i.</b> | <b>Address for Correspondence</b> | <b>Registered Office :</b><br>15-1-37/3, Jayaprada Apartments, Nowroji Road, Maharani-peta, Visakhapatnam – 530 002 Andhra Pradesh- India. |
|-----------|-----------------------------------|--|

**COASTAL CORPORATION LIMITED**

**Plant Locations :**

The Company has two existing Plants located in and around Visakhapatnam District, Andhra Pradesh, India, the addresses of which are as follows:

- (a) Marikavalasa(V), Paradesipalem Panchayat, Visakhapatnam dist.
- (b) P. Dharmavaram Village, S.Rayavaram Mandal, Visakhapatnam Dist

**Shareholding Pattern:**

| S.No | Category  | As at 31 <sup>st</sup> March'2015 |                          |
|------|---|-----------------------------------|--------------------------|
|      |   | No. of Shares                     | % of Total No. of Shares |
| 1    | Promoters   |                                   |                          |
|      | Promoters   | 4,06,280                          | 31.96%                   |
|      | Foreign Promoters   |                                   |                          |
| 2    | Banks/Financial Institutions, Insurance Companies(Central/State Govt. Institutions/Non-Government Institutions) | 28,614                            | 2.25%                    |
| 3    | Body Corporates   | 3,89,000                          | 30.60%                   |
| 4    | NRI/OCBs/FIIs   | 29,300                            | 2.31%                    |
| 5    | Indian Public   | 4,17,906                          | 32.88%                   |
|      | <b>Total</b>  | <b>12,71,100</b>                  | <b>100.00%</b>           |

**(xii) Dematerialization of Equity Shares and Liquidity:**

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

The MOU with CDSL for Dematerialization of Shares and appointment of M/s. Bigshare Services Private Limited as Registrar & Share Transfer Agents of the Company and for related matters have been continuing.

**(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 31<sup>st</sup> March'2015

Visakhapatnam  
Date: 18.07.2015

Sd/-  
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 - 7** 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.

**Compliance with Code of Business Conduct and Ethics**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct and Ethics for the year ended 31<sup>st</sup> March, 2015.

For Coastal Corporation Limited

**Sd/-**  
(T. Valsaraj)  
Managing Director

Date: 18.07.2015  
Place: Visakhapatnam

**COASTAL CORPORATION LIMITED**

**CERTIFICATION BY CEO/CFO UNDER CLAUSE 49 V OF THE LISTING AGREEMENT**

The Board of Directors,  
Coastal Corporation Limited.

We have reviewed the financial statements and the cash flow statement of Coastal Corporation Limited for the year ended March 31, 2015 and to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take for rectifying these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
- (i) significant changes in internal control over financial reporting during the year;
- (ii) significant changes in accounting policies made during the year and the same have been disclosed in the notes to the financial statements; and
- (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Sd/-**

**(T.Valsaraj)**

**Managing Director**

**Date: 18.07.2015**

**Place: Visakhapatnam**



**ANNEXURE – 7**  
**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.**

We have examined the Compliance of Conditions of Corporate Governance by Coastal Corporation Limited ("Company") for the year ended 31<sup>st</sup> March'2015 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 ensuing 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 our opinion and the best of information and according to the explanations given to us we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

**For K.P. RAO ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Reg. No. 003136S**

**Sd/-  
(V.V.S.Bhagavan)**

**Partner  
Membership No: 008571**

**Place: Visakhapatnam**

**Date: 18.07.2015**

**Annexure - 8****Annual Report on Corporate Social Responsibility (CSR)***[Pusuant to Section 135 of the Companies Act, 2013]*

Over the years, we have been focusing on sustainable business practices encompassing economic, environmental and social imperatives that not only cover our business, but also that of the communities around us. Our Corporate Social Responsibility (CSR), thus, is not limited to philanthropy, but also includes large initiatives that lead to social development.

**REPORTING:**

The period for which CSR is being reported is from 01/04/2014 to 31/03/2015. It does not include any information about subsidiary company or any other entity(s). The Company has a written CSR Policy.

During the year under review the Company has registered a Trust under the Indian Trusts Act, 1882 in the name of "Coastal Charitable Foundation" for the purpose of carrying out the CSR activities as per the provisions of the Act and CSR Policy of the Company.

Focus areas envisaged as per CSR policy are as given below:

- Promoting Health care including Preventive Health care and sanitation.
- Employment and livelihood for enhancing Skill Development.

The Company has a Board Committee (CSR committee) that provides oversight of CSR policy execution to ensure that the CSR objectives of the Company are met. CSR committee comprises:

1. Shri. G.V.V. Satyanarayana - Director Finance
2. Shri. Kamireddi Venkateshwara Rao - Independent Director
3. Smt. Jeeja Valsaraj - Non Executives Director

| Particulars   | Rs.            |
|---|----------------|
| Average net profit of the company for last three financial years    | 10,60,03,364/- |
| Details of CSR spent during the financial year                      | 6,57,730/-     |
| Total prescribed CSR Expenditure to be spent for the Financial year | 21,20,070/-    |
| Amount unspent  | 14,62,340/-    |

**COASTAL CORPORATION LIMITED**

**REPORT ON CSR:**

| (1)    | (2)                                | (3)   | (4)  | (5)   | (6)  | (7)  | (8)   |
|--------|------------------------------------|---|--|---|--|--|---|
| S. No. | CSR project or activity identified | Sector in which the Project is covered  | Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken. | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads: | Cumulative expenditure upto to the reporting period. | Amount spent: Direct or through implementing agency * (Rs.) |
| 1      | Coastal Charitable Foundation      | i.Promoting Health care including Preventive Health care and sanitation<br>ii.Employment and livelihood for enhancing Skill Development | Marikavalasa & Elamanchilli  | 21,20,070/-                                     | 6,57,730/-   | 6,57,730/-   | 6,57,730/-  |
|        | <b>TOTAL</b>                       |   |  | 21,20,070/-                                     | 6,57,730/-   | 6,57,730/-   | 6,57,730/-  |

Implementing Agency: Coastal Charitable Foundation – Trust.  
The CSR activities will be monitored by the CSR Committee and implemented by the Trust.

During the year, the Company has an unspent amount of Rs. 14,62,340/-. The reason being that the Company is negotiating the premises for the purpose of establishment of the Hospital to serve the general public at and around the factory premises. In this connection the Company is also in the process to explore Professional persons such as Doctors, lab assistants and other personnel. We expect that the process of finalizing the above issues may require three months approximately in order to be materialized.

**RESPONSIBILITY STATEMENT:**

We hereby affirm that the CSR policy, as approved by the Board, has been implemented and the CSR committee monitors the implementation of the CSR projects and activities by the Trust in compliance with our CSR objectives.

**Date: 18<sup>th</sup> July, 2015**

Sd/-

**G.V.V. Satyanarayana  
(Chairman CSR Committee)**

**COASTAL CORPORATION LIMITED****Annexure-9****FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN****As on Financial Year ended on 31.03.2015****Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the  
Company (Management & Administration) Rules, 2014.****I. REGISTRATION & OTHER DETAILS:**

|   |  |
|---|--|
| 1. CIN  | L63040AP1981PLC003047  |
| 2. Registration Date  | 30/05/1981   |
| 3. Name of the Company  | COASTAL CORPORATION LIMITED  |
| 4. Category/Sub-category of the Company                                       | Listed Company   |
| 5. Address of the Registered office & contact details                         | 15-1-37/3, NOWROJI ROAD JAYAPRADHA APARTMENTS, MAHARANIPETA, VISAKHAPATNAM, Andhra Pradesh, INDIA – 530002.  |
| 6. Whether listed company   | YES  |
| 7. Name, Address & contact details of the Registrar & Transfer Agent, if any. | Bigshare Services Private Limited<br>306, Right wing, Amrutha Ville,<br>Opp: Yashodha Hospital<br>Somajiguda, Raj Bhavan Road<br>Hyderabad – 500 082.<br>Telephone No : 040 – 2337 4967<br>Fax : 040 – 2337 0295<br>Email : <a href="mailto:bsshyd@bigshareonline.com">bsshyd@bigshareonline.com</a> |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY (All the business  
activities contributing 10 % or more of the total turnover of the company shall be stated)**

| S. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|--------|--|---------------------------------|------------------------------------|
| 1      | Manufacture of Shrimp<br>1585258666              | 03061320                        | 100% Exports                       |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -  
All the business activities contributing 10% or more of the total turn over of the company  
shall be stated:-**

|   |   |
|---|---|
| No of Companies for which information is being filled | 4 |
|---|---|

**COASTAL CORPORATION LIMITED**

| S.No. | Name and Address of the Company   | CIN                   | Holding/ Subsidiary/Associate | % of Shares held          | Applicable Section |
|-------|---|-----------------------|-------------------------------|---------------------------|--------------------|
| 1     | Continental Fisheries India Private Limited<br><br>Address:<br><br>B/3B, B-Block,<br>15-1-77, 3rd<br>Floor, Sea Doll,<br><br>Apartments,<br>Opp: Grand<br>Bay Hotel,<br>Maharanipeta,<br>Andhra<br>Pradesh, India<br>- 530002 | U05000AP2014PTC094907 | Subsidiary                    | 100%                      | Section 2(87)      |
| 2     | Balaji Sea Foods Limited<br>D.No. 15-1-373,<br>JAYAPRADA<br>APARTMENTS,<br>NOWROJI ROAD,<br>MAHARANIPETA,<br>VISAKHAPATNAM-2,<br>A.P. INDIA   | U05005AP1986PLC006763 | Associate                     | Nil(Commo<br>n Directors) | 2(6)               |
| 3     | TVR Estates and Resorts Private Limited<br>D.No. 6-3-841,<br>Vithal Reddy Building<br>Indian Gas Compound<br>Ameerpet, Hyderabad.<br>Telangana  | U70102TG1992PTC014750 | Associate                     | Nil(Commo<br>n Directors) | 2(6)               |
| 4     | Coastal Developers Private Limited<br>D.No. 15-1-373,<br>JAYAPRADA<br>APARTMENTS,<br>NOWROJI ROAD,<br>MAHARANIPETA,<br>VISAKHAPATNAM-2,<br>A.P. INDIA   | U70102AP1995PTC019386 | Associate                     | Nil(Commo<br>n Directors) | 2(6)               |

**COASTAL CORPORATION LIMITED**

**III. VI. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**Category-wise Share Holding**

| Category of Shareholders                  | No. of Shares held at the beginning of the year[As on 31-March-2014] |              |               |                   | No. of Shares held at the end of the year[As on 31-March-2015] |              |               |                   | % Change during the year |
|---|--|--------------|---------------|-------------------|--|--------------|---------------|-------------------|--------------------------|
|   | Demat  | Physical     | Total         | % of Total Shares | Demat  | Physical     | Total         | % of Total Shares |                          |
| <b>A. Promoters</b>                       |  |              |               |                   |  |              |               |                   |                          |
| <b>(1) Indian</b>                         | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| a) Individual/ HUF                        | 261369   | ---          | 261369        | 20.56             | 321369   | ---          | 321369        | 25.28             | 4.72                     |
| b) Central Govt                           | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| c) State Govt(s)                          | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| d) Bodies Corp.                           | 84911  | ---          | 84911         | 6.68              | 84911  | ---          | 84911         | 6.68              | ---                      |
| e) Banks / FI                             | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| f) Any other                              | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| <b>Total shareholding of Promoter (A)</b> | <b>346280</b>  | <b>---</b>   | <b>346280</b> | <b>27.24</b>      | <b>406280</b>  | <b>---</b>   | <b>406280</b> | <b>31.96</b>      | <b>4.72</b>              |
| <b>B. Public Shareholding</b>             | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| <b>1. Institutions</b>                    | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| a) Mutual Funds                           | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| b) Banks / FI                             | ---  | 28614        | 28614         | 2.25              | ---  | 28614        | 28614         | 2.25              | ---                      |
| c) Central Govt                           | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| d) State Govt(s)                          | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| e) Venture Capital Funds                  | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| f) Insurance Companies                    | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| g) FIs                                    | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| h) Foreign Venture Capital Funds          | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| i) Others (specify)                       | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |
| <b>Sub-total (B)(1):-</b>                 | <b>---</b>   | <b>28614</b> | <b>28614</b>  | <b>2.25</b>       | <b>---</b>   | <b>28614</b> | <b>28614</b>  | <b>2.25</b>       | <b>---</b>               |
|   | ---  | ---          | ---           | ---               | ---  | ---          | ---           | ---               | ---                      |

**COASTAL CORPORATION LIMITED**

|  |        |        |         |       |        |        |         |       |        |
|--|--------|--------|---------|-------|--------|--------|---------|-------|--------|
| <b>2. Non-Institutions</b>   | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| a) Bodies Corp.  | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| i) Indian  | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| ii) Overseas   | ---    | 447300 | 447300  | 35.19 | 1200   | 387800 | 389000  | 30.60 | 4.59   |
| b) Individuals   | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 16500  | 285520 | 302020  | 23.76 | 44020  | 244400 | 288420  | 22.69 | 1.07   |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 96186  | 20800  | 116986  | 9.20  | 119086 | 10400  | 129486  | 10.19 | (0.99) |
| c) Others (specify)  | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| Non Resident Indians   | ---    | 29900  | 29900   | 2.35  | 300    | 29000  | 29300   | 2.31  | 0.04   |
| Overseas Corporate Bodies  | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| Foreign Nationals  | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| Clearing Members   | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| Trusts   | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| Foreign Bodies - D R   | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| <b>Sub-total (B)(2):-</b>  | 112686 | 783520 | 896206  | 70.51 | 164606 | 671600 | 836206  | 65.79 | 4.72   |
| <b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>                               | 112686 | 812134 | 924820  | 72.76 | 164606 | 700214 | 864820  | 68.04 | 4.72   |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | ---    | ---    | ---     | ---   | ---    | ---    | ---     | ---   | ---    |
| <b>Grand Total (A+B+C)</b>   | 458966 | 812134 | 1271100 | 100   | 570886 | 700214 | 1271100 | 100   | 9.44   |



**COASTAL CORPORATION LIMITED**

**B) Shareholding of Promoter-**

| S<br>N | Shareholder's<br>Name            | Shareholding at the beginning of<br>the year (31-3-2014) |  |   | Shareholding at the end of the year<br>(31-3-2015) |   |  | % change<br>in<br>shareho<br>lding<br>during<br>the year |
|--------|----------------------------------|--|--|---|--|---|--|--|
|        |                                  | No. of<br>Shares   | % of<br>total<br>Shares<br>of the<br>compan<br>y | % of<br>Shares<br>Pledged /<br>encumbe<br>red to<br>total<br>shares | No. of<br>Shares                                   | % of total<br>Shares of<br>the<br>company | % of Shares<br>Pledged /<br>encumbered<br>to total<br>shares |  |
| 1      | T.Valsaraj                       | 50769  | 3.99   | Nil   | 60769  | 4.78                                      | Nil  | 0.79   |
| 2      | Jeeja Valsaraj                   | 23600  | 1.86   | Nil   | 23600  | 1.86                                      | Nil  | ---  |
| 3      | Viswanadh Thottoli               | 6000   | 0.47   | Nil   | 6000   | 0.47                                      | Nil  | ---  |
| 4      | Vijeta Valsaraj                  | 28800  | 2.27   | Nil   | 53800  | 4.23                                      | Nil  | 1.96   |
| 5      | Vineesha Valsaraj                | 28800  | 2.27   | Nil   | 53800  | 4.23                                      | Nil  | 1.96   |
| 6      | TVR Estates &<br>Resorts (P) Ltd | 84911  | 6.68   | Nil   | 84911  | 6.68                                      | Nil  | ---  |
| 7      | K. Hari Babu                     | 97700  | 7.69   | Nil   | 97700  | 7.69                                      | Nil  | ---  |
| 8      | K.Jayasree                       | 4300   | 0.34   | Nil   | 4300   | 0.34                                      | Nil  | ---  |
| 9      | Chandana Kambh<br>ampati         | 1400   | 0.11   | Nil   | 1400   | 0.11                                      | Nil  | ---  |
| 10     | Chetna Kambham<br>pati           | 1400   | 0.11   | Nil   | 1400   | 0.11                                      | Nil  | ---  |
| 11     | Venkatesh Kambh<br>ampati        | 18600  | 1.46   | Nil   | 18600  | 1.46                                      | Nil  | ---  |
|        | <b>TOTAL</b>                     | <b>346280</b>  | <b>27.25</b>                                     | <b>Nil</b>  | <b>406280</b>                                      | <b>31.96</b>                              | <b>Nil</b>   | <b>4.71</b>  |

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

| SN | Particulars   | Shareholding at the<br>beginning of the year |   | Cumulative Shareholding<br>during the year |  |
|----|---|--|---|--|--|
|    |   | No. of<br>shares                             | % of total<br>shares of<br>the<br>company | No. of<br>shares                           | % of total<br>shares of the<br>company |
|    | At the beginning of the year  | 148469                                       | 11.68%                                    |  |  |
|    | Date wise Increase / Decrease in<br>Promoters Shareholding during the year<br>specifying the reasons for increase /<br>decrease (e.g. allotment /transfer / bonus/<br>sweat equity etc.): |  |   |  |  |
|    | 28.11.2014 10,000 Shares transferred<br>from Vijetha Valsaraj to Sri<br>T.Valsaraj  | -  | -   | 1,58,469                                   | 12.47%                                 |
|    | At the end of the year  |  |   | 1,58,469                                   | 12.47%                                 |

**COASTAL CORPORATION LIMITED**

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

| SNo | For Each of the Top 10 Shareholders. | Shareholding at the beginning of the year 01.04.2014 |                                  | Cumulative Shareholding during the year |                                  |
|-----|--------------------------------------|--|----------------------------------|---|----------------------------------|
|     |                                      | No. of shares  | % of total shares of the Company | No. of shares                           | % of total shares of the Company |
| 1.  | Eastward Exim & Shipping Pvt. Ltd.   | 161500   | 12.71%                           | 101500                                  | 7.99%                            |
| 2.  | TOP Fortune Marine International Ltd | 121775   | 9.58%                            | 121775                                  | 9.58%                            |
| 3.  | Deep Sea Fisheries Ltd.              | 161225   | 12.68%                           | 161225                                  | 12.68%                           |
| 4.  | Ganta Lakshmi Anusha                 | 23900  | 1.88%                            | 23900                                   | 1.88%                            |
| 5.  | Ganta Sricharan                      | 25500  | 2.00%                            | 25400                                   | 1.99%                            |
| 6.  | The Bank of Maharashtra              | 28614  | 2.25%                            | 28614                                   | 2.25%                            |
| 7.  | Vittu Bajrang Agarwal                | 14686  | 1.15%                            | 15286                                   | 1.20%                            |
| 8.  | D. Sivanageswara Rao                 | 10400  | 0.82%                            | 12000                                   | 0.94%                            |
| 9.  | K. Vasudeva Prasad                   | 10400  | 0.82%                            | 10400                                   | 0.82%                            |
| 10  | Pinakin Paresh Kumar Shah HUF        | --   | --                               | 10400                                   | 0.82%                            |

\*The shares of the Company are traded and hence the date wise increase/decrease in the Shareholding is not indicated.

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

| S<br>N | Shareholding of each Directors and each Key Managerial Personnel |            |                        | Shareholding at the beginning of the year |                                  | Cumulative Shareholding during the year |                                  |
|--------|--|------------|------------------------|---|----------------------------------|---|----------------------------------|
|        |  | Date       | Reason                 | No. of shares                             | % of total shares of the company | No. of shares                           | % of total shares of the company |
| 1.     | T.Valsaraj   | 01.04.2014 | Beginning of the year  | 50,769                                    | 3.99%                            | --                                      | --                               |
|        |  | 28.11.2014 | By way of Transfer     | 10,000                                    | 0.79%                            | 60,769                                  | 4.78%                            |
|        |  | 31.03.2015 | For the year ended     | 60,769                                    | 4.78%                            | --                                      | --                               |
| 2.     | G.V.V.Satya-narayana   | 01.04.2014 | Beginning of the year  | 32100                                     | 2.52%                            | --                                      | --                               |
|        |  | 31.03.2015 | At the end of the year | 32,100                                    | 2.52%                            | 32100                                   | 2.52%                            |

**COASTAL CORPORATION LIMITED**

|    |                      |            |                        |        |       |        |       |
|----|----------------------|------------|------------------------|--------|-------|--------|-------|
| 3. | Jeeja Valsaraj       | 01.04.2014 | Beginning of the year  | 23,600 | 1.86% | --     | --    |
|    |                      | 31.03.2015 | At the end of the year | 23,600 | 1.86% | 23,600 | 1.86% |
| 4. | K. Venkateshwara Rao | 01.04.2014 | Beginning of the year  | ---    | ---   | ---    | ---   |
|    |                      | 31.03.2015 | At the end of the year | ---    | ---   | ---    | ---   |
| 5. | S. Raja Ram          | 01.04.2014 | Beginning of the year  | ---    | ---   | ---    | ---   |
|    |                      | 31.03.2015 | At the end of the year | ---    | ---   | ---    | ---   |
| 6. | Swaroop Meruva - KMP | 01.04.2014 | Beginning of the year  | ---    | ---   | ---    | ---   |
|    |                      | 31.03.2015 | At the end of the year | ---    | ---   | ---    | ---   |

V) **INDEBTEDNESS** -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

(Rs. in Lakhs)

|  | Secured Loans excluding deposits | Unsecured Loans | Deposits  | Total Indebtedness  |
|--|----------------------------------|-----------------|-----------|---------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                  |                 |           |                     |
| i) Principal Amount  | 50,64,81,872                     | --              | --        | 50,64,81,872        |
| ii) Interest due but not paid                              | --                               | --              | --        | --                  |
| iii) Interest accrued but not due                          | --                               | --              | --        | --                  |
| <b>Total (i+ii+iii)</b>                                    | <b>50,64,81,872</b>              | <b>--</b>       | <b>--</b> | <b>50,64,81,872</b> |
| <b>Change in Indebtedness during the financial year</b>    |                                  |                 |           |                     |
| * Addition   | 26,59,16,687                     | --              | --        | 26,59,16,687        |
| * Reduction  | --                               | --              | --        | --                  |
| <b>Net Change</b>  | <b>--</b>                        | <b>--</b>       | <b>--</b> | <b>--</b>           |
| <b>Indebtedness at the end of the financial year</b>       |                                  |                 |           |                     |
| i) Principal Amount  | 77,23,98,599                     | --              | --        | 77,23,98,599        |
| ii) Interest due but not paid                              | --                               | --              | --        | --                  |
| iii) Interest accrued but not due                          | --                               | --              | --        | --                  |
| <b>Total (i+ii+iii)</b>                                    | <b>77,23,98,599</b>              | <b>--</b>       | <b>--</b> | <b>77,23,98,599</b> |

**COASTAL CORPORATION LIMITED**

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

| SN. | Particulars of Remuneration   | Name of MD/WTD/ Manager |                                | Total Amount |
|-----|---|-------------------------|--------------------------------|--------------|
|     |   | T. Valsaraj<br>MD       | G.V.V.<br>Satysnarayana<br>WTD |              |
| 1   | Gross salary  | 27,00,000               | 19,50,000                      | 46,50,000    |
|     | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | ---                     | ---                            | ---          |
|     | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | ---                     | ---                            | ---          |
|     | (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961             | ---                     | ---                            | ---          |
| 2   | Stock Option  | ---                     | ---                            | ---          |
| 3   | Sweat Equity  | ---                     | ---                            | ---          |
| 4   | Commission<br>- as % of profit<br>- others, specify...                              | ---                     | ---                            | ---          |
| 5   | Others, please specify  | ---                     | ---                            | ---          |
|     | Total (A)   | 27,00,000               | 19,50,000                      | 46,50,000    |
|     | Ceiling as per the Act (10% of net profits)   | ---                     | ---                            | 1,02,02,086  |

**B. Remuneration to other Directors**

| SN. | Particulars of Remuneration                | Name of Directors                           |  |                                      | Total Amount |
|-----|--|---|--|--------------------------------------|--------------|
|     |  | Jeeja Valsaraj<br>Non-Executive<br>Director | K. Venkateshwara<br>Rao<br>Independent<br>Director | S.Rajaram<br>Independent<br>Director |              |
| 1   | Independent Directors                      |   |  |                                      |              |
|     | Fee for attending board committee meetings | ---   | 25,000   | 15,000                               | 40,000       |
|     | Commission                                 | ---   | ---  | ---                                  | ---          |
|     | Others, please specify                     | ---   | ---  | ---                                  | ---          |
|     | Total (1)                                  | ---   | 25,000   | 15,000                               | 40,000       |
| 2   | Other Non-Executive Directors              |   |  |                                      |              |
|     | Fee for attending board committee meetings | 25,000                                      | ---  | ---                                  | 25,000       |
|     | Commission                                 | ---   | ---  | ---                                  | ---          |
|     | Others, please specify                     | ---   | ---  | ---                                  | ---          |
|     | Total (2)                                  | 25,000                                      | ---  | ---                                  | 25,000       |
|     | Total (B)=(1+2)                            | ---   | ---  | ---                                  | ---          |
|     | Total Managerial Remuneration              | 25,000                                      | 25,000   | 15,000                               | 65,000       |
|     | Overall Ceiling as per the Act             |   |  |                                      | 10,20,208    |

(1% of net profits)

**COASTAL CORPORATION LIMITED**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

| SN | Particulars of Remuneration   | Key Managerial Personnel |        |     |        |
|----|---|--------------------------|--------|-----|--------|
|    |   | CEO                      | CS     | CFO | Total  |
| 1  | Gross salary  | ---                      | 52,000 | --- | 52,000 |
|    | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | ---                      | ---    | --- | ---    |
|    | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | ---                      | ---    | --- | ---    |
|    | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | ---                      | ---    | --- | ---    |
| 2  | Stock Option  | ---                      | ---    | --- | ---    |
| 3  | Sweat Equity  | ---                      | ---    | --- | ---    |
| 4  | Commission  | ---                      | ---    | --- | ---    |
|    | - as % of profit  | ---                      | ---    | --- | ---    |
|    | others, specify...  | ---                      | ---    | --- | ---    |
| 5  | Others, please specify  | ---                      | ---    | --- | ---    |
|    | Total   | ---                      | 52,000 | --- | 52,000 |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                              |                                    |
| Penalty                             | Nil                          |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                              |                                    |
| Penalty                             | Nil                          |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                              |                                    |
| Penalty                             | Nil                          |                   |   |                              |                                    |
| Punishment                          |                              |                   |   |                              |                                    |
| Compounding                         |                              |                   |   |                              |                                    |

Annexure – 10

**DIRECTORS' PROFILE**

**Shri. T. Valsaraj (DIN: 00057558): Managing Director**

He holds a Bachelors Degree of Technology. He has total experience of over 36 years in the varied fields viz., project management, construction, infrastructure development projects and 33 years in export business of marine products and other merchandise. He has been devoting his entire time, efforts and energy to develop this Company in all aspects including strategic business planning and analysis of future competition and threats at Global level as the business of the company is export oriented in all kinds of marine products.

**Shri. G.V.V. Satyanarayana (DIN: 00187006): Director – Finance**

He is a Post Graduate (M.Com) from Andhra University. He has vast experience in the fields of Finance, Strategic Planning, Administration, Exports and other areas. He is also efficient in co-ordination with all the departments of the Company as well as Government and other Statutory Authorities in the day to day related affairs of the Company since 1988.

**Smt Jeeja Valsaraj (DIN: 01064411): Non – Executive Director**

She is a Post Graduate Diploma in Management and Fashion Technology and has been associated with the Company for the last 11 years and well experienced in the varied areas of Administration, Social Service, Fashion Technology, etc.,

**Sri Sirangu Rajaram(DIN: 01679004) : Independent Director**

He is a Post Graduate (M.Sc) in Marine Biology, and has been associated with the Company since 30 years and has a lot of experience in the Marine and Export of Sea Foods Industry.

**Prof. Kamireddi Venkateshwara Rao(DIN: 01678973): Independent Director**

He is a Post Graduate (M.Tech) in Chemical Engineering and has been associated with the Company for the last 10 years and has a lot of experience in the administration.

**Sri Dillip Anant Biwalkar (Resigned w.e.f. 07.02.2015): Independent Director**

He is a Post Graduate (M.Sc) in Fisheries and has been associated with the Company for the last 9 years and has a lot of experience in the areas of Finance and Banking.

**COASTAL CORPORATION LIMITED**

**Annexure – 11**

**Details pertaining to Employees as required under Section 197(12) of the Companies Act, 2013**

**Statement of Particulars of Employees Pursuant to provisions of Section 197(12) of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

**i. Employed throughout the Financial Year 2014-15**

There were no employees receiving remuneration in the aggregate, more than Sixty Lakhs Rupees in the Company during the Financial Year.

**Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

i. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2014-15, and the comparison of the remuneration to Key Managerial Personnel(KMP) against the performance of the Company are as under:

| Sl. No. | Name of Director/ KMP and Designation | Remuneration of Director KMP for the financial year 2014-15(Rs. in Lakhs) | % increase in Remuneration in the Financial Year 2014-15 | Ratio of remuneration of each Director/ to median Employees | Comparison of the Remuneration of the KMP against the performance of the Company                           |
|---------|---------------------------------------|---|--|---|--|
| 1.      | Shri. T. Valsaraj                     | 27.00   | 57.14  | 23.43   | Profit before tax decreased by 5.06% and Profit After Tax decreased by 6.3% in the Financial Year 2014-15. |
| 2.      | Shri.G.V.V. Satyanarayana             | 19.50   | 16.66  | 16.93   |  |
| 3.      | Ms. Swaroopa Meruva                   | 0.52  | Nil  | Not Applicable  |  |

- ii. The Median remuneration of Employees of the Company during the Financial Year was Rs. 1.152 Lakhs/-.
- iii. In the financial year, there was an increase of 18.75% in the median remuneration of employees.
- iv. There were 172 permanent employees on the rolls of the Company as on 31<sup>st</sup> March, 2015.

Sd/-  
**T. Valsaraj**  
Managing Director

**COASTAL CORPORATION LIMITED**

**Annexure – 12**

**DECLARATION OF INDEPENDENCE  
FROM INDEPENDENT DIRECTOR**

To  
The Board of Directors  
Coastal Corporation Limited  
15-1-37/3, Nowroji Road, Maharanipecta,  
Visakhapatnam – 530002  
Andhra Pradesh, India.

**Subject:**

Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

I, Sri. S. Raja Ram, hereby certify that I am a Non-executive Independent Director of M/s. Coastal Corporation Limited, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**I certify that:**

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
5. None of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;



**COASTAL CORPORATION LIMITED**

- b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
- a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
- b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
- c) holds together with my relatives 2% or more of the total voting power of the company; or
- d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
- 7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
- 8. I am not less than 21 years of age.

**DECLARATION**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,  
Yours faithfully,

Sd/-  
**Sirangu Rajaram**  
DIN: 01679004

**DECLARATION OF INDEPENDENCE  
FROM INDEPENDENT DIRECTOR**

To  
The Board of Directors  
Coastal Corporation Limited  
15-1-37/3, Nowroji Road, Maharanipeta,  
Visakhapatnam – 530002  
Andhra Pradesh, India.

**Subject:**

Declaration of independence under clause 49 of the Listing Agreement and sub-section (6) of section 149 of the Companies Act, 2013.

We, Sri. K. Venkateswara Rao, hereby certify that we am a Non-executive Independent Director of M/s. Coastal Corporation Limited, and comply with all the criteria of independent director as envisaged in Clause 49 of the Listing Agreement and the Companies Act, 2013.

**We certify that:**

1. I possess relevant expertise and experience to be an independent director in the Company;
2. I am/was not a promoter of the company or its holding, subsidiary or associate company;
3. I am not related to promoters / directors / persons occupying management position at the board level or level below the board in the company, its holding, subsidiary or associate company;
4. Apart from receiving director sitting fees / remuneration, I have/had no pecuniary relationship / transactions with the company, its promoters, its directors, its senior management or its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial;
5. None of my relatives has or had any pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to 2% or more of its gross turnover or total income or Rs. 50 Lacs or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
6. Neither me nor any of my relatives:
  - a) holds or has held the position of a key managerial personnel or is or has been employee/executive of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;

**COASTAL CORPORATION LIMITED**

- b) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year of;
  - a. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
  - b. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to 10% or more of the gross turnover of such firm;
  - c) holds together with my relatives 2% or more of the total voting power of the company; or
  - d) is a Chief Executive or director, by whatever name called, of any non-profit organization that receives 25% or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds 2% or more of the total voting power of the company; or
7. I am not a material supplier, service provider or customer or a lessor or lessee of the company;
8. I am not less than 21 years of age.

**DECLARATION**

I undertake that I shall seek prior approval of the Board if and when I have any such relationship / transactions, whether material or non-material. If I fail to do so I shall cease to be an independent director from the date of entering in to such relationship / transactions.

Further, I do hereby declare and confirm that the above said information's are true and correct to the best of my knowledge as on the date of this declaration of independence and I shall take responsibility for its correctness and shall be liable for fine if any imposed on the Company, its directors, if the same found wrong or incorrect in future.

I further undertake to intimate immediately upon changes, if any, to the Company for updating of the same.

Thanking you,  
Yours faithfully,

Sd/-  
**K. Venkateswara Rao**  
DIN: 01678973

**COASTAL CORPORATION LIMITED**

**K.P.RAO ASSOCIATES**

Chartered Accountants

7-1-59/4&8, Ameerpet

Hyderabad – 500 016

(O) 23748583

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

**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of Coastal Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2015, the Statement of Profit and Loss, the 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 Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March, 2015, and its profit and its cash flows for the year ended on that date.

**Report on other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31 March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed all pending litigations and there is no impact on its financial position in its financial statements – refer Note 25 to the financial statements;
    - ii. The Company did not have any material foreseeable losses relating to long-term contracts including derivative contracts.

**COASTAL CORPORATION LIMITED**

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For K.P.RAO ASSOCIATES**

Chartered Accountants

Firm Reg. No. 003136S

**Sd/-**

**(V.V.S.BHAGAVAN)**

Partner

**M.No. 08571**

Place : Visakhapatnam

Date : 28.05.2015

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

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

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

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) A major portion of the fixed assets have been physically verified during the year by the Management in accordance with a program of verification, which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
2. (a) As explained to us, inventories have been physically verified during the year by the management at reasonable intervals.  
  
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and nature of its business.  
  
(c) In our opinion and on the basis of our 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. According to the information and explanations given to us and on the basis of our 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 189 of the Companies Act, 2013 except for advances to the tune of Rs.126 lakhs to two of the companies in which two of the directors are interested. The advances are purely temporary and have been paid back. No interest was charged as the advances are purely temporary.



COASTAL CORPORATION LIMITED

4. In our opinion and according to the information and explanations given to us, 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 and fixed assets and payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal control has been noticed.
5. The Company has not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As per information and explanations given by the management, the Company has an internal audit system commensurate with its size and the nature of its business.
7. As per information and explanations given by the management, maintenance of cost records has not been prescribed for the year by the Central Government under sub-section (1) of section 148 of the Act.
8. (a) According to the records of the company, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax(VAT), Cess, Wealth Tax, Service Tax, Customs Duty and Excise Duty and other statutory dues have generally been regularly deposited with the appropriate authorities.  
  
(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Income-tax Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period of more than six months from the date they became payable.
9. The company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year.
10. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to any financial institution or bank.
11. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.

**COASTAL CORPORATION LIMITED**

12. In our opinion and according to the information and explanations given to us, the term loans taken during the year by the Company have been applied for the purpose for which they were obtained.
13. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

**For K.P. RAO ASSOCIATES**

Chartered Accountants

Firm Reg. No. 003136S

**Sd/-**

**(V.V.S.BHAGAVAN)**

Partner

M NO. 08571

Place : Visakhapatnam

Date : 28.05.2015

**COASTAL CORPORATION LIMITED**

**COASTAL CORPORATION LIMITED  
BALANCESHEET AS AT 31.03.2015**

|   | Particulars                                    | Note<br>No.    | As at<br>31.03.15<br>(Rs) | As at<br>31.03.14<br>(Rs) |
|---|--|----------------|---------------------------|---------------------------|
|   | <b>Equity and liabilities</b>                  |                |                           |                           |
| 1 | <b>Shareholders' funds</b>                     |                |                           |                           |
|   | Share capital                                  | 2              | 12,711,000                | 12,853,072                |
|   | Reserves and surplus                           | 3              | 350,272,950               | 250,397,803               |
|   |  |                | <b>362,983,950</b>        | <b>263,250,875</b>        |
| 2 | <b>Non-current liabilities</b>                 |                |                           |                           |
|   | Long-term borrowings                           | 4              | 8,739,493                 | 40,489,857                |
|   | Deferred tax liabilities                       |                | 13,169,341                | 10,421,499                |
|   | Trade payables                                 | 7              | 8,517,673                 |                           |
|   | Other current liabilities                      | 8              | 1,584,223                 |                           |
|   | Other Long Term Liabilities                    | 5              | 27,734,959                | 28,083,628                |
|   |  |                | <b>59,745,689</b>         | <b>78,994,984</b>         |
| 3 | <b>Current liabilities</b>                     |                |                           |                           |
|   | Short-term borrowings                          | 6              | 749,930,326               | 449,976,323               |
|   | Trade payables                                 | 7              | 84,227,806                | 110,226,960               |
|   | Other current liabilities                      | 8              | 27,174,023                | 29,038,277                |
|   | Short-term provisions                          | 9              | 72,526,551                | 67,222,511                |
|   |  |                |                           | -                         |
|   |  |                | <b>933,858,706</b>        | <b>656,464,071</b>        |
|   | <b>TOTAL</b>                                   |                | <b>1,356,588,345</b>      | <b>998,709,930</b>        |
|   | <b>Assets</b>                                  |                |                           |                           |
| 1 | <b>Non-current assets</b>                      |                |                           |                           |
|   | Fixed assets                                   |                |                           |                           |
|   | Tangible assets                                | 10             | 331,749,552               | 323,715,575               |
|   | Intangible assets                              | 10             | -                         | 51,368                    |
|   | Capital work-in-progress                       | 10             | 403,494                   | -                         |
|   | Long-term loans and advances                   | 11             | 31,524,181                | 10,954,148                |
|   | Other non-current assets                       | 12             | 71,964,536                | 39,629,629                |
|   |  |                | <b>435,641,763</b>        | <b>374,350,720</b>        |
| 2 | <b>Current assets</b>                          |                |                           |                           |
|   | Investments                                    | 31             | 276,000                   | -                         |
|   | Inventories                                    | 13             | 451,784,521               | 303,239,791               |
|   | Trade receivables                              | 14             | 306,043,532               | 156,079,599               |
|   | Cash and Cash equivalents                      | 15             | 8,233,243                 | 26,169,770                |
|   | Short-term loans and advances                  | 11             | 154,609,286               | 138,870,050               |
|   |  |                | <b>920,946,582</b>        | <b>624,359,210</b>        |
|   | <b>Significant Accounting Policy and Notes</b> |                |                           |                           |
|   | <b>TOTAL</b>                                   | <b>1 To 37</b> | <b>1,356,588,345</b>      | <b>998,709,930</b>        |

As per our report of even date attached  
For K.P.RAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

Sd/-  
(V.V.S.BHAGAVAN)  
Partner  
M.No.08571

Sd/-  
Swaropa Meruva  
Company Secretary

Date : 28-05-2015  
Place: Visakhapatnam

Sd/-  
T.Valsaraj  
Managing Director

Sd/-  
G.V.V.Satyanarayana  
Director (Finance)

**COASTAL CORPORATION LIMITED**

**COASTAL CORPORATION LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31.03.2015**

|                              | Notes   | For the year ended<br>31.03.15 | For the year ended<br>31.03.14 |
|------------------------------|---|--------------------------------|--------------------------------|
| <b>Continuing operations</b> |   |                                |                                |
| <b>Income</b>                |   |                                |                                |
| I                            | Revenue from operations   | 2,598,797,554                  | 2,060,604,498                  |
| II                           | Other Operating Income  | 175,724,591                    | 239,764,944                    |
| III                          | Other income  | 8,560,754                      | 3,120,695                      |
| IV                           | <b>Total Revenue (I+II+III)</b>   | <b>2,783,082,899</b>           | <b>2,303,490,137</b>           |
| <b>Expenses</b>              |   |                                |                                |
| V                            | Cost of materials consumed  | 2,145,548,457                  | 1,769,642,426                  |
|                              | Processing & Shipment expenses  | 432,065,244                    | 316,619,562                    |
|                              | Manufacturing expenses  | -                              | 4,690,672                      |
|                              | Changes in inventories of finished goods, work-in-progress and Stock in Trade | (145,927,235)                  | (186,623,070)                  |
|                              | Employee benefits expense   | 46,512,631                     | 44,050,396                     |
|                              | Finance costs   | 99,196,824                     | 62,669,467                     |
|                              | Depreciation  | 26,091,987                     | 16,634,497                     |
|                              | Other expenses  | 22,353,212                     | 121,373,992                    |
|                              | Loss on sale of Assets  | -                              | -                              |
|                              | <b>Total Expenses</b>   | <b>2,626,841,120</b>           | <b>2,137,857,932</b>           |
| VI                           | Prior Year's Expenses   | 473,073                        | 21,926                         |
| VII                          | Profit before exceptional and extraordinary items and tax (IV-V-VI)           | 156,768,706                    | 165,610,279                    |
| VIII                         | Profit before extraordinary items and tax                                     | 156,768,706                    | 165,610,279                    |
| IX                           | Profit before tax   | 156,768,706                    | 165,610,279                    |
| X                            | <b>Tax expenses</b>   |                                |                                |
|                              | Current tax   | 52,000,000                     | 50,514,575                     |
|                              | Deferred tax  | 2,747,842                      | 6,175,656                      |
|                              | Dividend on Preference shares   | -                              | -                              |
| XI                           | <b>Total tax expense</b>  | <b>54,747,842</b>              | <b>56,690,231</b>              |
| XII                          | <b>Profit for the year from continuing operations</b>                         | <b>102,020,864</b>             | <b>108,920,048</b>             |
| XIII                         | <b>Profit/(loss) for the year</b>   | <b>102,020,864</b>             | <b>108,920,048</b>             |
|                              | Significant Accounting Policies and other notes                               | 1 To 37                        |                                |
|                              | Earnings per equity share:<br>Basic and Diluted                               | 80.26                          | 85.69                          |

As per our report of even date attached

For K.P.RAO ASSOCIATES

Chartered Accountants

Firm Reg.No.003136S.

Sd/-

(V.V.S.BHAGAVAN)

Partner

M.No.08571

Sd/-

Swaroopa Meruva

Company Secretary

Date : 28-05-2015

Place: Visakhapatnam

Sd/-

T.Valsaraj  
Managing Director

Sd/-

G.V.V.Satyanarayana  
Director (Finance)

**COASTAL CORPORATION LIMITED**

**Standalone Cash Flow Statement for the year ended 31.03.2015**

|  | YEAR ENDED<br>31.03.2015 | YEAR ENDED<br>31.03.2014 |
|--|--------------------------|--------------------------|
| <b><u>Cash Flow from Operating Activities</u></b>            |                          |                          |
| Net Profit before Tax & Extraordinary Item                   | 157,241,779              | 165,632,204              |
| Adjustment for:  |                          |                          |
| Depreciation   | 26,091,987               | 15,634,498               |
| Interest and Finance Charges                                 | 99,196,824               | 52,569,467               |
| Other Income   | (8,560,754)              | -3,120,695               |
| <b>Operating Profit before changes in Working Capital</b>    | <b>273,969,836</b>       | <b>230,715,474</b>       |
| Adjustment for changes in Working Capital:                   |                          |                          |
| Increase/(Decrease) in Non Current Trade Payables            | 8,517,673                |                          |
| Increase/(Decrease) in Non Current Other Current Liabilities | 1,584,223                |                          |
| (Increase)/Decrease in Trade Payables                        | (25,999,154)             | 13,781,244               |
| (Increase)/Decrease in Other Current Liabilities             | (1,864,254)              | -5,654,172               |
| (Increase)/Decrease in Short Term Provisions                 | 1,516,251                | 11,932,099               |
| (Increase)/Decrease in Long term loans and advances          | (20,570,033)             | -5,440,586               |
| (Increase)/Decrease in other Non Current Assets              | (32,334,907)             | -33,097,249              |
| (Increase)/Decrease in Inventories                           | (148,544,730)            | -192,809,554             |
| (Increase)/Decrease in Trade Receivables                     | (149,963,933)            | -72,284,390              |
| (Increase)/Decrease in Short Term Loans and Advances         | (15,739,236)             | -16,170,426              |
| <b>Cash Generated from Operations</b>                        | <b>(109,428,264)</b>     | <b>(69,027,560)</b>      |
| Income Tax Paid  | (50,500,000)             | (49,656,440)             |
| <b>Cash Flow before Prior Period Items</b>                   | <b>(159,928,264)</b>     | <b>(118,684,000)</b>     |
| Prior Period Expenditure                                     | (473,073)                | (21,926)                 |
| <b>Net Cash Flow from Operating Activities</b>               | <b>(160,401,337)</b>     | <b>(118,705,926)</b>     |
| <b><u>Cash Flow from Investing Activities</u></b>            |                          |                          |
| Other Income Received  | 8,560,754                | 3,120,695                |
| Investment in Subsidiary                                     | (276,000)                |                          |
| Capital Subsidy received towards fixed assets                | 11,148,598               |                          |
| Increase in Capital Work in Progress                         | (403,494)                |                          |
| Acquisition of Fixed Assets                                  | (45,666,767)             | -57,616,993              |
| Sale of Fixed Assets   | 443,573                  | 283,980                  |
| <b>Net Cash Flow from Investing Activities</b>               | <b>(26,193,336)</b>      | <b>(54,212,318)</b>      |

**COASTAL CORPORATION LIMITED****Cash Flow from Financing Activities**

|   |                     |                    |
|---|---------------------|--------------------|
| Interest Paid   |                     | -52,569,467        |
| Interest and Finance Charges                              | (99,196,824)        |                    |
| Proceeds from Long Term borrowings                        | (31,750,364)        | -5,652,994         |
| Realization of Calls in arrears                           |                     | 85,930             |
| (Increase)/Decrease in Other Long Term Liabilities        | (348,669)           | 27,153,775         |
| Increase/(Decrease) in Packing Credit Utilization         | 299,954,003         | 210,273,573        |
| <b>Net Cash Flow from Financing Activities</b>            | <b>168,658,146</b>  | <b>179,290,817</b> |
| <b>Net Decrease in Cash and Cash Equivalents</b>          | <b>(17,936,527)</b> | <b>6,372,573</b>   |
| Cash and Cash Equivalents at the commencement of the year | 26,169,770          | 19,797,197         |
| <b>Cash and Cash Equivalents at the end of the year</b>   | <b>8,233,243</b>    | <b>26,169,770</b>  |

In terms of our report of even date

For and on behalf of the Board

**For K.P. Rao Associates**

Sd/-  
V.V.S. Bhagawan  
Chartered Accountant  
Date : 28-05-2015  
Place : Visakhapatnam

Sd/-  
Swaroopā Meruva  
Company Secretary

Sd/-  
T. Valsaraj  
Managing Director

Sd/-  
G.V.V. Satyanarayana  
Director - Finance

NOTES TO AND FORMING PART OF FINANCIAL STATEMENTS

**1. Corporate Information:**

Coastal Corporation Limited was Originally established as Coastal Trawlers Private Limited in the year 1981, subsequently converted into a public limited company in 1985. The name was changed to Coastal Corporation Limited in the year 2005. The Company is engaged in processing and export of sea food. The shares of the company are listed in stock exchanges of Mumbai, Delhi and Ahmedabad .

**Note No: 1 SIGNIFICANT ACCOUNTING POLICIES**

a) The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting Standards specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") /Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under historical cost convention. The Company follows Mercantile System of Accounting and recognises income and expenditure on accrual basis except in case of 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 results. The differences between actual results and estimates are recognised in the periods in which the results are known / materialized.

**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.

**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**

Depreciation on tangible assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Where the life of the asset has already been completed the balance value is charged as depreciation to make the value of the asset as nil

**f) Inventories**

|                                 |   |                          |
|---------------------------------|---|--------------------------|
| Inventories are valued as under | : |                          |
| a) Finished Goods               | : | At net realisable value. |
| b) Stock-in-process             | : | At cost.                 |
| c) Rawmaterial                  | : | At cost.                 |

**g) Revenue Recognition:**

Revenue is recognised on completion of shipment formalities in case of export sales and in other cases upon delivery of goods

**h) Foreign Currency Translation**

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

**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 :**

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.

**L) Expenses incurred on CSR program under section 135 of companies Act 2013 are charged of to the statement of profit & loss Account under other expenses**



**COASTAL CORPORATION LIMITED**

**Note No. 2 :Share capital**

|   | As at<br>31.03.2015<br>(Rs) | As at<br>31.03.2014<br>(Rs) |
|---|-----------------------------|-----------------------------|
| <b>Authorised :</b>   |                             |                             |
| <b>Equity Shares</b>  |                             |                             |
| 1,50,00,000 equity shares of Rs. 10/- each<br>(Previous year 30,00,000 equity shares of<br>Rs.10/- each)  | 150,000,000                 | 30,000,000                  |
| <b>Preference Shares</b>  |                             |                             |
| 20,00,000 6.5% Redeemable pref. shares of<br>Rs. 10/- each (Previous year 20,00,000<br>Redeemable pref.shares of Rs.10/- each)  |                             | 20,000,000                  |
|   | <u>150,000,000</u>          | <u>50,000,000</u>           |
| <b>Issued, subscribed and fully paid-up<br/>shares</b>  |                             |                             |
| <b>Equity Shares</b>  |                             |                             |
| 12,71,100 equity shares of Rs. 10/- each fully<br>paid (of the above 3,47,725 equity shares of<br>Rs.10/- each allotted for consideration other<br>than cash at a premium of Rs.10/- and<br>1,21,775 equity shares of Rs.10/- each allotted<br>in cash at a premium of Rs.10/-) excluding<br>28400 equity shares forfeited during the<br>previous year. . (Previous year 1299500<br>equity shares of Rs.10/- fully paid (of the<br>above 3,47,725 equity shares of Rs.10/- each<br>allotted for consideration other than cash at a<br>premium of Rs.10/- and 1,21,775 equity<br>shares of Rs.10/- each allotted in cash at a<br>premium of Rs.10/-) | 12,711,000                  | 12,853,000                  |
| Less: Calls in Arrears  |                             | 141,928                     |
|   | <u>12,711,000</u>           | <u>12,711,072</u>           |
| Forfeited shares (28400 equity<br>shares of Rs.10 each on which Rs.5 per<br>share was paid).  |                             | 142,000                     |
|   |                             | -                           |
| <b>Total Paid up Equity share capital</b>   | <u>12,711,000</u>           | <u>12,853,072</u>           |

Note: Amount received on 28,400 equity shares at Rs 5/- per share was transferred to General reserve during the year

**COASTAL CORPORATION LIMITED**

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting Equity Shares**

|   | 31-Mar-15 | 31-Mar-14 |
|---|-----------|-----------|
|   | Numbers   | Numbers   |
| Shares outstanding at the beginning of the year | 1,271,100 | 1,299,500 |
| Less: Equity shares forfeited during the year   | -         | 28,400    |
| Shares outstanding at the end of the year       | 1,271,100 | 1,271,100 |

**(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 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.

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

| Name of the shareholder                       | No.of Shares | % holding in the class | No.of Shares | % holding in the class |
|---|--------------|------------------------|--------------|------------------------|
| <b>Equity shares of Rs.10 each fully paid</b> |              |                        |              |                        |
| Eastward Exim & Shipping Pte.Ltd              | 101500       | 7.99                   | 161,500      | 12.43                  |
| Deepsea Fisheries Management Ltd              | 161225       | 12.68                  | 161,225      | 12.41                  |
| Top Fortune Marine International Ltd          | 121775       | 9.58                   | 121,775      | 9.37                   |
| Haribabu Kambampati                           | 97700        | 7.69                   | 97,700       | 7.52                   |
| TVR Estates & Resorts Pvt Ltd                 | 84911        | 6.68                   | 84,911       | 6.53                   |
|   | 567,111      | 44.62                  | 627,111      | 48.26                  |

**COASTAL CORPORATION LIMITED**

**Note No.3:Reserves and surplus**

| Particulars  | As at<br>31.03.15<br>(Rs) | As at<br>31.03.14<br>(Rs) |
|--|---------------------------|---------------------------|
| <b>a) Security premium account</b>                     |                           |                           |
| Opening Balance  | 4,695,000                 | 4,695,000                 |
| Closing Balance  | <b>4,695,000</b>          | <b>4,695,000</b>          |
| <b>b) General reserve</b>                              |                           |                           |
| Opening Balance  | 36,838,764                | 20,696,692                |
| Add: Transfer from Statement of Profit & Loss          | 15,000,000                | 16,000,000                |
| Closing Balance  | <b>51,838,764</b>         | <b>36,696,692</b>         |
| <b>c) Capital Redemption reserve</b>                   |                           |                           |
| Opening Balance  | 13,000,000                | 13,000,000                |
| Add: Transfer from Statement of Profit & Loss          |                           | -                         |
| Closing Balance  | <b>13,000,000</b>         | <b>13,000,000</b>         |
| <b>d) Surplus in the Statement of Profit and Loss</b>  |                           |                           |
| Opening balance  | 196,006,111               | 103,086,063               |
| Add: Profit for the current year                       | 102,020,864               | 108,920,048               |
|  | 298,026,975               | 212,006,111               |
| Less: Proposed Dividend @15%                           | 1,906,650                 |                           |
| Less: Tax on Dividend                                  | 381,139                   |                           |
| Less: Transfer to General Reserve                      | 15,000,000                | 16,000,000                |
| <b>Net surplus in the statement of profit and loss</b> | <b>280,739,186</b>        | <b>196,006,111</b>        |
| <b>Total reserves and surplus (a+b+c)</b>              | <b>350,272,950</b>        | <b>250,397,803</b>        |

**COASTAL CORPORATION LIMITED**

**Note No. 4 : Long Term Borrowings**

| Particulars   | Non-current liability       |                             | Current liability           |                             |
|---|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|   | As at<br>31.03.2015<br>(Rs) | As at<br>31.03.2014<br>(Rs) | As at<br>31.03.2015<br>(Rs) | As at<br>31.03.2014<br>(Rs) |
| <b>Term loans from Banks (Secured)</b>  |                             |                             |                             |                             |
| a) Term Loan from Bank of India (Ref.note 5a)   | 7,170,287                   | 39,870,564                  | 10,712,000                  | 10,712,000                  |
| <b>Other loans from Bank (secured)</b>  |                             |                             |                             |                             |
| b) Secured loan from Bank of India - Car-Liva   | 179,298                     | 271,323                     | 133,728                     | 133,728                     |
| c) Secured loan from Bank of India - car- innova  | -                           | 68,109                      | 123,698                     | 523,776                     |
| d) Secured loan from Bank of India - Car- Indigo  | -                           | -                           | -                           | 42,237                      |
| e) Secured loan from Tata Motors Finance Ltd - Trucks (Ref. Note 5e)  | -                           | -                           | -                           | 4,054,326                   |
| f) Secured loan from Bank of India - Car -  | -                           | 179,894                     | 221,932                     | 353,328                     |
| g) Secured loan from Bank of India - Car - Figo (Ref.Note 5 g)  | -                           | 99,967                      | 139,702.00                  | 196,296                     |
| h) Secured loan from Sundaram Finance Ltd - Trucks (Ref. Note 5h)   | 1,389,908.00                | -                           | 2,397,720.00                | -                           |
| <b>Note: 5a.</b><br>Term Loan from Bank of India 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 |                             |                             |                             |                             |
| <b>Note: 5b.</b><br>Car Loan secured on hypothecation of car repayable in 60 installements - No defaults in   |                             |                             |                             |                             |
| <b>Note: 5c,5d,5f and 5g.</b><br>Car Loans secured on hypothecation of cars repayable in 36 installements - No defaults in  |                             |                             |                             |                             |
| <b>Note: 5e and 5h</b><br>Trucks Loan secured on hypothecation of trucks repayable in 36 installements - No defaults in   |                             |                             |                             |                             |
| A sum of Rs. 1,37,28,780/- was disclosed under Other current liabilities(ref.note.8)  |                             |                             |                             |                             |
| <b>Net amount</b>   | <b>8,739,493</b>            | <b>40,489,857</b>           | <b>13,728,780</b>           | <b>16,015,691</b>           |

**Note No.5 :Other Long-Term Liabilities**

| Particulars    | Non-current liability       |                             | Current liability           |                             |
|----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                | As at<br>31.03.2015<br>(Rs) | As at<br>31.03.2014<br>(Rs) | As at<br>31.03.2015<br>(Rs) | As at<br>31.03.2014<br>(Rs) |
| Trade payables | 27,500,000                  | 27,848,669                  |                             |                             |
| Others         | 234,959                     | 234,959                     |                             |                             |
| <b>Total</b>   | <b>27,734,959</b>           | <b>28,083,628</b>           |                             |                             |

**COASTAL CORPORATION LIMITED**

| Particulars   | Non-current liability |                    | Current liability  |                    |
|---|-----------------------|--------------------|--------------------|--------------------|
|   | As at                 | As at              | As at              | As at              |
|   | 31.03.2015<br>(Rs)    | 31.03.2014<br>(Rs) | 31.03.2015<br>(Rs) | 31.03.2014<br>(Rs) |
| <b>Note No. 6 : Short - Term Borrowings</b>   |                       |                    |                    |                    |
| Packing credit from Bank of India (secured)   |                       |                    | 749,930,326        | 449,976,323        |
| 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 guaranteed by the directors and their associates |                       |                    |                    |                    |
| <b>Total</b>  | -                     |                    | <b>749,930,326</b> | <b>449,976,323</b> |
| <b>Note No. 7: Trade Payables</b>   |                       |                    |                    |                    |
| Trade payables  | 8,517,673             |                    | 84,227,806         | 110,226,960        |
|   | <b>8,517,673</b>      |                    | <b>84,227,806</b>  | <b>110,226,960</b> |
| <b>Note No.8: Other Current Liabilities</b>   |                       |                    |                    |                    |
| Current liabilities / Maturities of long-term borrowings  |                       |                    | 13,728,780         | 16,015,691         |
| Other liabilities - Capital works   | 1,584,223             |                    | 855,456            | 3,018,341          |
| Others payables   |                       |                    | 7,479,297          | 6,242,573          |
| Statutory payables  |                       |                    | 5,110,490          | 3,761,672          |
| <b>Total</b>  | <b>1,584,223</b>      |                    | <b>27,174,023</b>  | <b>29,038,277</b>  |
| <b>Note No.9 :Short Term Provisions</b>   |                       |                    |                    |                    |
| <b>Other short term provisions</b>  |                       |                    |                    |                    |
| Provision for Current Tax   |                       |                    | 52,000,000         | 50,500,000         |
| Provision for Expenses  |                       |                    | 17,871,142         | 16,354,891         |
| Provision for Doubtble Adv  |                       |                    | 367,620            | 367,620            |
| Provision for Proposed dividend (including Tax)   |                       |                    | 2,287,789          | -                  |
| <b>Total</b>  | -                     |                    | <b>72,526,551</b>  | <b>67,222,511</b>  |

**COASTAL CORPORATION LIMITED**

Note No. 10 : FIXED ASSETS

| Particulars              | Gross Block        |                   |                   |                    | Accumulated Depreciation |                                  |                           |                   | Net Block          |                    |
|--------------------------|--------------------|-------------------|-------------------|--------------------|--------------------------|----------------------------------|---------------------------|-------------------|--------------------|--------------------|
|                          | As at 01/04/2014   | Additions         | Deletions         | As at 31/03/2015   | As at 01/04/2014         | Depreciation charge for the year | Depreciation on deletions | As at 31/03/2015  | As at 31/03/2015   | As at 31/03/2014   |
|                          | (Rs.)              | (Rs.)             | (Rs.)             | (Rs.)              | (Rs.)                    | (Rs.)                            | (Rs.)                     | (Rs.)             | (Rs.)              | (Rs.)              |
| <b>a</b>                 |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Tangible Assets          |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Land                     | 34,666,226         | 4,326,918         |                   | 38,993,144         | 11,403,293               |                                  |                           |                   |                    | 34,666,226         |
| Buildings                | 138,044,775        | 9,733,841         | 7,704,797         | 140,073,819        | 27,228,023               | 4,300,226                        | 257,340                   | 15,446,179        | 124,627,640        | 126,641,482        |
| Plant and Equipment      | 165,338,926        | 18,504,232        | 3,443,801         | 180,399,357        | 3,646,812                | 15,690,896                       | 181,833                   | 42,737,088        | 137,662,269        | 138,110,903        |
| Furniture and Fixtures   | 7,384,793          | 359,845           | 4,229             | 7,740,409          | 13,024,446               | 944,118                          | 268                       | 4,580,662         | 3,146,747          | 3,737,981          |
| Vehicles                 | 31,655,336         | 10,580,273        | 36,377            | 42,199,232         | 2,812,194                | 4,832,953                        | 3,456                     | 17,853,943        | 24,345,289         | 18,630,890         |
| Office equipment         | 4,142,201          | 1,746,633         | 396,046           | 5,492,798          | 257,944                  | 376,883                          | 18,812                    | 3,170,265         | 2,322,523          | 1,330,007          |
| Roads                    | 406,473            |                   |                   | 406,473            |                          | 148,529                          |                           | 406,473           |                    | 148,529            |
| Computers                | 1,432,701          | 415,025           | 6,921             | 1,840,805          | 983,144                  | 209,843                          | 1,122                     | 1,191,865         | 648,940            | 449,557            |
| <b>Total</b>             | <b>383,071,431</b> | <b>45,666,767</b> | <b>11,592,171</b> | <b>417,146,027</b> | <b>59,355,856</b>        | <b>26,503,450</b>                | <b>462,831</b>            | <b>85,396,475</b> | <b>331,749,552</b> | <b>323,715,575</b> |
| <b>b</b>                 |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Intangible Assets        |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Computer Software        | 122,150            |                   |                   | 122,150            | 70,782                   | 51,368                           |                           | 122,150           |                    | 51,368             |
| <b>Total</b>             | <b>122,150</b>     |                   |                   | <b>122,150</b>     | <b>70,782</b>            | <b>51,368</b>                    |                           | <b>122,150</b>    |                    | <b>51,368</b>      |
| <b>c</b>                 |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Capital Work In Progress |                    | 403,494           |                   | 403,494            |                          |                                  |                           |                   | 403,494            |                    |
| <b>Total</b>             |                    | <b>403,494</b>    |                   | <b>403,494</b>     |                          |                                  |                           |                   | <b>403,494</b>     |                    |
| <b>Grand Total</b>       | <b>383,193,581</b> | <b>46,070,261</b> | <b>11,592,171</b> | <b>417,871,671</b> | <b>59,426,638</b>        | <b>26,554,818</b>                | <b>462,831</b>            | <b>85,518,625</b> | <b>332,153,046</b> | <b>323,766,943</b> |
| <b>Previous Year</b>     | <b>325,867,818</b> | <b>60,096,993</b> | <b>2,773,230</b>  | <b>383,193,581</b> | <b>43,799,390</b>        | <b>15,634,498</b>                | <b>7,250</b>              | <b>59,426,638</b> | <b>323,766,943</b> | <b>282,066,428</b> |

**COASTAL CORPORATION LIMITED**

**Note No. 11 :Long Term Loans and Advances**

| Particulars   | Non-current       |                   | Current            |                    |
|---|-------------------|-------------------|--------------------|--------------------|
|   | As at             | As at             | As at              | As at              |
|   | 31.03.15<br>(Rs)  | 31.03.14<br>(Rs)  | 31.03.15<br>(Rs)   | 31.03.14<br>(Rs)   |
| <b>Advances against Capital Works</b>                                       |                   |                   |                    |                    |
| Unsecured, considered good  |                   |                   | 265,580            | 8742216            |
|   |                   |                   | <b>265,580</b>     | <b>8,742,216</b>   |
| <b>Security deposits</b>  |                   |                   |                    |                    |
| Unsecured, considered good  | 9,143,309         | 8,223,309         |                    |                    |
|   | <b>9,143,309</b>  | <b>8,223,309</b>  |                    |                    |
| <b>Loan and advances to related parties</b><br>(Unsecured, considered good) |                   |                   |                    |                    |
| <b>Advances recoverable in cash or kind</b><br>(Unsecured, considered good) | 22,380,872        | 2,730,839         | 59,414,850         | 58,288,166         |
| Export Benefits Receivables   |                   |                   | 90,956,105         | 70,008,287         |
| Insurance Claim Receivable  |                   |                   | 3,048,423          | -                  |
|   | <b>22,380,872</b> | <b>2,730,839</b>  | <b>153,419,378</b> | <b>128,296,453</b> |
| <b>Other loans and advances</b>   |                   |                   |                    |                    |
| Prepaid expenses  |                   |                   | 523,992            | 1083679            |
| Advances to employees   |                   | -                 | 400,336            | 747702             |
|   | -                 | -                 | <b>924,328</b>     | <b>1,831,381</b>   |
| <b>Grand Total</b>  | <b>31,524,181</b> | <b>10,954,148</b> | <b>154,609,286</b> | <b>138,870,050</b> |

Note : A sum of Rs.15,46,09,286- was shown under current loans and advances

**COASTAL CORPORATION LIMITED**

**Note no. 12: Other Non Current Assets**

| Particulars   | Non-Curmet                |                           | Current                   |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | As at<br>31.03.15<br>(Rs) | As at<br>31.03.14<br>(Rs) | As at<br>31.03.15<br>(Rs) | As at<br>31.03.14<br>(Rs) |
| Fixed Deposits with Banks   | 71,964,536                | 39,629,629                |                           |                           |
| <b>Note No.13: Inventories</b>  |                           |                           |                           |                           |
| Inventories (valued at lower of cost and net realizable value)  |                           |                           |                           |                           |
| Finished goods (refer note 21)  |                           |                           | 437,690,101               | 291,762,866               |
| Stores and spares   |                           |                           | 14,094,420                | 11,476,925                |
|   |                           |                           | <b>451,784,521</b>        | <b>303,239,791</b>        |
| <b>Note No.14: Trade receivables and other assets</b>   |                           |                           |                           |                           |
| Trade receivables   |                           |                           |                           |                           |
| Outstanding for a period exceeding six months from the date they are due for payment, unsecured considered good |                           |                           |                           |                           |
| Sale of Goods   |                           |                           | 306,043,532               | 156,079,599               |
|   |                           |                           | <b>306,043,532</b>        | <b>156,079,599</b>        |
| Due for more than 6 months Rs.<br>Others, considred good Rs.  |                           |                           |                           |                           |
| <b>Note No.15: Cash and Cash Equivalents</b>  |                           |                           |                           |                           |
| Cash and cash equivalents   |                           |                           |                           |                           |
| Balances with banks:  |                           |                           |                           |                           |
| – On current accounts   |                           |                           | 7,910,447                 | 25,189,850                |
| Cash on hand  |                           |                           | 322,796                   | 979,920                   |
|   |                           |                           | <b>8,233,243</b>          | <b>26,169,770</b>         |
| Other bank balances   |                           |                           |                           |                           |
| – Deposits with original maturity for more than 12 months   | 71,964,536                | 39,629,629                |                           |                           |
|   | <b>71,964,536</b>         | <b>39,629,629</b>         |                           |                           |
| Amount disclosed under Other non-current assets (note 12)   | <b>71,964,536</b>         | <b>39,629,629</b>         |                           |                           |



**COASTAL CORPORATION LIMITED**

| Particulars                               | For the period<br>ended<br>31.03.15 | For the Year<br>ended<br>31.03.14 |
|---|-------------------------------------|-----------------------------------|
| <b>Note No.16 Revenue from Operations</b> |                                     |                                   |
| Revenue from operations                   |                                     |                                   |
| Sale of products (Shrimp& fish):          | -                                   | -                                 |
| Finished goods                            | 2,598,797,554                       | 2,026,377,432                     |
| <b>Total</b>                              | <b>2,598,797,554</b>                | <b>2,026,377,432</b>              |
| <b>Detail of products sold</b>            |                                     |                                   |
| Sale of Finished goods                    |                                     |                                   |
| Shrimp & fish                             | 2,598,797,554                       | 2,026,377,432                     |
| Sale -plastic Granules                    |                                     | 34,227,066                        |
| <b>Total</b>                              | <b>2,598,797,554</b>                | <b>2,060,604,498</b>              |
| <b>Note No.17 Other Operating Income</b>  |                                     |                                   |
| Export Benefits                           | 173,000,202                         | 138,531,112                       |
| Toll Collection                           | 2,724,389                           | 101,233,832                       |
|   | <b>175,724,591</b>                  | <b>239,764,944</b>                |
| <b>Note No. 18 Other income</b>           |                                     |                                   |
| Interest on Bank deposits                 | 4,756,496                           | 1,755,137                         |
| Interest from Others                      | -                                   | 450,101                           |
| Income from Tollplaza                     | -                                   | -                                 |
| Other income                              | 3,800,000                           | 915,457                           |
| Credit balance Written off                | 4,258                               | -                                 |
| <b>Total</b>                              | <b>8,560,754</b>                    | <b>3,120,695</b>                  |

**COASTAL CORPORATION LIMITED**

| Particulars   | For the Year<br>ended<br>31.03.15 | For the Year ended<br>31.03.14 |
|---|-----------------------------------|--------------------------------|
| <b>Note No. 19 : Cost of Material Consumed</b>          |                                   |                                |
| Inventory at the beginning of the year                  | —                                 | —                              |
| Add: Purchases  | 2,145,548,457                     | 1,769,642,426                  |
|   | 2,145,548,457                     | 1,769,642,426                  |
| Less: inventory at the end of the year                  | —                                 | —                              |
| Cost of raw material and components Consumed            | 2,145,548,457                     | 1,769,642,426                  |
| <b>Note No. 20 : Processing &amp; Shipment Expenses</b> |                                   |                                |
| Procurement Expenses                                    | 3,001,571                         | 2,776,606                      |
| Cold Storage Charges                                    | 2,766,954                         | 839,258                        |
| Peeling wages   | 14,556,456                        | 7,331,727                      |
| Plant Electricity Charges                               | 32,309,212                        | 27,554,125                     |
| processing wages  | 42,546,423                        | 29,743,974                     |
| Plant Maintenance                                       | 28,720,683                        | 27,377,006                     |
| Plant Other Expenses                                    | 16,151,644                        | 8,165,192                      |
| Agricultural Market Cess                                | 6,758,341                         | 4,863,391                      |
| Antidumping Fee   | 64,141,681                        | 58,670,529                     |
| Chemicals   | 17,048,227                        | 16,552,759                     |
| Commission  | 6,719,601                         | 6,564,098                      |
| ECCG Fees   | 4,538,871                         | 2,205,524                      |
| Freight Charges   | 62,686,826                        | 43,190,928                     |
| Ice Purchases   | 9,728,440                         | 7,659,080                      |
| Monitoring Fee  | 3,370,000                         | 2,294,245                      |
| Packing & Stocking                                      | 55,413,638                        | 36,675,795                     |
| Shipment Expenses                                       | 7,952,073                         | 5,088,580                      |
| Stock Insurance   | 6,783,331                         | 3,743,524                      |
| Testing charges   | 12,713,054                        | 3,577,829                      |
| Truck Rep & Maintenance                                 | 15,809,901                        | 12,293,097                     |
| Transportation Expenses                                 | 18,348,317                        | 8,352,285                      |
| <b>Total</b>  | <b>432,065,244</b>                | <b>315,519,552</b>             |

**COASTAL CORPORATION LIMITED**

| <b>Particulars</b>                                   | <b>For the<br/>year ended<br/>31.03.15</b> | <b>For the Year ended<br/>31.03.14</b> |
|--|--|--|
| <b>Note No. 20 A: Poly<br/>PackDivision Expenses</b> |  |  |
| Carriage Inward                                      | —  | 49,300                                 |
| Clearing charges                                     | —  | 22,808                                 |
| Job/ Processing charges                              | —  | 4,607,565                              |
| Service Charges                                      | —  | 10,999                                 |
| <b>Total</b>   | —  | <b>4,690,672</b>                       |

**COASTAL CORPORATION LIMITED**

| Particulars  | For the Year ended   | For the Year ended   |
|--|----------------------|----------------------|
|  | 31.03.15             | 31.03.14             |
| <b>Note No. 21 : (Increase)/ decrease in Inventories</b> |                      |                      |
| Inventories at the end of the year                       |                      |                      |
| Finished goods   | 437,690,101          | 291,762,866          |
|  | <b>437,690,101</b>   | <b>291,762,866</b>   |
| Inventories at the beginning of the year                 |                      |                      |
| Finished goods   | 291,762,866          | 106,139,796          |
|  | <b>291,762,866</b>   | <b>106,139,796</b>   |
| <b>Total</b>   | <b>(145,927,235)</b> | <b>(185,623,070)</b> |
| <b>Note No. 22 : Employee benefits Expenses</b>          |                      |                      |
| Salaries, wages and bonus                                | 33,323,622           | 35,555,360           |
| Directors Remuneration                                   | 4,650,000            | 3,900,000            |
| Contribution to provident and other funds                | 2,257,651            | 1,422,812            |
| Gratuity expense   | 456,618              | 321,702              |
| Staff welfare expenses                                   | 5,824,740            | 2,850,522            |
| Crew Salaries  | -                    | -                    |
| <b>Total</b>   | <b>46,512,631</b>    | <b>44,050,396</b>    |
| <b>Note No. 23 : Finance costs</b>                       |                      |                      |
| Interest to Bank   | 90,796,185           | 51,031,800           |
| Bank charges   | 8,400,639            | 1,537,667            |
| <b>Total</b>   | <b>99,196,824</b>    | <b>52,569,467</b>    |

**COASTAL CORPORATION LIMITED**

| Particulars                             | For the Year ended | For the Year ended |
|---|--------------------|--------------------|
|   | 31.03.15           | 31.03.14           |
| <b>Note No.24: Other Expenses</b>       |                    |                    |
| Audit Fee *                             | 206,500            | 140,000            |
| Directors Travelling Expenses           | 2,664,169          | 2,548,466          |
| Insurance                               | 1,108,371          | 1,322,442          |
| Rent ,Rate & Taxes                      | 350,420            | 589,585            |
| Stock Exchange Listing Fee.             | 123,596            | 16,854             |
| Telex & telephone                       | 641,526            | 562,588            |
| Travelling Expenses                     | 1,838,713          | 1,682,295          |
| Miscellaneous Expenses                  | 10,178,396         | 4,071,859          |
| Professional Charges                    | 2,400,563          | 1,360,948          |
| Electricity Charges                     | 178,389            | 467,348            |
| Postage & Telegrams                     | 219,159            | 224,521            |
| Carriage Outward                        | -                  | 18,225             |
| Commission charges                      | -                  | 200,000            |
| Electricity charges                     | -                  | 5,560              |
| Factory Rent                            | 113,400            | 113,400            |
| Professional charges                    | -                  | 20,000             |
| Security charges                        | -                  | 96,000             |
| Miscellaneous expenses                  | -                  | 17,555             |
| Remittance to NHAI                      | -                  | 106,763,226        |
| Generator Expenses                      | -                  | 135,315            |
| Plaza Maintainance                      | 199,940            | 1,017,805          |
| C.S.R.Expenses                          | 2,130,070          |                    |
| <b>Total</b>                            | <b>22,353,212</b>  | <b>121,373,992</b> |
| <b>*Details of Payments to Auditors</b> |                    |                    |
| As Auditor                              |                    |                    |
| Audit Fee                               | 156,500            | 105,000            |
| Tax Audit Fee                           | 30,000             | 15,000             |
| other Matters                           | 20,000             | 20,000             |
| <b>Total</b>                            | <b>206,500</b>     | <b>140,000</b>     |

**COASTAL CORPORATION LIMITED**

| <u>Note</u> | <u>Particulars</u>   | <u>Unit</u> | <u>2013-2014</u> |               |
|-------------|--|-------------|------------------|---------------|
| 25          | Contingent liabilities/claims not provided for :   |             |                  |               |
|             | Unexplrd Bank Guarantee issued in favour of:   |             |                  |               |
|             | - Against letters of credit(SBLC)  | Rs.         | 124.00 Lakhs     | 90.00 Lakhs   |
|             | Pending Legal Matters  |             |                  |               |
|             | - A claim against the company towards Toll Fee payable to NHA1 during the agitation peroid agaainst separation of Andhra State |             | 59.24 Lakhs      | 97.24 Lakhs   |
|             | - A suit filed against the company by one of the suppliers for non payment of their bills which is contested in appel          | Rs.         | 10.00 Lakhs      | -             |
| 26          | Estimated amount of contracts remaining to be executed on account of Capital works   | Rs.         | 6 Lakhs          | -             |
| 27          | Opening Stock :  |             |                  |               |
|             | ii) Value of Shrimp  | Rs.         | 291,762,866      | 106,139,796   |
|             | Closing Stock :  |             |                  |               |
|             | Value of Shrimp  | Rs.         | 437,690,101      | 291,762,866   |
| 28          | Expenditure incurred in foreign currency :   |             |                  |               |
|             | Imported Spares(including forCapital goods) spares worth of 23,06,880/- have been recived)                                     | Rs.         | -                | 10,780,234    |
|             | Travelling Expenses  |             |                  |               |
|             | - Directors  | Rs.         | 681,672          | 855,979       |
|             | - others   | Rs.         | 491,573          | -             |
|             | Antidumping Fee  | Rs.         | 64,141,681       | 58,670,529    |
|             | Marine Rejection Insurance   | Rs.         | 4,983,986        | 3,286,130     |
|             | Export Claims  | Rs.         | 199,360          | 297,438       |
|             | Commission   | Rs.         | 1,525,322        | 362,495       |
|             | B.A.P.Audit fee  | Rs.         | 3,136,073        | 349,377       |
|             | Shrimp Council Sponserhip -USA   | Rs.         | -                | 191,729       |
|             | Avalon Risk management insurance Agency LLC  | Rs.         | -                | 4,354,761     |
|             | cloud storage charges  | Rs.         | 2,742,248        | -             |
|             | Legal Expenses   | Rs.         | 2,397,531        | -             |
|             | Transprotation charges   | Rs.         | 942,163          | -             |
|             | Earnings in Foreign Exchange(FOB)  | Rs.         | 2,536,110,728    | 1,983,186,504 |
| 29          | Details of Remuneration to Whole-time Directors :  |             |                  |               |
|             | Sri T. Valsaraj, Managing Director   |             |                  |               |
|             | i) Salary  | Rs.         | 2,700,000        | 2,100,000     |
|             | ii) Allowances   | Rs.         | -                | -             |
|             | Sri G.V.V.Satyanarayana  |             |                  |               |
|             | i) Salary  |             | 1,950,000        | 1,800,000     |
|             | ii) Allowances   |             | -                | -             |
| 30          | Donations included in Other expenses   | Rs.         | 587,600          | 159,000       |
| 31          | Investments:   |             |                  |               |
|             | 27,600 Equity shares invested in Contenantal Fisheries india Pvt Ltd which is a 100% subsadiari company                        |             | 276,000          | -             |
| 32          | _confirmation of balaces in case of Debtors and Crediotrs have not been received   |             |                  |               |

**COASTAL CORPORATION LIMITED**

33 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.27,47,842/- on account of timing difference in the method of depreciation adopted.

|   |                   |
|---|-------------------|
| Deferred tax liability provided upto 1.4.14     | 10,421,499        |
| Deferred tax liability provided during the year | <u>2,747,842</u>  |
| Deferred tax liability as on 31.03.2015         | <u>13,169,341</u> |

34 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
- (c) Smt.Jeeja Valsarj - Director

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. Sai Srekara Realtors & Fisheries - Associate Firm
- (d) M/s Coastal Developers Pvt Ltd - Associate Company

**COASTAL CORPORATION LIMITED**

**II Transactions during the year with related parties**

| Sl.No. | Name of the Party                | Relationship      | Nature of transaction | (Rs.in lakhs) |                                |
|--------|----------------------------------|-------------------|-----------------------|---------------|--------------------------------|
|        |                                  |                   |                       | Amount Rs.    | Balance outstanding on 31.3.15 |
| 1)     | Sri T. Valsaraj                  | Managing Director | Remuneration          | 27.00         |                                |
|        |                                  |                   | Amount paid           | 15.44         |                                |
|        |                                  |                   | Amount Received       | 15.44         | -                              |
| 2)     | M/s.Balaji Seafoods Ltd.         | Associate Company | Amount paid           | 112.66        |                                |
|        |                                  |                   | Amount Received       | 112.66        | -                              |
| 3)     | Sai Srekara Realtors & Fisheries | Associate Firm    | Amount paid           | 2.72          |                                |
|        |                                  |                   | Amount Received       | 2.72          | -                              |
| 4)     | Sri G.V.V.Satyanarayana          | Director Finance  | Remuneration          | 19.5          |                                |

35 There are no overdue amounts payable to micro,small, and medium enterprises

36 The operations on Toll way division and Manufacture of plastic woven sacks (Poly pack division) have been completed and there are no reparable segments during the year.

37 Previous years figures have been regrouped where ever necessary.

Signatures to Notes to Financial Statements

**Sd/-**  
( T.VALSARAJ )  
Managing Director

**Sd/-**  
(G.V.V.SATYANARAYANA)  
Director Finance

For K.P.RAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

**Sd/-**  
(V.V.S.BHAGAVAN)  
Partner  
M.No.08571

Place : Visakhapatnam

Date :28.05.2015



**COASTAL CORPORATION LIMITED**

**K.P.RAO ASSOCIATES**  
Chartered Accountants

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

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

**Report on consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of M/S. Coastal Corporation Limited (The Holding Company) and its subsidiary (the Holding Company and its subsidiary together referred as "the Group") comprising the consolidated Balance sheet at 31<sup>st</sup> March, 2015, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

**Management's Responsibility for the consolidated Financial Statements:**

The Holding Company's Board of Directors are responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "The Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated Cash flows of the Group in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditors' Responsibility:**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

## COASTAL CORPORATION LIMITED

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### **Opinion:**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 according principles generally accepted in India, of the consolidated state of affairs of the Group as at 31<sup>st</sup> March, 2015, and their consolidated Profit/ Loss and their consolidated Cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and its subsidiary Company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports.

**COASTAL CORPORATION LIMITED**

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group, is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
- f) In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of audit report of the subsidiary the aforesaid consolidated 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.
- i. The consolidated financial statements disclose all pending litigations and there is no impact on its financial position of the Group - Refer Note 25 to the financial statements.
  - ii. The Group did not have any material foreseeable losses on long-term contract including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor education and Protection Funds by the Holding Company and its subsidiary incorporated in India.

**For K.P. RAO ASSOCIATES,  
CHARTERED ACCOUNTANTS  
(Reg. No.003136S)**

**Place : Visakhapatnam  
Date : 28.05.2015**

**Sd/-  
(V.V.S.BHAGAVAN)  
Partner  
M NO. 08571**

**Annexure to the Independent Auditors' Report**

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

Our report on the order includes Holding Company and one fully owned subsidiary (hereinafter referred to as entities) to which the order is applicable which has been audited by us and our reports in respect of these entities to the extent considered applicable for reporting under the order in case of the consolidated financial statements.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the consolidation of financial statements, we report that:

1. (a) The Holding Company and its subsidiary have maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
  
(b) A major portion of the fixed assets have been physically verified during the year by the management of the respective entities in accordance with a program of verification, which in our opinion, provides for physical verification of all the Fixed assets at reasonable intervals having regard to the size of the respective entities and the nature of their assets. According to the information and explanation given to us, the discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
2. a) As explained to us, inventories have been physically verified during the year by the management of the respective entities at reasonable intervals and the frequency of verification is reasonable.  
  
b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management of the respective entities are reasonable and adequate in relation to the size of the respective entities and the nature of its businesses.  
  
c) In our opinion and on the basis of our examination of the records, the entities are generally maintaining proper records. No material discrepancies were noticed on physical verification of stocks by the managements of respective entities as compared to the book records.
3. According to the information and explanations given to us and on the basis of our examination of the books of account, the entities have not granted any loans, secured or unsecured, to companies, firms or other parties listed in the register maintained under Section 189 of the Companies Act, 2013 except for the advances by the Holding Company to the tune of '126 lakhs to two of the companies in which two of the directors are interested.

**COASTAL CORPORATION LIMITED**

The advances are purely temporary and have been paid back. No interest was charged as the advances are purely temporary in nature.

4. In our opinion and according to the information and explanation given to us, there is generally an adequate internal control procedure commensurate with the size of the entities and the nature of their business, for the purchase of inventories and Fixed Assets and payment for expenses and for sale of goods. During the course of our audit, no major instance of continuing failure to correct any weaknesses in the internal controls has been noticed.
5. The entities have not accepted any deposits from the public covered under section 73 to 76 of the Companies Act, 2013.
6. As per the information and explanation given by the management, the Holding Company has an Internal audit system commensurate with its size and nature of its business.
7. As per the information and explanation given by the management of the Holding Company, maintenance of cost records has not been prescribed for the year by the Central government under sub-section (1) of section 148 of the Act.
8. (a) According to the records of the Holding Company and its subsidiary, undisputed statutory dues including Provident Fund, Employee's State Insurance, Income-tax, Sales-tax (VAT), Cess, Service Tax, Customs Duty and Excise Duty and other statutory dues have generally been regularly deposited with the appropriate authorities.  
  
(b) According to information and explanations given to us, there are no amounts payable by the entities in respect of Provident Fund, Employee's State Insurance, Income-tax, Sales-tax (VAT), Cess, Service Tax, Customs Duty and Excise Duty and other statutory dues in arrears as at 31<sup>st</sup> March, 2015 for a period more than six months from the date they became payable.
9. The Holding Company does not have any accumulated loss and has not incurred cash loss during the financial year covered by our audit and in the immediately preceding financial year. However, the subsidiary Company incurred a loss during the financial year.
10. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that, the entities have not defaulted in repayment of dues to any financial institutions or banks.
11. According to information and explanations given to us, the entities have not given any guarantee for loans taken by others from a bank or financial institutions.

**COASTAL CORPORATION LIMITED**

12. In our opinion and the and according to the information and explanations given to us, the term loans have been applied by the Holding Company, during the year for the purpose for which they were obtained.
13. To the best of our knowledge and according to the information and explanations given to us, no fraud by the entities and no fraud on the entities have been noticed or reported during the year.

**Place: Hyderabad.  
Date : 28.05.2015**

**For K.P.RAO ASSOCIATES  
CHARTERED ACCOUNTANTS  
( Firm Registration No.003136S)**

**Sd/-  
(V.V.S. BHAGAVAN)  
Partner.  
M No.008571**

**COASTAL CORPORATION LIMITED**

**COASTAL CORPORATION LIMITED  
CONSOLIDATED BALANCESHEET AS AT 31.03.2015**

|   | Particulars   | Note<br>No. | consolidated         |      | TOTAL              |      |
|---|---|-------------|----------------------|------|--------------------|------|
|   |   |             | As at<br>31.03.15    | (Rs) | As at<br>31.03.14  | (Rs) |
|   | <b>Equity and liabilities</b>                       |             |                      |      |                    |      |
| 1 | <b>Shareholders' funds</b>                          |             |                      |      |                    |      |
|   | Share capital                                       | 2           | 12,711,000           |      | 12,853,072         |      |
|   | Reserves and surplus                                | 3           | 346,420,304          |      | 250,397,803        |      |
|   |   |             | <b>359,131,304</b>   |      | <b>263,250,875</b> |      |
| 2 | <b>Non-current liabilities</b>                      |             |                      |      |                    |      |
|   | Long-term borrowings                                | 4           | 8,739,493            |      | 40,489,857         |      |
|   | Deferred tax liabilities                            |             | 13,169,341           |      | 10,421,499         |      |
|   | Trade payables                                      | 7           | 8,517,673            |      | -                  |      |
|   | Other current liabilities                           | 8           | 1,584,223            |      | -                  |      |
|   | Other Long Term Liabilities                         | 5           | 27,734,959           |      | 28,083,628         |      |
|   |   |             | <b>59,745,689</b>    |      | <b>78,994,984</b>  |      |
| 3 | <b>Current liabilities</b>                          |             |                      |      |                    |      |
|   | Short-term borrowings                               | 6           | 749,930,326          |      | 449,976,323        |      |
|   | Trade payables                                      | 7           | 84,227,806           |      | 110,226,960        |      |
|   | Other current liabilities                           | 8           | 27,174,023           |      | 29,038,277         |      |
|   | Short-term provisions                               | 9           | 72,542,521           |      | 67,222,511         |      |
|   |   |             | <b>933,874,676</b>   |      | <b>656,464,071</b> |      |
|   | <b>TOTAL</b>  |             | <b>1,352,751,669</b> |      | <b>998,709,930</b> |      |
|   | <b>Assets</b>                                       |             |                      |      |                    |      |
| 1 | <b>Non-current assets</b>                           |             |                      |      |                    |      |
|   | Fixed assets  |             |                      |      |                    |      |
|   | Tangible assets                                     | 10          | 337,075,053          |      | 323,715,575        |      |
|   | Intangible assets                                   | 10          | -                    |      | 51,368             |      |
|   | Capital work-in-progress                            | 10          | 403,494              |      | -                  |      |
|   | Long-term loans and advances                        | 11          | 21,524,181           |      | 10,954,148         |      |
|   | Other non-current assets                            | 12          | 71,964,536           |      | 39,629,629         |      |
|   |   |             | <b>430,967,264</b>   |      | <b>374,350,720</b> |      |
| 2 | <b>Current assets</b>                               |             |                      |      |                    |      |
|   | Investments   |             | -                    |      | -                  |      |
|   | Inventories   | 13          | 451,874,521          |      | 303,239,791        |      |
|   | Trade receivables                                   | 14          | 306,043,532          |      | 156,079,599        |      |
|   | Cash and Cash equivalents                           | 15          | 8,533,376            |      | 26,169,770         |      |
|   | Short-term loans and advances                       | 11          | 155,332,976          |      | 138,870,050        |      |
|   |   |             | <b>921,784,405</b>   |      | <b>624,359,210</b> |      |
|   | <b>Significant Accounting Policy and Notes 1 To</b> |             |                      |      |                    |      |
|   | <b>TOTAL</b>  |             | <b>1,352,751,669</b> |      | <b>998,709,930</b> |      |

As per our report of even date attached  
For K.P.RAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

Sd/-  
Swaroopa Meruva  
Company Secretary

Sd/-  
T.Valsaraj  
Managing Director

Sd/-  
(V.V.S.BHAGAVAN)  
Partner  
M.No.008571

Date : 28-05-2015  
Place: Visakhapatnam

Sd/-  
G.V.V.Satyanarayana  
Director (Finance)

**COASTAL CORPORATION LIMITED**

**STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31.03.20**

|                              | Notes   | consolidated                | Total                       |
|------------------------------|---------|-----------------------------|-----------------------------|
|                              |         | For the year ended 31.03.15 | For the year ended 31.03.14 |
| <b>Continuing operations</b> |         |                             |                             |
| <b>In come</b>               |         |                             |                             |
| I                            | 16      | 2,601,833,093               | 2,060,604,498               |
| II                           | 17      | 175,724,591                 | 239,784,944                 |
| III                          | 18      | 8,560,754                   | 3,120,695                   |
| IV                           |         | <b>2,786,118,438</b>        | <b>2,303,490,137</b>        |
| <b>Expenses</b>              |         |                             |                             |
| V                            | 19      | 2,145,548,457               | 1,769,642,426               |
|                              | 20      | 434,363,591                 | 315,519,552                 |
|                              | 20A     | -                           | 4,690,672                   |
|                              | 21      | (146,017,235)               | (185,623,070)               |
|                              | 22      | 50,027,597                  | 44,050,396                  |
|                              | 23      | 99,312,931                  | 52,569,467                  |
|                              | 10      | 26,552,281                  | 15,634,497                  |
|                              | 24      | 22,941,683                  | 121,373,992                 |
|                              |         | <b>2,632,729,305</b>        | <b>2,137,857,932</b>        |
| VI                           |         | 473,073                     | 21,926                      |
| VII                          |         | 152,916,060                 | 165,610,279                 |
| VIII                         |         | 152,916,060                 | 165,610,279                 |
| IX                           |         | 152,916,060                 | 165,610,279                 |
| X                            |         |                             |                             |
|                              |         | 52,000,000                  | 50,514,575                  |
|                              |         | 2,747,842                   | 6,175,656                   |
| XI                           |         | 54,747,842                  | 56,690,231                  |
| XII                          |         | 98,168,218                  | 108,920,048                 |
| XIII                         |         | 98,168,218                  | 108,920,048                 |
|                              | 1 To 38 |                             |                             |
|                              |         |                             |                             |
|                              |         | 77.23                       | 85.69                       |

As per our report of even date attached  
For K.P.RAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

Sd/-  
Swaroopa Meruva  
Company Secretary

Sd/-  
T.Valsaraj  
Managing Director

Sd/-  
(V.V.S.BHAGAVAN)  
Partner  
M.No.008571

Date : 28-05-2015  
Place: Visakhapatnam

Sd/-  
G.V.V.Satyanarayana  
Director (Finance)



**COASTAL CORPORATION LIMITED**

**Consolidated Cash Flow Statement for the yera ended 31.03.2015**

|   | <b>YEAR ENDED<br/>31.03.2015</b> | <b>YEAR ENDED<br/>31.03.2014</b> |
|---|----------------------------------|----------------------------------|
| <b><u>Cash Flow from Operating Activities</u></b>           |                                  |                                  |
| Net Profit before Tax & Extraordinary Item                  | 153,389,133                      | 165,632,204                      |
| Adjustment for:   |                                  |                                  |
| Depreciation  | 26,552,281                       | 15,634,498                       |
| Interest and Finance Charges                                | 99,312,931                       | 52,569,467                       |
| Other Income  | (8,560,754)                      | -3,120,695                       |
| <b>Operating Profit before changes in Working Capital</b>   | <b>270,693,591</b>               | <b>230,715,474</b>               |
| Adjustment for changes in Working Capital:                  |                                  |                                  |
| Increase/(Decrease) in Non Current Trade Payables           | 8,517,673                        |                                  |
| Increase/(Decrease) in Non Current Other Current Liabilitie | 1,584,223                        |                                  |
| (Increase)/Decrease in Trade Payables                       | (25,999,154)                     | 13,781,244                       |
| (Increase)/Decrease in Other Current Liabilities            | (1,864,254)                      | -5,654,172                       |
| (Increase)/Decrease in Short Term Provisions                | 1,532,221                        | 11,932,099                       |
| (Increase)/Decrease in Long term loans and advances         | (10,570,033)                     | -5,440,586                       |
| (Increase)/Decrease in other Non Current Assets             | (32,334,907)                     | -33,097,249                      |
| (Increase)/Decrease in Inventories                          | (148,634,730)                    | -192,809,554                     |
| (Increase)/Decrease in Trade Receivables                    | (149,963,933)                    | -72,284,390                      |
| (Increase)/Decrease in Short Term Loans and Advances        | (16,462,926)                     | -16,170,426                      |
| <b>Cash Generated from Operations</b>                       | <b>(103,502,229)</b>             | <b>(69,027,560)</b>              |
| Income Tax Paid   | (50,500,000)                     | (49,656,440)                     |
| <b>Cash Flow before Prior Period Items</b>                  | <b>(154,002,229)</b>             | <b>(118,684,000)</b>             |
| Prior Period Expenditure                                    | (473,073)                        | (21,926)                         |
| <b>Net Cash Flow from Operating Activities</b>              | <b>(154,475,302)</b>             | <b>(118,705,926)</b>             |
| <b><u>Cash Flow from Investing Activities</u></b>           |                                  |                                  |
| Other Income Received                                       | 8,560,754                        | 3,120,695                        |
| Investment in Subsidiary                                    |                                  |                                  |
| Capital Subsidy received towards fixed assets               | 11,148,598                       |                                  |
| Increase in Capital Work in Progress                        | (403,494)                        |                                  |
| Acquisition of Fixed Assets                                 | (51,452,562)                     | -57,616,993                      |
| Sale of Fixed Assets  | 443,573                          | 283,980                          |
| <b>Net Cash Flow from Investing Activities</b>              | <b>(31,703,131)</b>              | <b>(54,212,318)</b>              |

**COASTAL CORPORATION LIMITED**

**Cash Flow from Financing Activities**

|   |                     |                    |
|---|---------------------|--------------------|
| Interest Paid   |                     | -52,569,467        |
| Interest and Finance Charges                              | (99,312,931)        |                    |
| Proceeds from Long Term borrowings                        | (31,750,364)        | -5,652,994         |
| Realization of Calls in arrears                           |                     | 85,930             |
| (Increase)/Decrease in Other Long Term Liabilities        | (348,669)           | 27,153,775         |
| Increase/(Decrease) in Packing Credit Utilization         | 299,954,003         | 210,273,573        |
| <b>Net Cash Flow from Financing Activities</b>            | <b>168,542,039</b>  | <b>179,290,817</b> |
| <b>Net Decrease in Cash and Cash Equivalents</b>          | <b>(17,636,394)</b> | <b>6,372,573</b>   |
| Cash and Cash Equivalents at the commencement of the year | 26,169,770          | 19,797,197         |
| <b>Cash and Cash Equivalents at the end of the year</b>   | <b>8,533,376</b>    | <b>26,169,770</b>  |

In terms of our report of even date

**For K.P. Rao Associates**

**Sd/-**  
V.V.S. Bhagawan  
Chartered Accountant  
Date : 28-05-2015  
Place : Visakhapatnam

**Sd/-**  
Swaroop Meruva  
Company Secretary

For and on behalf of the Board

**Sd/-**  
T. Valsaraj  
Managing Director

**Sd/-**  
G.V.V. Satyanarayana  
Director - Finance

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. Corporate Information:**

Coastal Corporation Limited was Originally established as Coastal Trawlers Private Limited in the year 1981, subsequently converted into a public Limited company in 1985. The name was changed to Coastal Corporation Limited in the year 2005. The Company is engaged in processing and export of sea food. The shares of the company are listed in stock exchanges of Mumbai, Delhi and Ahmedabad . The company has only one fully owned subsidiary.

**Note No: 1 SIGNIFICANT ACCOUNTING POLICIES**

- a) The consolidated financial statements of the Company have been prepared in accordance with the generally Accepted Accounting Principles in India ("Indian GAAP") to comply with the Accounting standards specified under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under historical cost convention. The financial statements of the company and its only subsidiary have been consolidated on a line- by-line basis Inter Company balances / transactions have been eliminated on consolidation.

The Company follows Mercantile System of Accounting and recognises income and expenditure on accrual basis except in case of Capital Subsidies.

**b) Use of Estimates**

The preparation of consolidated 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 results. The differences between actual results and estimates are recognised in the periods in which the results are known / materialized.

**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

**COASTAL CORPORATION LIMITED**

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.

**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**

Depreciation on tangible assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Where the life of the asset has already been completed the balance Value is charged of as depreciation to make the value of the asset as nil

**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 / Stock of Oil | : | At cost.                 |

**g) Revenue Recognition:**

Revenue is recognised on completion of shipment formalities in case of export sales and in other cases upon delivery of goods

**h) Foreign Currency Translation**

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

**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 :**

**COASTAL CORPORATION LIMITED**

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.

- L)** Expenses incurred on CSR program under section 135 of companies Act 2013 are charged of to the satament of profit & loss Account under other expenses.

**COASTAL CORPORATION LIMITED**

**Note No. 2 :Share capital**

|  | As at<br>31.03.2015<br>(Rs) | As at<br>31.03.2014<br>(Rs) |
|--|-----------------------------|-----------------------------|
| <b>Authorised :</b>  |                             |                             |
| <b>Equity Shares</b>   |                             |                             |
| 1,50,00,000 equity shares of Rs. 10/- each<br>(Previous year 30,00,000 equity shares of<br>Rs.10/- each)   | 150,000,000                 | 30,000,000                  |
| <b>Preference Shares</b>   |                             |                             |
| 20,00,000 6.5% Redeemable pref. shares of<br>Rs. 10/- each (Previous year 20,00,000<br>Redeemable pref.shares of Rs.10/- each)   | -                           | 20,000,000                  |
|  | <u>150,000,000</u>          | <u>50,000,000</u>           |
| <b>Issued, subscribed and fully paid-up<br/>shares</b>   |                             |                             |
| <b>Equity Shares</b>   |                             |                             |
| 12,71,100 equity shares of Rs. 10/- each fully<br>paid (of the above 3,47,725 equity shares of<br>Rs.10/- each allotted for consideration other<br>than cash at a premium of Rs.10/- and<br>1,21,775 equity shares of Rs.10/- each allotted<br>in cash at a premium of Rs.10/-) excluding<br>28400 equity shares forfeited during the year<br>on which Rs.5 per equity share received.<br>(Previous year 1299500 equity shares of<br>Rs.10/- fully paid (of the above 3,47,725<br>equity shares of Rs.10/- each allotted for<br>consideration other than cash at a premium of<br>Rs.10/- and 1,21,775 equity shares of Rs.10/-<br>each allotted in cash at a premium of Rs.10/-) | 12,711,000                  | 12,853,000                  |
| <b>Less: Calls in Arrears</b>  |                             | 141,928                     |
|  | <u>12,711,000</u>           | <u>12,711,072</u>           |
| <b>Forfeited shares</b> (28400 equity<br>shares of Rs.10 each on which Rs.5 per<br>share was paid).  |                             | 142,000                     |
|  |                             | -                           |
| <b>Total Paid up Equity share capital</b>  | <u>12,711,000</u>           | <u>12,853,072</u>           |

Note: Amount received on 28,400 equity shares at Rs 5/- per share was transferred to General reserve during the year

**COASTAL CORPORATION LIMITED**

**(a) Reconciliation of the shares outstanding at the beginning and at the end of the Equity Shares**

|  | 31-Mar-15 | 31-Mar-14 |
|--|-----------|-----------|
|  | Numbers   | Numbers   |
| Shares outstanding at the beginning of the year                                      | 1,271,100 | 1,299,500 |
| Less: Equity shares forfeited during the year  |           | 28,400    |
| Shares outstanding at the end of the year (including 28400 equity shares forfeited.) | 1,271,100 | 1,271,100 |

**(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 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.

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

| Name of the shareholder                | 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       | 101500       | 7.99                   | 161,500      | 12.43                  |
| Deepsea Fisheries Management Ltd       | 161225       | 12.68                  | 161,225      | 12.41                  |
| Top Fortune Marine International Ltd   | 121775       | 9.58                   | 121,775      | 9.37                   |
| Haribabu Kambampati                    | 97700        | 7.69                   | 97,700       | 7.52                   |
| TVR Estates & Resorts Pvt Ltd          | 84911        | 6.68                   | 84,911       | 6.53                   |
|  | 567,111      | 44.62                  | 627,111      | 48.26                  |

**COASTAL CORPORATION LIMITED**

**Note No.3:Reserves and surplus**

| Particulars  | As at<br>31.03.15<br>(Rs) | As at<br>31.03.14<br>(Rs) |
|--|---------------------------|---------------------------|
| <b>a) Security premium account</b>                     |                           |                           |
| Opening Balance  | 4,695,000                 | 4,695,000                 |
| Closing Balance  | <b>4,695,000</b>          | <b>4,695,000</b>          |
| <b>b) General reserve</b>                              |                           |                           |
| Opening Balance  | 36,838,764                | 20,696,692                |
| Add: Transfer from Statement of Profit & Loss          | 15,000,000                | 16,000,000                |
| Closing Balance  | <b>51,838,764</b>         | <b>36,696,692</b>         |
| <b>c) Capital Redemption reserve</b>                   |                           |                           |
| Opening Balance  | 13,000,000                | 13,000,000                |
| Add: Transfer from Statement of Profit & Loss          |                           | -                         |
| Closing Balance  | <b>13,000,000</b>         | <b>13,000,000</b>         |
| <b>d) Surplus in the Statement of Profit and Loss</b>  |                           |                           |
| Opening balance  | 196,006,111               | 103,086,063               |
| Add: Profit for the current year                       | 98,168,218                | 108,920,048               |
|  | 294,174,329               | 212,006,111               |
| Less: Proposed Dividend @ 15%                          | 1,906,650                 |                           |
| Less: Tax on Dividend                                  | 381,139                   |                           |
| Less: Transfer to General Reserve                      | 15,000,000                |                           |
|  |                           | 16,000,000                |
| <b>Net surplus in the statement of profit and Loss</b> | <b>276,886,540</b>        | <b>196,006,111</b>        |
| <b>Total reserves and surplus (a+b+c)</b>              | <b>346,420,304</b>        | <b>250,397,803</b>        |



**COASTAL CORPORATION LIMITED**

**Note No. 4 : Long Term Borrowings**

| Particulars   | Non-current liability |                     | Current liability   |                     |
|---|-----------------------|---------------------|---------------------|---------------------|
|   | As at<br>31.03.2015   | As at<br>31.03.2014 | As at<br>31.03.2015 | As at<br>31.03.2014 |
|   | (Rs)                  | (Rs)                | (Rs)                | (Rs)                |
| <b>Term loans from Banks (Secured)</b>  |                       |                     |                     |                     |
| a) Term Loan from Bank of India (Ref.note 5a)   | 7,170,287             | 39,870,564          | 10,712,000          | 10,712,000          |
| <b>Other loans from Bank (secured)</b>  |                       |                     |                     |                     |
| b) Secured loan from Bank of India - Car-Liva (Ref.note 5b)   | 179,298               | 271,323             | 133,728             | 133,728             |
| c) Secured loan from Bank of India - car- innova (Ref note 5c)  | -                     | 68,109              | 123,698             | 523,776             |
| d) Secured loan from Bank of India - Car- Indigo (Ref.note 5d)  | -                     | -                   | -                   | 42,237              |
| e) Secured loan from Tata Motors Finance Ltd - Trucks (Ref. Note 5e)  | -                     | -                   | -                   | 4,054,326           |
| f) Secured loan from Bank of India - Car - Rapid (Ref.Note 5 f)   | -                     | 179,894             | 221,932             | 353,328             |
| g) Secured loan from Bank of India - Car - Figo (Ref.Note 5 g)  | -                     | 99,967              | 139,702.00          | 196,296             |
| h) Secured loan from Sundaram Finance Ltd - Trucks (Ref. Note 5h)   | 1,389,908.00          | -                   | 2,397,720.00        | -                   |
| <b>Note: 5a.</b><br>Term Loan from Bank of India 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 |                       |                     |                     |                     |
| <b>Note: 5b.</b><br>Car Loan secured on hypothecation of car repayable in 60 installements - No defaults in repayments  |                       |                     |                     |                     |
| <b>Note: 5c,5d,5f and 5g.</b><br>Car Loans secured on hypothecation of cars repayable in 36 installements - No defaults in repayments   |                       |                     |                     |                     |
| <b>Note: 5e and 5h</b><br>Trucks Loan secured on hypothecation of trucks repayable in 36 installements - No defaults in repayments  |                       |                     |                     |                     |
| <b>Note: 5g.</b><br>Car Loans secured on hypothecation of cars repayable in 36 installements - No defaults in repayments  |                       |                     |                     |                     |
| <b>Note: 5j.</b><br>Generators Loan secured on hypothecation of Generators repayable in 12 installements - No defaults in repayments  |                       |                     |                     |                     |
| A sum of Rs. 2,49,82,144/- was disclosed under Other current liabilities(ref.note.8)  |                       |                     |                     |                     |
| <b>Net amount</b>   | <b>8,739,493</b>      | <b>40,489,857</b>   | <b>13,728,780</b>   | <b>16,015,691</b>   |

**COASTAL CORPORATION LIMITED**

**Note No.5 :Other Long-Term Liabilities**

| Particulars    | Non-current liability       |                             | Current liability           |                             |
|----------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
|                | As at<br>31.03.2015<br>(Rs) | As at<br>31.03.2014<br>(Rs) | As at<br>30.09.2014<br>(Rs) | As at<br>31.03.2014<br>(Rs) |
| Trade payables | 27,500,000                  | 27,848,669                  |                             |                             |
| Others         | 234,959                     | 234,959                     |                             |                             |
| <b>Total</b>   | <b>27,734,959</b>           | <b>28,083,628</b>           |                             |                             |

|  |                  |  |                    |                    |
|--|------------------|--|--------------------|--------------------|
| <b>Note No. 6 : Short - Term Borrowings</b>  |                  |  |                    |                    |
| Packing credit from Bank of India (secured)  |                  |  | 749,930,326        | 449,976,323        |
| 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 |                  |  |                    |                    |
| <b>Total</b>   | -                |  | <b>749,930,326</b> | <b>449,976,323</b> |
| <b>Note No. 7: Trade Payables</b>  |                  |  |                    |                    |
| Trade payables   | 8,517,673        |  | 84,227,806         | 110,226,960        |
|  | <b>8,517,673</b> |  | <b>84,227,806</b>  | <b>110,226,960</b> |
| <b>Note No.8: Other Current Liabilities</b>  |                  |  |                    |                    |
| Current liabilities / Maturities of long-term borrowings   |                  |  | 13,728,780         | 16,015,691         |
| Other liabilities - Captial works  | 1,584,223        |  | 855,456            | 3,018,341          |
| Others payables  |                  |  | 7,479,297          | 6,242,573          |
| Statutory payables   |                  |  | 5,110,490          | 3,761,672          |
|  |                  |  | -                  |                    |
| <b>Total</b>   | <b>1,584,223</b> |  | <b>27,174,023</b>  | <b>29,038,277</b>  |

**COASTAL CORPORATION LIMITED**

**Note No.9 :Short Term Provisions**

**Other short term provisions**

|   |  |  |                   |                   |
|---|--|--|-------------------|-------------------|
| Provision for Tax                               |  |  | 52,000,000        | 50,500,000        |
| Provision for Expenses                          |  |  | 17,887,112        | 16,354,891        |
| Provision for Doubtble Adv                      |  |  | 367,620           | 367,620           |
| Provision for Proposed dividend (including Tax) |  |  | 2,287,789         | -                 |
| <b>Total</b>                                    |  |  | <b>72,542,521</b> | <b>67,222,511</b> |

**COASTAL CORPORATION LIMITED**

Note No. 10 : FIXED ASSETS

| Particulars              | Gross Block        |                   |                   |                    | Accumulated Depreciation |                                  |                           |                   | Net Block          |                    |
|--------------------------|--------------------|-------------------|-------------------|--------------------|--------------------------|----------------------------------|---------------------------|-------------------|--------------------|--------------------|
|                          | As at 01/04/2014   | Additions         | Deletions         | As at 31/03/2014   | As at 01/04/2013         | Depreciation charge for the year | Depreciation on deletions | As at 31/03/2015  | As at 31/03/2015   | As at 31/03/2014   |
|                          | (Rs.)              | (Rs.)             | (Rs.)             | (Rs.)              | (Rs.)                    | (Rs.)                            | (Rs.)                     | (Rs.)             | (Rs.)              | (Rs.)              |
| <b>a</b>                 |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Tangible Assets          |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Land                     | 34,666,226         | 4,326,918         | 7,704,797         | 38,993,144         | 11,403,293               | 4,300,226                        | 257,340                   | 15,446,179        | 38,993,144         | 34,666,226         |
| Buildings                | 136,044,775        | 9,733,841         | 3,443,801         | 140,073,819        | 27,228,023               | 15,690,898                       | 181,833                   | 42,737,088        | 124,627,840        | 126,641,482        |
| Plant and Equipment      | 165,338,926        | 18,504,232        | 4,229             | 180,399,357        | 3,646,812                | 944,118                          | 288                       | 4,590,662         | 137,662,269        | 138,110,903        |
| Furniture and Fixtures   | 7,384,783          | 359,845           | 36,377            | 7,740,409          | 13,024,446               | 4,862,953                        | 3,456                     | 17,853,943        | 3,149,747          | 3,737,981          |
| Vehicles                 | 31,655,338         | 10,580,273        | 396,046           | 42,199,232         | 2,812,194                | 376,863                          | 18,612                    | 3,170,265         | 24,345,288         | 18,630,890         |
| Office equipment         | 4,142,201          | 1,746,633         | -                 | 5,482,788          | 257,944                  | 148,529                          | -                         | 406,473           | 2,322,523          | 1,330,007          |
| Roads                    | 406,473            | 415,025           | 6,921             | 828,419            | 983,144                  | 209,843                          | 1,122                     | 1,191,865         | 648,940            | 148,529            |
| Computers                | 1,432,701          | 1,695,643         | -                 | 3,128,344          | 10,487,084               | 460,294                          | -                         | 10,947,378        | 5,325,501          | 449,557            |
| Trawlers                 | 14,577,236         | -                 | -                 | 14,577,236         | -                        | -                                | -                         | -                 | -                  | -                  |
| <b>Total</b>             | <b>397,648,687</b> | <b>47,362,410</b> | <b>11,592,171</b> | <b>433,418,926</b> | <b>69,842,940</b>        | <b>26,953,744</b>                | <b>462,831</b>            | <b>96,343,853</b> | <b>337,075,063</b> | <b>323,715,575</b> |
| <b>b</b>                 |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Intangible Assets        |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Computer Software        | 122,150            | -                 | -                 | 122,150            | 70,782                   | 51,368                           | -                         | 122,150           | -                  | 51,368             |
| <b>Total</b>             | <b>122,150</b>     | <b>-</b>          | <b>-</b>          | <b>122,150</b>     | <b>70,782</b>            | <b>51,368</b>                    | <b>-</b>                  | <b>122,150</b>    | <b>-</b>           | <b>51,368</b>      |
| <b>c</b>                 |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |
| Capital Work In Progress | -                  | 403,494           | -                 | 403,494            | -                        | -                                | -                         | -                 | 403,494            | -                  |
| <b>Total</b>             | <b>-</b>           | <b>403,494</b>    | <b>-</b>          | <b>403,494</b>     | <b>-</b>                 | <b>-</b>                         | <b>-</b>                  | <b>-</b>          | <b>403,494</b>     | <b>-</b>           |
| <b>Grand Total</b>       | <b>397,770,817</b> | <b>47,765,904</b> | <b>11,592,171</b> | <b>433,944,550</b> | <b>69,913,722</b>        | <b>27,015,112</b>                | <b>462,831</b>            | <b>96,466,003</b> | <b>337,478,547</b> | <b>323,766,943</b> |
| Previous Year            |                    |                   |                   |                    |                          |                                  |                           |                   |                    |                    |

**COASTAL CORPORATION LIMITED**

**Note No. 11 :Long Term Loans and Advances**

| Particulars   | Non-current               |                           | current                   |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | As at<br>31.03.15<br>(Rs) | As at<br>31.03.14<br>(Rs) | As at<br>31.03.15<br>(Rs) | As at<br>31.03.14<br>(Rs) |
| <b>Advances against Captial Works</b>                                       |                           |                           |                           |                           |
| Unsecured, considered good  |                           |                           | 265,580                   | 8742216                   |
|   |                           |                           | <b>265,580</b>            | <b>8,742,216</b>          |
| <b>Security deposits</b>  |                           |                           |                           |                           |
| Unsecured, considered good  | 9143309                   | 8,223,309                 |                           |                           |
|   | <b>9,143,309</b>          | <b>8,223,309</b>          |                           |                           |
| <b>Loan and advances to related parties</b><br>(Unsecured, considered good) |                           |                           |                           |                           |
| <b>Advances recoverable in cash or kind</b><br>(Unsecured, considered good) | 12380872                  | 2,730,839                 | 60,138,540                | 58,288,166                |
| Export Benefits Receivables   |                           |                           | 90,956,105                | 70,008,287                |
| Insurance Claim Receivable  |                           |                           | 3,048,423                 | -                         |
|   | <b>12,380,872</b>         | <b>2,730,839</b>          | <b>154,143,068</b>        | <b>128,296,453</b>        |
| <b>Other loans and advances</b>   |                           |                           |                           |                           |
| Prepaid expenses  |                           |                           | 523,992                   | 1083679                   |
| Advances to employees   |                           |                           | 400,336                   | 747702                    |
|   |                           |                           | <b>924,328</b>            | <b>1,831,381</b>          |
| <b>Grand Total</b>  | <b>21,524,181</b>         | <b>10,954,148</b>         | <b>155,332,976</b>        | <b>138,870,050</b>        |

Note : A sum of Rs15,53,32,976/- was shown under current loans and advances

**COASTAL CORPORATION LIMITED**

**Note no. 12: Other Non Current Assets**

| Particulars   | Non -Current              |                           | Current                   |                           |
|---|---------------------------|---------------------------|---------------------------|---------------------------|
|   | As at<br>31.03.15<br>(Rs) | As at<br>31.03.14<br>(Rs) | As at<br>31.03.15<br>(Rs) | As at<br>31.03.14<br>(Rs) |
| Fixed Deposits with Banks   | 71,964,536                | 39,629,629                |                           |                           |
| <b>Note No.13: Inventories</b>  |                           |                           |                           |                           |
| Inventories (valued at lower of cost and net realizable value)  |                           |                           |                           |                           |
| Finished goods (refer note 21)  |                           |                           | 437,690,101               | 291,762,866               |
| Stores and spares   |                           |                           | 14,184,420                | 11,476,925                |
|   |                           |                           | <b>451,874,521</b>        | <b>303,239,791</b>        |
| <b>Note No.14: Trade receivables and other assets</b>   |                           |                           |                           |                           |
| Trade receivables   |                           |                           |                           |                           |
| Outstanding for a period exceeding six months from the date they are due for payment, unsecured considered good |                           |                           |                           |                           |
| Sale of Goods   |                           |                           | 306,043,532               | 156,079,599               |
|   |                           |                           | <b>306,043,532</b>        | <b>156,079,599</b>        |
| Due for more than 6 months Rs.<br>Others, considered good Rs.   |                           |                           |                           |                           |
| <b>Note No.15: Cash and Cash Equivalents</b>  |                           |                           |                           |                           |
| Cash and cash equivalents   |                           |                           |                           |                           |
| Balances with banks:  |                           |                           |                           |                           |
| – On current accounts   |                           |                           | 8,051,930                 | 25,189,850                |
| Cash on hand  |                           |                           | 481,446                   | 979,920                   |
|   |                           |                           | <b>8,533,376</b>          | <b>26,169,770</b>         |
| Other bank balances   |                           |                           |                           |                           |
| – Deposits with original maturity for more than 12 months   | 71,964,536                | 39,629,629                |                           |                           |
|   | <b>71,964,536</b>         | <b>39,629,629</b>         |                           |                           |
| Amount disclosed under Other non-current assets (note 12)   | <b>71,964,536</b>         | <b>39,629,629</b>         |                           |                           |

**COASTAL CORPORATION LIMITED**

| Particulars                               | For the period<br>ended<br>31.03.15 | For the Year<br>ended<br>31.03.14 |
|---|-------------------------------------|-----------------------------------|
| <b>Note No.16 Revenue from Operations</b> |                                     |                                   |
| <b>Revenue from operations</b>            |                                     |                                   |
| Sale of products (Shrimp & fish):         |                                     |                                   |
| Finished goods                            | 2,598,797,554                       | 2,026,377,432                     |
| Sale - Tuna                               | 3,035,539                           |                                   |
| <b>Total</b>                              | <b>2,601,833,093</b>                | <b>2,026,377,432</b>              |
| <b>Detail of products sold .</b>          |                                     |                                   |
| Sale of Finished goods                    |                                     |                                   |
| Shrimp & fish                             | 2,601,833,093                       | 2,026,377,432                     |
| Sale - Tuna                               |                                     | 34,227,066                        |
| <b>Total</b>                              | <b>2,601,833,093</b>                | <b>2,060,604,498</b>              |
| <b>Note No.17 Other Operating Income</b>  |                                     |                                   |
| Export Benefits                           | 173,000,202                         | 138,531,112                       |
| Toll Collection                           | 2,724,389                           | 101,233,832                       |
|   | <b>175,724,591</b>                  | <b>239,764,944</b>                |
| <b>Note No. 18 Other income</b>           |                                     |                                   |
| Interest on Bank deposits                 | 4,756,496                           | 1,755,137                         |
| Interest from Others                      | -                                   | 450,101                           |
| Income from Tollplaza                     | -                                   | -                                 |
| Other income                              | 3,800,000                           | 915,457                           |
| Credit balance Written off                | 4,258                               | -                                 |
| <b>Total</b>                              | <b>8,560,754</b>                    | <b>3,120,695</b>                  |

**COASTAL CORPORATION LIMITED**

| Particulars   | For the Year<br>ended<br>31.03.15 | For the Year<br>ended<br>31.03.14 |
|---|-----------------------------------|-----------------------------------|
| <b>Note No. 19 : Cost of Material Consumed</b>          |                                   |                                   |
| Inventory at the beginning of the year                  | —                                 | —                                 |
| Add: Purchases  | 2,145,548,457                     | 1,769,642,426                     |
|   | 2,145,548,457                     | 1,769,642,426                     |
| Less: inventory at the end of the year                  | —                                 | —                                 |
| Cost of raw material and components Consumed            | 2,145,548,457                     | 1,769,642,426                     |
| <b>Note No. 20 : Processing &amp; Shipment Expenses</b> |                                   |                                   |
| Procurement Expenses                                    | 3,001,571                         | 2,776,606                         |
| Cold Storage Charges                                    | 2,766,954                         | 839,258                           |
| Peeling wages   | 14,556,456                        | 7,331,727                         |
| Plant Electricity Charges                               | 32,309,212                        | 27,554,125                        |
| processing wages  | 42,546,423                        | 29,743,974                        |
| Plant Maintenance                                       | 28,720,683                        | 27,377,006                        |
| Plant Other Expenses                                    | 16,151,644                        | 8,165,192                         |
| Agricultural Market Cess                                | 6,758,341                         | 4,863,391                         |
| Antidumping Fee   | 64,141,681                        | 58,670,529                        |
| Chemicals   | 17,048,227                        | 16,552,759                        |
| Commission  | 6,719,601                         | 6,564,098                         |
| ECGC Fees   | 4,538,871                         | 2,205,524                         |
| Freight Charges   | 62,686,826                        | 43,190,928                        |
| Ice Purchases   | 9,728,440                         | 7,659,080                         |
| Monitoring Fee  | 3,370,000                         | 2,294,245                         |
| Packing & Stocking                                      | 55,413,638                        | 36,675,795                        |
| Shipment Expenses                                       | 7,952,073                         | 5,088,580                         |
| Stock Insurance   | 6,783,331                         | 3,743,524                         |
| Testing charges   | 12,713,054                        | 3,577,829                         |
| Truck Rep & Maintenance                                 | 15,809,901                        | 12,293,097                        |
| Transportation Expenses                                 | 18,348,317                        | 8,352,285                         |
| vessel operation Expenses                               | 2,298,347                         | -                                 |
| <b>Total</b>  | <b>434,363,591</b>                | <b>315,519,552</b>                |



**COASTAL CORPORATION LIMITED**

| <b>Particulars</b>                                   | <b>For the<br/>Year ended<br/>31.03.15</b> | <b>For the Year<br/>ended<br/>31.03.14</b> |
|--|--|--|
| <b>Note No. 20 A: Poly<br/>PackDivision Expenses</b> |  |  |
| Carriage Inward                                      | —  | 49,300                                     |
| Clearing charges                                     | —  | 22,808                                     |
| Job/ Processing charges                              | —  | 4,607,565                                  |
| Service Charges                                      | —  | 10,999                                     |
| <b>Total</b>   | —  | <b>4,690,672</b>                           |

**COASTAL CORPORATION LIMITED**

| Particulars  | For the Year ended   | For the Year ended   |
|--|----------------------|----------------------|
|  | 31.03.15             | 31.03.14             |
| <b>Note No. 21 : (Increase)/ decrease in Inventories</b> |                      |                      |
| Inventories at the end of the year                       | —                    | —                    |
| Finished goods   | 437,690,101          | 291,762,866          |
| Stores   | 90,000               | —                    |
|  | <b>437,780,101</b>   | <b>291,762,866</b>   |
| Inventories at the beginning of the year                 | —                    | —                    |
| Finished goods   | 291,762,866          | 106,139,796          |
|  | <b>291,762,866</b>   | <b>106,139,796</b>   |
| <b>Total</b>   | <b>(146,017,235)</b> | <b>(185,623,070)</b> |
| <b>Note No. 22 : Employee benefits expense</b>           |                      |                      |
| Salaries, wages and bonus                                | 33,383,622           | 35,555,360           |
| Directors Remuneration                                   | 4,650,000            | 3,900,000            |
| Contribution to provident and other funds                | 2,257,651            | 1,422,812            |
| Gratuity expense   | 456,618              | 321,702              |
| Staff welfare expenses                                   | 5,824,740            | 2,850,522            |
| crew salaries  | 3,454,966            |                      |
| <b>Total</b>   | <b>50,027,597</b>    | <b>44,050,396</b>    |
| <b>Note No. 23 : Finance costs</b>                       |                      |                      |
| Interest to Bank   | 90,909,232           | 51,031,800           |
| Bank charges   | 8,403,699            | 1,537,667            |
| <b>Total</b>   | <b>99,312,931</b>    | <b>52,569,467</b>    |

**COASTAL CORPORATION LIMITED**

| Particulars                             | For the Year ended | For the Year ended |
|---|--------------------|--------------------|
|   | 31.03.15           | 31.03.14           |
| <b>Note No.24: Other Expenses</b>       |                    |                    |
| Audit Fee *                             | 216,500            | 140,000            |
| Directors Travelling Expenses           | 2,664,169          | 2,548,466          |
| Insurance                               | 1,108,371          | 1,322,442          |
| Rent ,Rate & Taxes                      | 525,420            | 589,585            |
| Stock Exchange Listing Fee              | 123,596            | 16,854             |
| Telex & telephone                       | 641,526            | 562,588            |
| Travelling Expenses                     | 2,127,218          | 1,682,295          |
| Miscellaneous Expenses                  | 10,182,137         | 4,051,859          |
| Professional Charges                    | 2,441,788          | 1,360,948          |
| Electricity Charges                     | 178,389            | 467,348            |
| Postage & Telegrams                     | 219,159            | 224,521            |
| Carriage Outward                        | -                  | 18,225             |
| Commission charges                      | -                  | 200,000            |
| Electricity charges                     | -                  | 5,560              |
| Factory Rent                            | 113,400            | 113,400            |
| Professional charges                    | -                  | 20,000             |
| Security charges                        | -                  | 96,000             |
| Miscellaneous expenses                  | -                  | 17,555             |
| Remittance to NHAI                      | -                  | 106,763,226        |
| Generator Expenses                      | -                  | 135,315            |
| Plaza Maintainance                      | 199,940            | 1,017,805          |
| C.S.R.Expenses                          | 2,130,070          | —                  |
| <b>Total</b>                            | <b>22,871,683</b>  | <b>121,353,992</b> |
| <b>*Details of Payments to Auditors</b> |                    |                    |
| As Auditor                              |                    |                    |
| Audit Fee                               | 166,500            | 105,000            |
| Tax Audit Fee                           | 30,000             | 15,000             |
| other Matters                           | 20,000             | 20,000             |
| <b>Total</b>                            | <b>216,500</b>     | <b>140,000</b>     |

**COASTAL CORPORATION LIMITED**

| <u>Note</u> | <u>Particulars</u>   | <u>Unit</u> | <u>2014-2015</u> | <u>2013-2014</u> |
|-------------|--|-------------|------------------|------------------|
| 25          | Contingent liabilities/claims not provided for :   |             |                  |                  |
|             | Unexpired Bank Guarantee issued in favour of :   |             |                  |                  |
|             | - Against letters of credit(SBLC)  | Rs.         | 124.00 Lakhs     | 97.24 lakhs      |
|             | Pending Legal Matters  |             |                  |                  |
|             | - A claim against the company towards Toll Fee payable to NHA1 during the agitation peroid agaainst separation of Andhra State |             | 59.24 Lakhs      | 90.00 lakhs      |
|             | - A suit filed against the company by one of the suppliers for non payment of their bills which is contested in appel          | Rs.         | 10.00 Lakhs      | -                |
| 26          | Estimated amount of contracts remaining to be executed on account of Capital works   | Rs.         | 6 Lakhs          | -                |
| 27          | Opening Stock :  |             |                  |                  |
|             | ii) Value of Shrimp  | Rs.         | 291,762,866      | 106,139,796      |
|             | Closing Stock :  |             |                  |                  |
|             | Value of Shrimp  | Rs.         | 437,690,101      | 291,762,866      |
|             | Stock of Oil   |             | 90,000           | -                |
| 28          | Expenditure incurred in foreign currency :   |             |                  |                  |
|             | Imported Spares(including forCapital goods) spares worth of 23,06,880/-have been recived)                                      | Rs.         | -                | 10,780,234       |
|             | Travelling Expenses  |             |                  |                  |
|             | - Directors  | Rs.         | 681,672          | 855,979          |
|             | - others   | Rs.         | 491,573          | -                |
|             | Antidumping Fee  | Rs.         | 64,141,681       | 58,670,529       |
|             | Marine Rejection Insurance   | Rs.         | 4,983,966        | 3,286,130        |
|             | Export Claims  | Rs.         | 199,360          | 297,438          |
|             | Commission   | Rs.         | 1,525,322        | 362,495          |
|             | B.A.P.Audit fee  | Rs.         | 3,136,073        | 349,377          |
|             | Shrimp Council Sponership -USA   | Rs.         | -                | 191,729          |
|             | Avalon Risk management insurance Agency LLC  | Rs.         | -                | 4,354,761        |
|             | clod storage charges   | Rs.         | 2,742,248        | -                |
|             | Legal Expenses   | Rs.         | 2,397,531        | -                |
|             | Transprotation charges   | Rs.         | 942,163          | -                |
|             | Earnings in Foreign Exchange(FOB)  | Rs.         | 2,536,110,728    | 1,983,186,504    |
| 29          | Details of Remuneration to Whole-time Directors :  |             |                  |                  |
|             | Sri T. Valsaraj, Managing Director   |             |                  |                  |
|             | i) Salary  | Rs.         | 2,700,000        | 2,100,000        |
|             | ii) Allowances   | Rs.         | -                | -                |
|             | Sri G.V.V.Satyanarayana  |             |                  |                  |
|             | i) Salary  |             | 1,950,000        | 1,800,000        |
|             | ii) Allowances   |             | -                | -                |
| 30          | Donations included in Other expenses   | Rs.         | 587,600          | 159,000          |
| 31          | confirmation of balances in case of Debtors and Creditors have not been received   |             |                  |                  |

COASTAL CORPORATION LIMITED

- 32 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.27,47,842/- on account of timing difference in the method of depreciation adopted.

|   |                   |
|---|-------------------|
| Deferred tax liability provided upto 1.4.14     | 10,421,499        |
| Deferred tax liability provided during the year | <u>2,747,842</u>  |
| Deferred tax liability as on 31.03.2015         | <u>13,169,341</u> |

- 33 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  
(c) Smt.Jeeja Valsarj - Director

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. Sai Srekara Realtors & Fisheries - Associate Firm  
(d) M/s Coastal Developers Pvt Ltd - Associate Company

**COASTAL CORPORATION LIMITED**

**II Transactions during the year with related parties**

| Sl.No. | Name of the Party               | Relationship      | Nature of transaction | (Rs. in lakhs) |                                |
|--------|---------------------------------|-------------------|-----------------------|----------------|--------------------------------|
|        |                                 |                   |                       | Amount Rs.     | Balance outstanding on 31.3.15 |
| 1)     | Sri T. Valsaraj                 | Managing Director | Remuneration          | 27.00          | -                              |
|        |                                 |                   | Amount paid           | 15.44          |                                |
|        |                                 |                   | Amount Received       | 15.44          |                                |
| 2)     | M/s. Balaji Seafoods Ltd.       | Associate Company | Amount paid           | 112.66         | -                              |
|        |                                 |                   | Amount Received       | 112.66         |                                |
| 3)     | Sai Srekara Reators & Fisheries | Associate Firm    | Amount paid           | 2.72           | -                              |
|        |                                 |                   | Amount Received       | 2.72           |                                |
| 4)     | Sri G.V.V. Satyanarayana        | Director Finance  | Remuneration          | 19.5           | -                              |

35 consolidated financial statements include the results of Contenantal Fisheries India Pvt Ltd the only fully owned subsidiary carrying on business of Trawler operations

36 There are no overdue amounts payable to micro, small, and medium enterprises

37 The operations on Toll way division and Manufacture of plastic woven sacks (Poly pack division) have been completed and there are no reparable segments during the year.

38 Previous years figures have been regrouped where ever necessary.

Signatures to Notes to Financial Statements

**Sd/-**  
( T.VALSARAJ )  
Managing Director

**Sd/-**  
(G.V.V.SATYANARAYANA)  
Director Finance

For K.P.RAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

**Sd/-**  
(V.V.S.BHAGAVAN)  
Partner  
M.No.08571

Place : Visakhapatnam

Date 28.05.2015

**COASTAL CORPORATION LIMITED**

**COASTAL CORPORATION LIMITED**

(CIN: L63040AP1981PLC003047)

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

**Form No. MGT-11**

**PROXY FORM**

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

|                       |                     |       |
|-----------------------|---------------------|-------|
| Name of the Member(s) |                     |       |
| Registered Address    |                     |       |
| E-mail Id             | Folio No /Client ID | DP ID |

I/We, being the member(s) of \_\_\_\_\_ shares of the above named company. Hereby  
appoint

|                            |            |
|----------------------------|------------|
| Name :                     | E-mail Id: |
| Address:                   |            |
| Signature , or failing him |            |

|                            |            |
|----------------------------|------------|
| Name :                     | E-mail Id: |
| Address:                   |            |
| Signature , or failing him |            |

|                            |            |
|----------------------------|------------|
| Name :                     | E-mail Id: |
| Address:                   |            |
| Signature , or failing him |            |

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 34th  
Annual General Meeting of the company, to be held on the 14<sup>th</sup> day of September, 2015 at  
10.30 AM at Plant Office: D.No.6-42, Besides Toyota Showroom, Marikavalasa,  
Visakhapatnam-530 041, Andhra Pradesh, India and at any adjournment thereof in respect of  
such resolutions as are indicated below:

**COASTAL CORPORATION LIMITED**

**Resolution No.**

| Sl. No. | Resolution(S)   | Vote |         |
|---------|---|------|---------|
|         |   | For  | Against |
| 1.      | Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2015 |      |         |
| 2.      | Declaration of Dividend @ 15%.  |      |         |
| 3.      | Appointment of Smt. Jeeja Valsaraj as Director who is referring   |      |         |
| 4.      | Ratification of appointment of M/s. K.P. Rao Associates, Chartered Accountants as Statutory Auditors.                             |      |         |
| 5.      | Re-appointment of Shri. T. Valsaraj as Managing Director for a period of five years and fix the remuneration.                     |      |         |
| 6.      | To appoint Shri. M.V. Suryanarayana as an Independent Director of the Company.  |      |         |
| 7.      | To amend the Memorandum of Association of the Company.  |      |         |
| 8.      | To amend the Articles of Association of the Company.  |      |         |
| 9.      | To issue bonus shares by capitalization of reserves/ profits  |      |         |

\* Applicable for investors holding shares in Electronic form.

Affix  
Revenue  
Stamps

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

Across Revenue Stamp

Signature of Shareholder

Signature of Proxy holder

Signature the of shareholder

**Note:**

1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2) The proxy need not be a member of the company



**COASTAL CORPORATION LIMITED**

**COASTAL CORPORATION LIMITED**

(CIN: L63040AP1981PLC003047)

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

**ATTENDANCE SLIP**

(To be handed over at the entrance of the meeting hall)

Thirty Fourth Annual General Meeting on the 14<sup>th</sup> day of September, 2015 at 10.30 A.M.

Full name of the members attending \_\_\_\_\_

(In block capitals)

Ledger Folio No./Client ID No. \_\_\_\_\_ No. of shares held: \_\_\_\_\_

Name of Proxy \_\_\_\_\_

(To be filled in, if the proxy attends instead of the member)

I hereby record my presence at the 34<sup>th</sup> Annual General Meeting of the Coastal Corporation Limited, 15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam – 530 002, on Monday, the 14<sup>th</sup> September, 2015.

(Member's /Proxy's Signature)

**Note:**

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
- 3) A Proxy need not be a member of the Company.
- 4) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
- 5) The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.