

**COASTAL CORPORATION LIMITED**

(CIN: L63040AP1981PLC003047)

VISAKHAPATNAM

**35<sup>th</sup> ANNUAL GENERAL MEETING**

**On Wednesday, 17th August, 2016 at 10.30 A.M.**

**AT**

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

**Registered Office:**

DNo. 15-1-37/3, JAYAPRADA APARTMENTS, NOWROJI ROAD,  
MAHARANIPETA, VISAKHAPATNAM - 530002, ANDHRA PRADESH, INDIA.

Phone: 0891-2567118, Fax: 0891-2567132

Email: cclinvestors@gmail.com, cs@coastalcorp.co.in

Website: www.coastalcorp.co.in

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**COMPANY INFORMATION**

**BOARD OF DIRECTORS:**

1. Shri. T. Valsaraj  
Managing Director
2. Shri. G.V.V. Satyanarayana  
Director - Finance
3. Smt. Jeeja Valsaraj  
Non - Executive Director
4. Shri. Kamireddi Venkateswara Rao  
Independent Director
5. Shri. S. Rajaram  
Independent Director
6. Shri. M.V.Suryanarayana  
Independent Director

**COMPANY SECRETARY & COMPLIANCE OFFICER :**

Ms. Swaroopa Meruva

**REGISTERED & TRANSFER AGENT :**

Big Share Services Private Ltd.

# 306, Right Wing, Amrutha Vill,  
Opp. Yashoda Hospital,  
Somajiguda, Raj Bhavan Road,  
Hyderabad - 500082.

Tel No. : 040-23374967, 040-23370295

E-mail : bsshyd@bigshareonline.com

**STATUTORY AUDITORS:**

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

**SECRETARIAL AUDITORS:**

M/s. ASN Associates  
Company Secretaries  
Visakhapatnam

**INTERNAL AUDITORS:**

M/s. Seshagiri Rao & Associates  
Chartered Accountants  
Hyderabad  
(Appointed w.e.f.01.04.2016)

**BANKERS:**

Bank of India  
Main Branch  
Visakhapatnam  
Andhra Pradesh.

**BOARD COMMITTEES:**

**AUDIT COMMITTEE**

Shri. S. Rajaram  
Shri. Kamireddi Venkateswara Rao  
Smt. Jeeja Valsaraj

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Smt. Jeeja Valsaraj  
Shri. Kamireddi Venkateswara Rao  
Shri. S. Rajaram

**NOMINATION AND  
REMUNERATION COMMITTEE**

Shri. S. Rajaram  
Shri. Kamireddi Venkateswara Rao  
Smt. Jeeja Valsaraj

**CORPORATE SOCIAL  
RESPONSIBILITY COMMITTEE**

Shri. G.V.V.Satyanarayana  
Shri. Kamireddi Venkateswara Rao  
Smt. Jeeja Valsaraj

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **THIRTY FIFTH Annual General Meeting of the Members of COASTAL CORPORATION LIMITED** will be held on **Wednesday, the 17th day of August 2016 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 Financial Statements consisting of the Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2016 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 of Rs. 1.50/- per Equity Share of Rs. 10/- each (i.e.,15%) for the financial year 2015-16.
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 ratify the appointment of the Statutory Auditors of the Company, for the said purpose to consider and if thought fit, to pass the following resolution with or without modification(s) 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 are hereby ratified by the Members of the Company for the Financial Year 2016-17 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. REVISION OF REMUNERATION OF MR. T.VALSARAJ, MANAGING DIRECTOR OF THE COMPANY:

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 such other authorities as may be necessary, the remuneration of Mr. T. Valsaraj (holding DIN: 00057558), Managing Director of the Company, be and is hereby revised for the remaining tenure of his office on the following terms and conditions:

- (i) 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:
- Medical Reimbursement: Actual Expenses incurred for the Managing Director and his family.
- Gratuity: Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act, 1972.
- (ii) Commission: @2.5% on the Net Profits (w.e.f. financial year 2015-2016)

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."

6. REVISION OF REMUNERATION OF MR. G.V.V.SATYANARAYANA, WHOLE TIME DIRECTOR OF THE COMPANY:

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 such other authorities as may be necessary, the remuneration of Shri. G.V.V. Satyanarayana (holding DIN:00187006), Whole Time Director of the Company, be and is hereby revised for the remaining tenure of his office on the following terms and conditions:

(i) Salary: Rs. 1,75,000/- (Rupees One Lakh Seventy Five Thousand) per month.  
In addition to the salary, he shall be provided with the following perquisites:

Medical

Reimbursement: Actual Expenses incurred for the Whole Time Director and his family.

Gratuity: Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act, 1972.

(ii) Commission: @1.25% on the Net Profits (w.e.f financial year 2015-2016)

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. APPROVAL FOR RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013:

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 188 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) and Rules made there under and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be

and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with parties as detailed purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials services or property with respect to sale, of such parties to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature for a period of 3 years.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to determine the actual sums to be involved in the transaction and to finalise the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution".

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

By Order of the Board  
For **COASTAL CORPORATION LIMITED**

Sd/-  
**Swaroop Meruva**  
Company Secretary & Compliance Officer

Place : Visakhapatnam

Date : 12.07.2016

**Notes:**

1. The related 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 entitled 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 from 10-08-2016 to 17-08-2016 for annual closing, determining the entitlement of the Members to the dividend for the Financial Year 2015-16.
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 09-08-2016. 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 09-08-2016.
6. 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.
7. The members are requested to intimate to the Company any change of their address quoting their Share Ledger Folio No(s).
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, the Director have furnished the requisite declaration for their appointment/ re-appointment.

14. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
15. Electronic copy of the Annual Report for the year 2015-16 is being sent to all the members whose email IDs 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 2015-16 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**
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.
19. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
20. The board of directors has appointed Mr. Manoj Ray Practicing Company Secretary (Membership No. ACS 42259 and failing him Mr. Satyanarayana .A Practicing Company Secretary (Membership No. ACS 2354 as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
21. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
22. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
23. Members who have not encashed their dividend warrants from the financial year 2014-15, are requested to make their claims to the company without any further delay.

**Details of Director Seeking Re-appointment at the Annual General Meeting**

Particulars	Mrs. Jeeja Valsaraj
Date of Birth	01.02.1964
Date of Appointment	01.10.2004
No. of Shares held in the Company	47200



**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:****REVISION OF REMUNERATION PAYABLE TO MR. T.VALSARAJ, MANAGING DIRECTOR OF THE COMPANY**

The members are informed that Mr. T. Valsaraj, aged 62 years, is the Chief Promoter, First Director and presently Managing Director of the Company. He has been appointed as Managing Director in Annual General Meeting of the Company held on 14th day of September'2015. He is a B. Tech. He has total experience of over 37 years in the varied fields viz., project management, construction, infrastructure development projects and 34 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. 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 of the Companies Act, 2013, any remuneration payable to the Managerial personnel shall have to be approved by the Nomination and Remuneration Committee 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 Mr. T. Valsaraj and duly approved to pay the commission of 2.5% on net profits in addition to the remuneration currently being paid to him.

The Board of Directors recommends the Resolution set forth in Item No. 5 for approval of the Members Except Mr. 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 are concerned is interested in any manner in passing the resolution.

**Item No. 6****REVISION OF REMUNERATION PAYABLE TO MR. G.V.V. SATYANARAYANA WHOLE TIME DIRECTOR OF THE COMPANY**

The members are informed that Mr. G.V.V. Satyanarayana, is a Whole-Time Director designated as Director -Finance of the Company. His current term of appointment as a Whole Time Director of the Company will expire on 30th September, 2017. Sri G.V.V. Satyanarayana has been looking after the overall financial, administrative activities and Co-ordination with all the departments of the Company as well as Government Departments and Authorities. He has been devoting his entire time, efforts and energy to develop this Company in all aspects including strategic financial planning, co-ordination with all Compliance Departments, Income Tax, Statutory Compliances and other related affairs of the Company since 1988. His rich experience in the business of export of marine products and his extensive involvement would certainly benefit the company at large in the years to come. In view of all the above as mentioned, with all these years of such back ground, experience and exposure, the board has proposed to revise his remuneration.

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 and also a Special Resolution to that effect has to be passed at the General Meeting of the members of the Company for appointment and payment of such remuneration. Accordingly, as per the provisions of Schedule V to the Companies Act, 2013, the Nomination and Remuneration Committee has considered the financial position of the Company in all aspects & the profile of Mr. G.V.V.Satyanarayana and duly approved to pay the commission of 1.25% on net profits in addition to the remuneration currently being paid to him.

The Board of Directors recommends the Resolution set forth in Item No. 6 for approval of the Members Except Sri. G.V.V. Satyanarayana, none of Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

**Item No. 7**

**APPROVAL FOR THE RELATED PARTY TRANSACTIONS TO BE ENTERED BY THE COMPANY:**

The Members are informed that the Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the Related Parties of the Company. As per the provisions of Section 188 (1) of the Companies Act, 2013 "Related Party Transactions" requires obtaining prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 requires taking prior approval of the Company by Special Resolution where transactions proposed to be entered to falls, in the list of items referred therein and are in excess of threshold limits. Proviso to Section 188 further provides that nothing contained in Sub-section (1) of Section 188 applies where transactions are entered into by the Company in the ordinary course of business other than transactions which are not on an arm's length basis.

All transactions entered into by the Company with Related Entities are at arm's length basis and in the ordinary course of business except a few which could be construed as not in the ordinary course of business but are at arm's length basis.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the Related Parties (as defined under Section 2(76) of the Companies Act, 2013). The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are already mentioned in the Resolutions proposed above.

The Members are further informed that no Member/s of the Company being a Related Party or having any interest in the Resolution as set out at Item No. 7 shall be entitled to vote on this special Resolution.

The Board of Directors recommends the Resolution set forth in Item No. 7 for approval of the Members.

Except Promoter, Directors and their relatives (to the extent of their Shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this Resolution.

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

By Order of the Board  
For **COASTAL CORPORATION LIMITED**

Sd/-  
**Swaroop Meruva**  
Company Secretary & Compliance Officer

Place: Visakhapatnam

Date: 12.07.2016

## 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"

EVSN Reference No	160711010	E-Voting Start Date & Time	E-Voting End Date & Time
		14.08.2016	16.08.2016
		at 9.00 A.M	at 5.00 P.M

**\*\* Shareholders of the company holding shares either in physical form or in demat form as on the cut off date ie., 10.08.2016, are entitled to vote on the resolutions set for the in this notice**

- (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:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as Physical Shareholders)  * 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.  * 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.
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	Enter the Dividend Bank Details as recorded in your Demat account or in the Company Records for the said Demat account or folio.  * 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 field.

- (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.
- (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.



**DIRECTORS' REPORT**

To,

The Members,

Your Directors have pleasure in presenting the Thirty Fifth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2016 and the report of the Auditors thereon.

**1. FINANCIAL SUMMARY (STANDALONE)**

Particulars	Year Ended 31.03.2016 Rs.	Year Ended 31.03.2015 Rs.
Sales	3,07,68,52,743	2,59,87,97,554
Interest	77,34,786	47,56,496
Other Income including Operating Income	25,13,14,081	17,95,28,849
Total Income	3,33,59,01,610	2,78,30,82,899
Less : Expenditure	3,18,62,84,818	2,59,97,49,133
Profit before Depreciation and Taxation	14,96,16,792	18,33,33,766
Less : Depreciation	2,54,50,821	2,60,91,987
Profit before Taxation	12,41,65,971	15,72,41,779
Less: Provision for Tax	4,47,77,357	5,47,47,842
Less: Prior Period Adjustments	2,20,028	4,73,073
Net Profit After Tax & Prior period adjustments (a)	7,91,68,586	10,20,20,864
Balance brought forward from last year(b)	28,07,39,186	19,60,06,111
Less : Transfer to General Reserve(c)	1,50,00,000	1,50,00,000
Less: Proposed Dividend @ 15%(d)	38,13,300	19,06,650
Less: Tax on Dividend(e)	7,76,298	3,81,139
Balance Carried to Balance Sheet(a+b-c-d-e)	34,03,18,174	28,07,39,186

**2. DIVIDEND**

Keeping in view the working capital requirements of the Company and the tight liquidity situation the Industry is passing through and the need for conserving the limited resources, your Board recommends Dividend of Rs.1.50/- per Equity Share of Rs. 10/- each (15%) for the consideration and approval of the members of the Company at the forthcoming Annual General Meeting.

Your Board is optimistic that the company will be able to post better performance in the years to come.

The Register of Members and Share Transfer Books will remain closed from 10.08.2016 to 17.08.2016 for the purpose of payment of the Dividend for the Financial Year ended March 31st, 2016, and the Annual General Meeting is scheduled to be held on 17.08.2016.

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

During the year under review, the Company has earned an income of Rs. 3,33,59,01,610/- as compared to Rs. 2,78,30,82,899/- during the previous year and the expenditure incurred amounted to Rs. 3,18,62,84,818/- as against Rs. 2,59,97,49,133/- during the previous year. The depreciation provided for the reporting year was Rs. 2,54,50,821/- as compared to Rs. 2,60,91,987/- during the previous year. Hence, Net Profit after tax was amounted to Rs. 7,91,68,586/- as compared to Rs. 10,20,20,864/- during the previous year.

**Awards & Recognitions :**

Your company was presented the (FTAPCCI) Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry excellence award for its "Excellence in Export Performance (SSI)" on 14.11.2015 by Shri. M. Venkaiah Naidu Hon. Union Minister of Urban Development, Housing and Urban Poverty Alleviation and Parliamentary Affairs.

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 by expanding the business activities in Abroad. 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 M/s. Continental Fisheries India Private Limited and M/s. Seacrest Seafoods Inc. the Wholly Owned Subsidiaries of your Company, for the year ended 31st March 2016 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 carrying the business of deep sea fishing.

##### **Seacrest Seafoods Inc.**

Seacrest Seafoods Inc. is a Wholly Owned Subsidiary of the Company which has been established during the Year in the State of Delaware, U.S.A, with an objective to import and sell sea foods in the American Markets.

The Statement containing the salient features of the financial statement of Subsidiaries 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. NUMBER OF MEETINGS OF THE BOARD**

Six meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

#### **6. 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 this report.

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

#### **7. 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 of the Balance Sheet date.

#### **8. STATUTORY AUDITORS:**

At the Annual General Meeting held on September 30th, 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 2016-17 is included at Item No. 4 of the Notice convening the 35th Annual General Meeting.

## 9. 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.

## 10. SECRETARIAL AUDITORS

Shri Satyanarayana. A, Practicing Company Secretary, ASN Associates, Company Secretaries, was appointed to conduct the Secretarial Audit of the Company for the financial year 2015-16, as required under Section 204 of the Companies Act, 2013 and Rules there under. The Secretarial Audit Report for FY 2015-16 forms part of the Annual Report as **Annexure - 3** to the Board's report.

## 11. INTERNAL AUDITORS:

The Board of Directors based on the recommendations of the Audit Committee have appointed M/s. Seshagiri Rao & Associates, Chartered Accountants, Hyderabad for the financial year 2016-17, who has to act in the independent manner and also responsible for regulatory and legal requirements relating to operational processes and internal systems. They report directly to the Board of Directors.

## 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

Your Company has been complying with the principles of good Corporate Governance over the years. In compliance with Regulation 34 of the SEBI (LODR) Regulations 2015, a separate report on Corporate Governance along with a Certificate from the Auditors on its compliance forms an integral part of this report as **Annexure - 6 & 7**.



**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 key philosophy of all CSR initiatives of the Company is guided by three core commitments of Scale, Impact and Sustainability. During the year, the Company has spent Rs. 5,01,954/- on CSR activities.

The CSR initiatives of your Company were under the thrust areas of:

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.

Your Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2016, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this report 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**

The Company had appointed Mr. T.Valsaraj as the Managing Director of the Company w.e.f 25.01.2016 for a period of 5 years. Mr. G.V.V. Satyanarayana, Whole Time Director of the Company had been continuing on the Board.

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

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

1. Mr. Venkateswara Rao Kamireddi
2. Mr. Sirangu Rajaram
3. Mr. M.V. Suryanarayana - ( Appointed w.e.f. 14.09.2015)

During the Year, the Company has appointed Mr. M.V. Suryanarayana as an Independent Director of the Company w.e.f. 14.09.2015.

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

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

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing

Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force). The salient aspects covered in the Nomination and Remuneration Policy has been outlined in the Corporate Governance Report which forms part of this report.

The Managing Director & Whole Time Director of your Company does not receive remuneration from any of the subsidiaries of your Company.

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 as **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, 2016, 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.

## **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 to and the date of this report.

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

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors has formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. Employees can raise concerns regarding any discrimination, harassment, victimization, any other unfair practice being adopted against them or any instances of fraud by or against your Company. Any incidents that are reported are investigated and suitable action taken in line with the whistle blower policy. The Whistle Blower Policy is also available on your Company's website ([www.coastalcorp.co.in](http://www.coastalcorp.co.in)).

**26. RISK MANAGEMENT POLICY**

The Company reviews the process of risk management in your Company. The management periodically briefs on the emerging risks along with the risk mitigation plans put in place. Risk management is interlinked with the annual planning exercise where each function and business carries out fresh risk identification, assessment and draws up treatment plans.

During the year, the Company manages monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

**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.

**29. BOARD EVALUATION**

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc. In addition, the chairman was also evaluated on the key aspects of his role.

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

**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 COMPLIANCES

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

### 33. 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 Complaints Committee have been constituted 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.

### 34. LISTING WITH STOCK EXCHANGES:

The Company confirms that it has paid the Annual Listing Fees for the year 2015-16, where the Company's Shares are listed.

### 35. ACKNOWLEDGEMENTS:

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

They sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

They also wish to acknowledge the continued patronage and confidence reposed in the management by the shareholders.

On behalf of the Board

For **COASTAL CORPORATION LIMITED**

Sd/-

**(T. VALSARAJ)**

**MANAGING DIRECTOR**

Sd/-

**(G.V.V. SATYANARAYANA)**

**DIRECTOR-FINANCE**

Place: Visakhapatnam

Date: 12.07.2016

**Annexure I**

**Form AOC-1**

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

**Part "A": Wholly Owned Subsidiaries**

Sl. No.	Particulars	Continental Fisheries India Private Limited	Seacrest Seafoods Inc.
1.	CIN of the Subsidiary	U05000AP2014PTC094907	-
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2015 to 31.03.2016	04.11.2015 to 31.03.2016
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupee (INR)	Dollor (USD)
4.	Share capital	Rs. 2,76,000	1,75,000
5.	Reserves & surplus	Rs. (3,945,904)	(1,59,314)
6.	Total assets	Rs. 6,731,264	23,38,488
7.	Total Liabilities	Rs. 6,731,264	23,38,488
8.	Investments	Nil	Nil
9.	Turnover	Rs. 11,20,000	3,65,391
10.	Profit before taxation	Rs. 19,261	(1,59,391)
11.	Provision for taxation	Rs. 1,12,519	-
12.	Profit/Loss after taxation	Rs. (93,258)	(1,59,314)
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

**Part "B": Associates**

Name of associates	Balaji Sea Foods Limited	Coastal Developers Private Limited
1. Latest audited Balance Sheet Date	31.03.2015	31.03.2015
2. Amount of Investment in Associates	Nil	Rs. 70,00,000
3. Extent of Holding%	Nil	15.28%

As per our Report

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

Place: Visakhapatnam  
Date: 12.07-2016

By order of the Board  
Sd/-  
(T.Valsaraj)  
Managing Director

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

**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 Commission Amount Paid Amount Received	33.00 33.61 29.42 1.71
Shri. G.V.V. Satyanarayana	Director - Finance	Ongoing	Remuneration Amount Paid Amount Received Commission	21.00 40.00 40.00 16.80
M/s. Balaji Sea Foods Limited	Associate Company	Ongoing	Amount Paid Amount Received	144.34 144.34
M/s. Coastal Developers Private Limited	Associate Company	Completed as on 31.03.2016	Amount Paid Amount Received For Purchase of Premises For Investments in Shares	30.10 30.10 40.00 70.00
M/s. Continental Fisheries India Private Limited	Wholly Owned Subsidiary	Ongoing	Investment in Equity Advance	2.76 102.68
M/s. Seacrest Seafoods Inc.	Wholly Owned Subsidiary	Ongoing	Investment in Equity Sale of Shrimp Amount received against sales	117.30 1618.21 232.28

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

On behalf of the Board

Place: Visakhapatnam  
Date: 12.07.2016

Sd/-  
(V.V.S. Bhagavan)  
Partner, MNo. 08571

Sd/-  
(T. Valsaraj)  
Managing Director

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

**ANNEXURE - 3**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2016

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

To,  
The Members,  
Coastal Corporation Limited  
Visakhapatnam.

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, 2016, 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 "M/s.Coastal Corporation Limited" for the Financial Year ended on 31st March, 2016 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 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 as the Company did not buy back its equity shares from any stock exchange during the financial year under review;
- (vi) We have relied on the representation made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

We are of the opinion that the Management has complied with the following Laws specifically applicable to the Company:

- (a) Factories Act, 1948
- (b) Industrial Disputes Act, 1947
- (c) The Payment of Wages Act, 1936
- (d) The Minimum Wages Act, 1948
- (e) Employees Provident Funds and Miscellaneous Provisions Act, 1952
- (f) The Payment of Bonus Act, 1965
- (g) The Payment of Gratuity Act, 1972
- (h) The Contract Labour (Regulation & Abolition) Act, 1970
- (i) The Child Labour (Prohibition & Regulation) Act, 1986
- (j) The Industrial Employment (Standing Order) Act, 1946
- (k) The Employee Compensation Act, 1923
- (l) Trade Marks Act, 1999
- (m) Customs Act, 1962
- (n) The Water (Prevention and Control of Pollution) Act, 1974
- (o) The Air (Prevention and Control of Pollution) Act, 1981
- (p) Prevention of Food Adulteration Act, 1954
- (q) Export (Quality and Inspection) Act, 1963

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The SEBI (LODR) Regulations, 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

- (i) Company has to appoint chief financial officer (CFO) of the Company as per the provisions of Section 203 of the companies Act, 2013 read with rules 8 of companies (Appointment & Remuneration of Managerial personnel) Rules 2014
- (ii) Few Forms were filed with additional fees, this should be reported as deemed compliance by reference of payment of additional fees.



(iii) The company received query dated 08.01.2016 from Bombay Stock Exchange seeking clarification for delay in issue of bonus shares and the company replied to the same on 13.04.2016 and in turn the company received the trading approval.

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.

For the purpose of this Secretarial Audit, the Company has provided us some of the required secretarial documents in soft copy only.

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 and none of the Directors in any Meeting dissented on any Resolution and hence there was no instance of capturing and recording any dissenting Member's view in the Minutes.

We further report that there is scope to improve the systems and processes in the Company to be commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **ASN Associates**  
Company Secretaries

**Sd/-**

**Satyanarayana A**

Partner

FCS No.: 3986

C P No.: 2354

Place: Visakhapatnam

Date: 12.07.2016

\*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.

**'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**

Practicing Company Secretary

FCS No.3986

C P No.:2354

Date: 12.07.2016

Place: Visakhapatnam

## 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.

S. No.	POWER AND FUEL CONSUMPTION :	Current Year 31.03.2016	Previous year 31.03.2015
a)	Electricity : Purchase Units Total Amount (in Rs.) Rate/Unit (in Rs.)	54,97,990 3,93,79,407 7.16	41,34,886 3,14,74,354 7.61
b)	Own Generation : Through D.G. Units Total Amount (in Rs.) Unit/Lt. of Diesel Oil Cost/Unit (in Rs.)	1,64,662 28,74,480 3.20 17.45	4,58,267 81,44,855 3.09 17.77

**(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	2015-16	2014-15
Foreign Exchange Earnings	299,09,98,215	253,61,10,728
Foreign Exchange Outgo	12,25,11,226	8,12,41,589

Date : 12.07.2016  
Place: Visakhapatnam

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

**ANNEXURE - 5****ANNEXURE-III****(Annexure to the Directors' Report)****MANAGEMENT DISCUSSION AND ANALYSIS****1. INDUSTRY STRUCTURE AND DEVELOPMENTS**

Seafood Processing in India is entirely export oriented. According to the Ministry of Food Processing Industries there are about 1157 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 2015-16, exports of marine products aggregated to 945892 MT's valued at Rs. 30420.83 crores and USD 4.687 billion.

**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 2015-16. 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 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 a proper and adequate system of internal controls to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that all transactions are properly authorized recorded and reported correctly. Further, the internal control system is designed to ensure that all the financial and other records are reliable for preparing financial statements and for maintaining accountability of the assets. On the basis of the appraisal, potential risks are identified and preventive measures are initiated depending on the perceived gravity of the risk.

#### **5. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Generally Accepted Accounting Principles (GAAP) in India. In the year under consideration, your company has achieved all time high turnover of Rs.333.59 Crore and as well as profit of Rs.7.91 Crore during the year under report. The Company expects increased turnover and profitability in the current year with the availability of abundant quantity of raw material, devaluation of rupee and high price realization for the products in the international markets due to demand and supply position.

**ANNEXURE - 6****CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-2016**

(As required under Regulation 27(2) of the SEBI (LODR) Regulations, 2015)

**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 31st March, 2016, the strength of the Board of Directors is Six (6) and its composition is as follows:

(i) Executive Director		
Sri T. Valsaraj	-	Promoter & Managing Director
Sri G.V.V.Satyanarayana	-	Whole-time Director designated as Director Finance
(ii) Non-Executive Director		
Smt Jeeja Valsaraj	-	Non-Executive Director
(iii) Non- Executive Independent Directors		
Prof. Kamireddi Venkateswara Rao	-	Independent Director
Sri Sirangu Rajaram	-	Independent Director
Sri. M.V. Suryanarayana	-	Independent Director (Appointed on 14.09.2015)

**(b) Board Meetings & Related Information:**

During the year, 6 (Six) meetings of the Board of Directors were held on

28.05.2015	18.07.2015	14.08.2015	03.10.2015
13.11.2015	10.02.2016		

Every Director currently on the Board of the Company has personally attended at least one Board/ Committee of Directors Meeting in the financial year 2015-16.

Your company has in place a structured induction and familiarization programme for all its directors including the independent directors. The same can be viewed at the following link : [www.coastalcorp.co.in](http://www.coastalcorp.co.in)

Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 (DIN No. 00057558)	Managing Director	6	6	Present	--	--	--
Sri G.V.Satyanarayana (DIN No. 00187006)	Whole time Director	6	6	Present	--	--	--
Smt Jeeja Valsaraj (DIN No. 01064411)	Director	6	5	Present	--	--	--
Sri S.Rajaram (DIN No. 01679004)	Independent Director	6	3	Present	--	--	--
Sri K. Venkateswara Rao (DIN No. 01678973)	Independent Director	6	5	Present	--	--	--
Sri M.V.Suryanarayana (DIN No. 00372812)	Independent Director (Appointed w.e.f. 14.09.2015)	6	3	---	2	4	2

**COMMITTEES:**

**(i) AUDIT COMMITTEE:**

The Audit Committee comprises of the following (3) three directors as members :

Sri S.Rajaram, Sri. Kamireddi Venkateswara Rao and Smt Jeeja Valsaraj.

The Audit Committee acts in accordance with the terms of reference specified by the Board which includes the recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance and effectiveness of the audit process, examination of the financial statements and the auditor's report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers and related matters. All the members of the Audit Committee are Non-Executive and Independent Directors. Sri. Rajaram is the Chairman of the Audit Committee. During the period under review, Six(6) meetings of the Audit committee were held on 28.05.2015, 18.07.2015, 14.08.2015, 03.10.2015, 12.11.2015 and 09.02.2016, 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.	Sri S.Rajaram	Chairman	Independent Director	6
02.	Prof. K. Venkateswara Rao	Member	Independent Director	6
03.	Smt. Jeeja Valsaraj	Member	Director	6

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

The Committee comprises of the following Three Non-Executive and Independent Directors as members:

Sri S. Rajaram, Sri Kamireddi Venkateswara Rao and Smt. Jeeja Valsaraj.

The terms of reference of the Nomination & Remuneration Committee are:

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees,
- ii. formulation of criteria for evaluation of Independent Directors and the Board,
- iii. devising a policy on Board diversity,
- iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors. Shri. S. Rajaram, an Independent Director, is the Chairman of the Committee. During the period the Remuneration Committee was held on 17.07.2015 and 09.02.2016.

**The details of meetings attended by the Directors are given below:**

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

Sl. No.	Name of the Director	Designation	Category	No. of Nomination & Remuneration Committee meetings attended
01.	Sri Sirangu Rajaram	Chairman	Independent Director	2
02.	Prof. K. Venkateswara Rao	Member	Independent Director	2
03.	Smt. Jeeja Valsaraj	Member	Independent Director	2

**Remuneration Policy:**

Remuneration policy in the Company is designed to create a high performance culture. It enables the Company to attract, retain and motivate employees to achieve results. Our Business Model promotes customer centricity and requires employee mobility to address the needs. The remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the industry.



**COASTAL CORPORATION LIMITED**

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component as a % of Net Profits) to its Managing Director and whole time Director. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the members and are effective from April 1, each year.

The Non-Executive Directors are also paid sitting fees for attending the meetings of the Board and members thereof within the limits prescribed under the Companies Act as approved by the Board.

During the year 2015-16 the Company paid sitting fees to its Non-Executive Directors for attending meetings of the Board are members. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The Directors have at the Meeting of the Board of Directors held on 30.05.2016 approved the payment of commission to the Executive Directors within the ceiling of 5% of the net profits of the Company to each director as computed under the applicable provisions of the Act.

Details of remuneration paid to the Directors during 2015-2016 :-

Name of Director	Designation	Remuneration Rs.
Sri T.Valsaraj	Managing Director	2,75,000/- P.M from 01.04.2015 to 31.03.2016 + 2.5% commission on the Net Profits
Sri G.V.V.Satyanarayana	Whole-time Director	1,75,000/- P.M from 01.04.2015 to 31.03.2016 + 1.25% commission on the Net Profits

**(iii) STAKEHOLDER RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship committee comprises of the following 3 (Three) Directors as members :

Smt. Jeeja Valsaraj, Sri Sirangu Rajaram, Sri. Kamireddi Venkateswara Rao

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.

Status of Complaints :

No. of complaints received during the year	28
No. of complaints resolved during the year	28
No. of complaints pending at the end of the year	Nil

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;
- \* 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 28.05.2016, 18.07.2015, 03.10.2015, 12.11.2015 and 09.02.2016.

The details of the Committee meetings attended by the Members are given below:

Sl. No.	Name of the Director	Designation	Category	No. of Stakeholders Relationship Committee meetings attended
01.	Smt. Jeeja Valsaraj	Chairman	Non-Executive Director	5
02.	Prof. K. Venkateswara Rao	Member	Independent Director	5
03.	Sri Sirangu Rajaram	Member	Independent Director	5

The Stakeholders Relationship Committee received and reviewed the Complaints received from the investors of the Company during the period 2015-16. All the complaints were resolved by the Company to the satisfaction of the investors as on 31st March'2016 and there were no pending letters/complaints as on 31st March'2016.

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

During the year under review, the Independent Directors met once on the 10th day of February, 2016, 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.
- \* 2 of 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,  
 Maharaniapeta, Visakhapatnam - 530 003  
 Andhra Pradesh, India

**(iv) CSR COMMITTEE:**

The CSR Committee comprises of the following three (3) directors as members :

Sri. G.V.V. Satyanarayana, Sri. Kamireddi Venkateswara Rao, Smt. Jeeja Valsaraj

During the period, 4 (Four) meetings of the committee were held on 27.05.2015, 17.07.2015, 12.11.2015 and 09.02.2016.

The Committee meetings attended by the Members are given below:

Sl. No.	Name of the Director	Designation	Category	No. of CSR Committee meetings attended
01.	Sri G.V.V. Satyanarayana	Chairman	Director - Finance	4
02	Sri K. Venkateswara Rao	Member	Independent Director	4
03.	Smt. Jeeja Valsaraj	Member	Non - Executive Director	4

**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 the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations")., 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.

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.

**(v) GENERAL BODY MEETINGS:**

\* Location and time where last Three AGMs held:

Year	Date	Special Resolution	Time	Location
2014-2015	14.09.2015	Passed	10.30AM	D.No.6-42, Marikavalas a, Besides Toyota Showroom, Visakhapatnam-530 041, Andhra Pradesh, India
2013-2014	30.09.2014	Passed		
2012-2013	27.09.2013	NIL		

**EXTRA-ORDINARY GENERAL MEETING DURING THE PERIOD (2015-16):**

There was no Extra Ordinary General Meeting during the year under review.

**(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 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 the Listing agreement and Listing Regulations, so far as applicable to the Company and also put efforts to make the non-mandatory disclosures to the extent they arise and are considered significant.
- d) CEO/CFO Certification: A certification from the Managing Director as specified in Part B of Schedule II in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations was placed before the Board Meeting held on 30th May, 2016 to approve the Audited Annual Accounts for the year ended 31st March, 2016.
- e) The policy on determining "Material" subsidiaries can be viewed at [www.coastalcorp.co.in](http://www.coastalcorp.co.in)
- f) Audit qualifications : During the year under review, there was no audit qualification on your company's financial statemets.
- g) Reporting of Internal Auditor : The internal auditor may report directly to the audit committee.

**(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 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.

**(ix) GENERAL SHAREHOLDERS INFORMATION:**

i) Thirty Fifth Annual General Meeting of the Company:

Date & time	:	17 <sup>th</sup> August, 2016 at 10:30 AM
Venue	:	D.No. 6-42, Besides Toyota Showroom, Marikavalasa, Visakhapatnam-530041, Andhra Pradesh, India

ii)	Financial Year	:	1st April to 31st March.	
ii)	Financial Calendar(Tentative)	:	Period	Approval of Quarterly Results
			1st Quarter ending 30.06.2016	1st week of August, 2016
			2nd Quarter and half year ending 30.09. 2016	1st week of November, 2016
			3rd Quarter ending 31.12. 2016	2nd week of February, 2017
			4th Quarter ending 31.03. 2017	Last week of May, 2017
iii)	Date of Book Closure	:	10.08.2016 to 17.08.2016	
iv)	Dividend Payable Date	:	Within 30 days from the date of declaration	
v)	Listing on Stock Exchanges	:	1.Mumbai Stock Exchange 2.Delhi Stock Exchange 3.Ahmedabad Stock Exchange	
vi)	Registrars & Share Transfer Agents	:	The Board has appointed M/s Big share Services Pvt. Ltd., Mumbai as its Share Transfer Agents	
vii)	High/Low Market Price	:	Rs. 12.65/-	
viii)	Stock Code	:	Scrip ID : coastcorp - Scrip code : 501831	
	BSE ISIN(for Dematerialization)	:	INE377E01016	
ix)	CIN No	:	L63040AP1981PLC003047	
x)	Board Meeting for consideration of Accounts for the financial year ended March 31, 2016 and recommendation of dividend	:	30th May, 2016	

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

Currently 70.73% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depository with no involvement of the Company. As regards transfer of shares held in physical form the transfer documents can be lodged with Bigshare Services Private Limited at Branch Office address mentioned below.

Transfer of shares in physical form is normally processed within ten to Fifteen days from the date of receipt, if the documents are complete in all respects. The Directors and certain Company officials (Including Company Secretary), under the authority of the board, severally approve transfers, which are noted at subsequent board meetings.

In compliance with the Listing Agreement and Listing Regulations, 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.

**COASTAL CORPORATION LIMITED**

**(xii) Contact Information:**

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

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

**Registered Office of the Company**

1.	Address for Correspondence	Registered Office : 15-1-37/3, Jayaprada Apartments, Nowroji Road, Maharanipeta, Visakhapatnam - 530 002 Andhra Pradesh- India.
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**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'2016	
		No. of Shares	% of Total No. of Shares
1	Promoters Foreign Promoters	8,12,560	31.96%
2	Banks/Financial Institutions, Insurance Companies(Central/State Govt. Institutions/Non-Government Institutions)	Nil	Nil
3	Body Corporates	14,200	0.56%
4	NRI/OCBs/FIIs	8,27,600	32.55%
5	Indian Public	8,87,840	34.93%
	<b>Total</b>	<b>25,42,200</b>	<b>100.00%</b>

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

The Company's Equity Shares are listed on Mumbai, Ahmedabad and 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.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE377E01016.

**(xiv) Dividend Policy:**

Dividends, other than interim dividend(s), are to be declared at the annual general meeting of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.

**(xv) Market Price Data:**

The shares are not traded regularly on the Stock Exchanges and hence there is no much change in the share price during the year. However at the beginning of the year the Share Price was Rs. 25.60 and after Bonus Issue the share price decreased to Rs. 12.65/-.

**(xvi) Outstanding GDR's or ADR's or warrants or any convertible instruments, conversion date and likely impact on equity :**

The company has not issued any GDR / ADS's warrants or any convertible instruments.

**(xvii) Commodity price risk or foreign exchange risk and hedging activities :**

Please refer management discussion analysis.

**(xviii) Distribution of Shareholding as on 31.03.2016:**

Shareholding	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 to 5000	901	79.3134	2214820	8.7122
5001 to 10000	139	12.2359	1108980	4.3623
10001 to 20000	35	3.0810	557200	2.1918
20001 to 30000	10	0.8803	268000	1.0542
30001 to 40000	10	0.8803	374000	1.4712
40001 to 50000	4	0.3521	190000	0.7474
50001 to 100000	9	0.7923	718400	2.8259
100001 to 500000	16	1.4085	3531720	13.8924
500001 to 1000000	3	0.2641	1749280	6.8810
1000001 to 5000000	9	0.7923	14709600	57.8617
	1136		25422000	100.00

**(xix) THERE WERE NO PENALTIES AND STRICTURES ON THE COMPANY, EXCEPT THE PAYMENT ADDITIONAL FEES FOR LATE FILINGS**

**DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT**

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director and Executive Directors. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

"It is hereby declared that all members of the Board and Senior Management have affirmed compliance with the Code of Conduct for the Financial Year ended 31st March, 2016.

The Managing Director has given a declaration that all the Directors and concerned Executives have affirmed compliance with the Code of Conduct.

For **COASTAL CORPORATION LIMITED**

Date: 12.07.2016

Place: Visakhapatnam

Sd/-  
(T. Valsaraj)  
Managing Director

**ANNEXURE - 7**

**Auditor's Certificate**

Auditor's Certificate on Compliance with Conditions of Corporate Governance requirements under SEBI(LODR) Regulations, 2015.

To

The Members of

Coastal Corporation Limited

Visakhapatnam.

We have examined the compliance of conditions of corporate governance by M/s. Coastal Corporation Limited ("the Company") for the year ended on 31 March 2016 as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the Company with Stock Exchanges.

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

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

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

Partner  
Membership No: 008571

Place: Visakhapatnam

Date: 12.07.2016



**Annexure - 8**

**Annual Report on Corporate Social Responsibility (CSR)**

**[Pursuant 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 01/04/2015 to 31/03/2016. 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 been carrying out the CSR activities through its implementing agency "M/s. Coastal Charitable Foundation" 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
2. Shri. Kamireddi Venkateswara Rao
3. Smt. Jeeja Valsaraj

SNo.	Particulars	Rs.
1.	Opening Balance in Coastal Charitable Foundation as on 01.04.2015	14,62,340/-
2.	Add: Provision for CSR Expenditure for the Financial year 2015-16	26,97,697/-
3.	<b>TOTAL</b>	<b>41,60,037/-</b>
4.	Less: Details of CSR spent during the financial year 2015-16	(5,01,954/-)
5.	Balance amount as on 31.03.2016	<u>36,58,083/-</u>

(1) S. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise	(6) Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	(7) Cumulative expenditure upto to the reporting period.	(8) Amount spent: through implementing agency* (Rs.)
1	Coastal Charitable Foundation	i.Promoting Health care including Preventive Health care and sanitation ii.Employment and livelihood for enhancing Skill Development	Marikavalasa	26,97,697/-	--	11,59,684/-	5,01,954/-
	<b>TOTAL</b>			26,97,697/-	--	11,59,684/-	5,01,954/-

**REPORT ON CSR:**

Implementing Agency: Coastal Charitable Foundation - Trust.

The CSR activities will be monitored by the CSR Committee and implemented by the Trust.

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

During the year, the Company has an unspent amount of Rs. 21,95,743/-. The reason being that the Company has identified the premises for the purpose of establishment of the Hospital to serve the general public in 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 time 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.

By ordre of the Board

Sd/-

**T. Valsaraj**

Managing Director

Sd/-

**G.V.V. Satyanarayana**

(Chairman CSR Committee)

Place : Visakhapatnam

Date: 12.07.2016

**Annexure-9**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on Financial Year ended on 31.03.2016

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	Limited 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 306, Right wing, Amrutha Ville, Opp: Yashodha Hospital Somajiguda, Raj Bhavan Road Hyderabad – 500 082. Telephone No : 040 – 2337 4967 Fax : 040 – 2337 0295 Email : <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/ 1585258666	03061320	100% Exports

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

**COASTAL CORPORATION LIMITED**

No of Companies for which information is being filled					4
S.No	Name and Address of the Company	CIN	Holding/ Subsidiary/Associate	% of Shares held	Applicable Section
1	<b>Continental Fisheries India Private Limited</b> Address: B/3B, B-Block, 15-1-77, 3rd Floor, Sea Doll, Apartments, Opp: Grand Bay Hotel, Maharanipeta, Andhra Pradesh, India - 530002	U05000AP2014PTC094907	Wholly Owned Subsidiary	100%	Section 2(87)
2	<b>Seacrest Seafoods Inc.</b> Address: 8200, NW 41st Street, Doral, Fl - 33166	---	Wholly Owned Subsidiary	100%	2(87)
3	<b>Balaji Sea Foods Limited</b> Address: 15-1-37/3, Nowroji Road'jayapradh a Apartments, Maharanipeta, Visakhapatnam , Andhra Pradesh, India – 530002.	U05005AP1986PLC006763	Associate	Nil	2(6)
4	<b>Coastal Developers Private Limited</b> Address: 15-1-37/3, Nowroji Road'jayapradh a Apartments, Maharanipeta, Visakhapatnam	U70102AP1995PTC019386	Associate	15.28%	2(6)

**IV. 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 01-April-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demant	Physical	Total	% of Total Sares	Demant	Physical	Total	% of Total Sares	
<b>A. Promoters</b>									
(1) Indian	---	---	---	---	---	---	---	---	---
a) Individual/ HUF	321369	---	321369	25.28	642738	---	642738	25.28	---
b) Central Govt	---	--	--	--	---	--	--	--	---
c) State Govt(s)	--	---	---	--	--	---	---	--	---
d) Bodies Corp.	84911	---	84911	6.68	169822	---	169822	6.68	---
e) Banks / FI	---	---	---	---	---	---	---	---	---
f) Any other	---	---	---	---	---	---	---	---	---
<b>Total shareholding of Promoter (A)</b>	406280	---	406280	31.96	812560	---	812560	31.96	---
<b>B. Public Shareholding</b>	---	---	---	---	---	---	---	---	---
1. Institutions	---	---	---	---	---	---	---	---	---
a) Mutual Funds	---	---	---	---	---	---	---	---	---
b) Banks / FI	---	---	---	---	---	---	---	---	---
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>	---	---	---	---	---	---	---	---	---
	---	---	---	---	---	---	---	---	---

**IV. 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 01-April-2015]				No. of Shares held at the end of the year[As on 31-March-2016]				% Change during the year
	Demant	Physical	Total	% of Total Sares	Demant	Physical	Total	% of Total Sares	
<b>2. Non-Institutions</b>	---	---	---	---	---	---	---	---	---
a) Bodies Corp.	---	---	---	---	---	---	---	---	---
i) Indian	---	---	---	---	12800	1400	14200	0.52	---
ii) Overseas	---	---	---	---	---	---	---	---	---
b) Individuals	---	---	---	---	---	---	---	---	---
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	44020	244400	288420	22.69	52840	413700	466540	18.35	---
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	119086	10400	129486	10.19	351900	69400	421300	16.58	---
c) Others (specify)									
Non Resident Indians	300	29000	29300	2.31	600	827000	827600	32.55	----
Overseas Corporate Bodies	---	---	----	---	---	---	----	---	----
Foreign Nationals	---	---	---	---	---	---	---	---	---
Clearing Members	---	---	---	---	---	---	---	---	---
Trusts	---	---	---	---	---	---	---	---	---
Foreign Bodies - DR	---	----	----	---	---	----	----	---	----
<b>Sub-total (B)(2):-</b>	164606	671600	836206	65.79	418140	1311500	1729640	68.00	---
Total Public Shareholding (B)=(B)(1)+ (B)(2)	164606	700214	864820	68.04	418140	1311500	1729640	68.00	---
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	---	---	---	---	---	---	---	---	---
<b>Grand Total (A+B+C)</b>	570886	700214	1271100	100	418140	2124060	2542200	100	---

**Shareholding of Promoter-**

SN	Shareholder's Name	Shareholding at the beginning of the year 01-04-2015			Shareholding at the end of the year 31-03-2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	T.Valsaraj	60769	4.78	Nil	121538	4.78	Nil	Nil
2	Jeeja Valsaraj	23600	1.86	Nil	47200	1.86	Nil	Nil
3	Viswanadh Thottoli	6000	0.47	Nil	12000	0.47	Nil	Nil
4	Vijeta Valsaraj	53800	4.23	Nil	107600	4.23	Nil	Nil
5	Vineesha Valsaraj	53800	4.23	Nil	107600	4.23	Nil	Nil
6	TVR Estates & Resorts (P) Ltd	84911	6.68	Nil	169822	6.68	Nil	Nil
7	K. Hari Babu	97700	7.69	Nil	195400	7.69	Nil	Nil
8	K.Jayasree	4300	0.34	Nil	8600	0.34	Nil	Nil
9	Chandana Kambhampati	1400	0.11	Nil	2800	0.11	Nil	Nil
10	Chetna Kambhampati	1400	0.11	Nil	2800	0.11	Nil	Nil
11	Venkatesh Kambhampati	18600	1.46	Nil	37200	1.46	Nil	Nil
	<b>TOTAL</b>	<b>406280</b>	<b>31.96</b>	<b>Nil</b>	<b>812560</b>	<b>31.96</b>	<b>Nil</b>	<b>Nil</b>

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

S No.	Particulars	Shareholding at the beginning of the year 01-04-2015		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	406280	31.96%	--	--
2.	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease:	--	--	--	--
	03.10.2015 The Company have issued Bonus Shares during the year in the ratio of 1:1	--	--	8,12,560	31.96%
3.	At the end of the year	--	--	8,12,560	31.96%

**D) Shareholding Pattern of top ten Shareholders:**

**(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S No	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Aditya Achanta At the beginning of the year Transfer/ Purchase – Dt.29.06.2015 Bonus Issue(1:1) – Dt. 03.10.2015 At the end of the year	NIL	NIL	NIL 1,61,225 1,61,225 3,22,450	NIL 12.68% 6.34% 12.68%
2.	Satyasree Achanta At the beginning of the year Transfer/ Purchase – Dt.15.05.2015 Bonus Issue(1:1) – Dt. 03.10.2015 At the end of the year	NIL	NIL	NIL 1,21,775 1,21,775 2,43,550	NIL 9.58% 4.79% 9.58%
3.	Deepak Murali At the beginning of the year Transfer/ Purchase – Dt.29.06.2015 Bonus Issue(1:1) – Dt. 03.10.2015 At the end of the year	NIL	NIL	NIL 50,750 50,750 1,01,500	NIL 3.99% 2.00% 3.99%
4.	Lavanya Mamidanna At the beginning of the year Transfer/Purchase – Dt.09.07.2015 Bonus Issue(1:1) – Dt. 03.10.2015 At the end of the year	NIL	NIL	NIL 50,750 50,750 1,01,500	NIL 3.99% 2.00% 3.99%
5.	Pinakin Chimanlal Shah At the beginning of the year Transfer/Purchase – Dt. 10.07.2015 Transfer/Purchase – Dt.09.09.2015 Transfer/Purchase – Dt. 30.09.2015 Bonus Issue(1:1) – 03.10.2015 At the end of the year	NIL 200 28,614 100 28,914 57,828	NIL 0.02% 2.25% 0.007% 1.14% 2.277%	NIL 200 28,614 100 28,914 57,828	NIL 0.02% 2.25% 0.007% 1.14% 2.277%
6.	Ganta Sricharan At the beginning of the year Bonus Issue(1:1) – 03.10.2015 At the end of the year	25,400 25,400 50,800	1.99% 0.99% 1.99%	25,400 25,400 50,800	1.99% 0.99% 1.99%
7.	Ganta Lakshmi Anusha At the beginning of the year Bonus Issue(1:1) –Dt. 03.10.2015 At the end of the year	23,900 23,900 47,800	1.88% 0.94% 1.88%	23,900 23,900 47,800	1.88% 0.94% 1.88%



**COASTAL CORPORATION LIMITED**

8.	Vittu Bajrang Agarwal				
	At the beginning of the year	16,986	1.34	16,986	1.34
	Transfer/Purchase – Dt. 22.09.2015	1,000	0.07	1,000	0.07
	Bonus Issue(1:1) –Dt. 03.10.2015	17,986	0.71	17,986	0.71
	At the end of the year	35,972	1.41	35,972	1.41
9.	D. Siva Nageswara Rao				
	At the beginning of the year	12,000	0.94%	12,000	0.94%
	Bonus Issue(1:1) –Dt. 03.10.2015	12,000	0.47%	12,000	0.47%
	At the end of the year	24,000	0.94%	24,000	0.94%
10.	K. Vasudeva Vara Prasad				
	At the beginning of the year	10,400	0.82%	10,400	0.82%
	Bonus Issue(1:1) – 03.10.2015	10,400	0.41%	10,400	0.41%
	At the end of the year	20,800	0.82%	20,800	0.82%
11.	Pinakin Paresh Kumar Shah HUF				
	At the beginning of the year	10,400	0.82%	10,400	0.82%
	Bonus Issue(1:1) – 03.10.2015	10,400	0.41%	10,400	0.41%
	At the end of the year	20,800	0.82%	20,800	0.82%

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

S No.	Shareholding of each Directors and each Key Managerial Personnel			Shareholding at the beginning of the year 01-04-2015		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	01.04.2015	Beginning of the year	60,769	4.78%	60,769	4.78%
		03.10.2015	By way of Bonus Issue(1:1)	60,769	2.39%	121538	4.78%
		<b>31.03.2016</b>	<b>At the end of the year</b>	<b>121538</b>	<b>4.78%</b>	<b>121538</b>	<b>4.78%</b>
2.	G.V.V.Satya-narayana	01.04.2015	Beginning of the year	32100	2.52%	32100	2.52%
		30.09.2015	Transfer/Purchase	200	0.015%	32300	2.54%
		03.10.2016	By way of Bonus Issue(1:1)	32300	1.27%	64600	2.54%
		29.02.2016	Transfer/Purchase	1800	0.070%	66400	2.61%
		04.02.2016	Sale	(100)	0.003%	66300	2.60%
		<b>31.03.2015</b>	<b>At the end of the year</b>	<b>66300</b>	<b>2.60%</b>	<b>66300</b>	<b>2.60%</b>

3.	Jeeja Valsaraj	01.04.2015	Beginning of the year	23,600	1.86%	23,600	1.86%
		03.10.2016	By way of Bonus Issue(1:1)	23,600	0.93%	47,200	1.86%
		<b>31.03.2016</b>	<b>At the end of the year</b>	<b>47,200</b>	<b>1.86%</b>	<b>47,200</b>	<b>1.86%</b>
4.	K. Venkateshwara Rao	01.04.2015	Beginning of the year	---	---	---	---
		31.03.2016	At the end of the year	---	---	---	---
5.	S. Raja Ram	01.04.2015	Beginning of the year	---	---	---	---
		31.03.2016	At the end of the year	---	---	---	---
6.	M.V.Suryanarayana	01.04.2015	Beginning of the year	---	---	---	---
		31.03.2016	At the end of the year	---	---	---	---
7.	Swaroop Meruva - KMP	01.04.2015	Beginning of the year	---	---	---	---

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

(Rs. in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	77,23,98,599	--	--	50,64,81,872
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>50,64,81,872</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	--	--	--	--
* Reduction	(13,21,56,867)	--	--	(13,21,56,867)
<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	64,02,41,732	--	--	64,02,41,732
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>64,02,41,732</b>	<b>--</b>	<b>--</b>	<b>64,02,41,732</b>

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

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

S.No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		T. Valsaraj MD	G.V.V. Satyanarayana WTD	
1	Gross salary	33,00,000	21,00,000	54,00,000
	(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	33,60,933	16,80,466	50,41,399
5	Others, please specify	--	--	--
	<b>Total (A)</b>	<b>66,60,933</b>	<b>37,80,466</b>	<b>1,04,41,399</b>
	Ceiling as per the Act(10% of Net Profits)	---	---	1,34,43,734

**B. Remuneration to other Directors**

S. No.	Particulars of Remuneration	Name of Directors				Total Amount
		K. Venkateshwara Rao Independent Director	S.Rajaram Independent Director	M.V. Suryanarayana Independent Director	Jeeja Valsaraj Non Executive Director	
1	Independent Directors					
	Fee for attending board committee meetings	40,000	20,000	30,000	---	90,000
	Commission	---	---	---	---	---
	Others, please specify	---	---	---	---	---
	<b>Total (1)</b>	<b>40,000</b>	<b>20,000</b>	<b>30,000</b>	<b>--</b>	<b>90,000</b>
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	---	---	---	40,000	40,000
	Commission	---	---	---	--	--
	Others, please specify	---	---	---	--	--
	<b>Total (2)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>--</b>	<b>--</b>
	<b>Total (B)=(1+2)</b>	<b>---</b>	<b>---</b>	<b>---</b>	<b>40,000</b>	<b>40,000</b>
	<b>Total Managerial Remuneration</b>	<b>40,000</b>	<b>20,000</b>	<b>30,000</b>	<b>40,000</b>	<b>1,30,000</b>
	Overall Ceiling as per the Act( 1% of the Net Profits)	---	---	---		<b>12,90,373</b>

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

S.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	---	3,72,000	---	3,72,000
	(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	---	3,72,000	---	3,72,000

**II. 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 37 years in the varied fields viz., project management, construction, infrastructure development projects and 34 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 12 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 31 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 11 years and has a lot of experience in the administration.

**Sri M.V Suryanarayana (DIN: 00372812): Independent Director**  
**(Appointed w.e.f. 14.09.2015)**

He 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.

**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 2015-16**

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 2015-16, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2015-16, and the comparison of the remuneration to Key Managerial Personnel(KMP) against the performance of the Company are as under:

<b>Sl. No.</b>	<b>Name of Director/ KMP and Designation</b>	<b>Remuneration of Director KMP for the financial year 2015-16(Rs. in Lakhs)</b>	<b>% increase in Remuneration in the Financial Year 2015-16</b>	<b>Ratio of remuneration of each Director/ to median Employees</b>
1.	Mr. T. Valsaraj	66.60	101.85	78.18
2.	Mr.G.V.V. Satyanarayana	37.80	80.02	44.37
3.	Ms. Swaroopa Meruva	3.12	19.23	Not Applicable

ii. The Median remuneration of Employees of the Company during the Financial Year was Rs. 0.852 Lakhs/-.

iii. In the financial year, there was an increase of 9.23% in the median remuneration of employees.

iv. There were 378 permanent employees on the rolls of the Company as on 31st March, 2016.

v. Relationship between average increase in remuneration and Company performance:

The PBT decreased by 20.94% and PAT decreased by 22.40%, whereas the increase in median remuneration was 9.23%. The average increase in median remuneration was in line with the performance of the Company linked with the individual employee performance.

On an average, employees received an annual increase of 7%. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

**vi. Comparison of the Remuneration of the Key Managerial Personnel against the performance of the Company:**

<b>Sno.</b>	<b>Particulars</b>	<b>Ms. Swaroopa Meruva</b>
a	Remuneration in the FY 2016	3,72,000/-
b	Revenue	333,59,01,610/-
c	Remuneration as % of revenue (a/b)	0.0001
d	Profit Before Tax(PBT)	12,39,45,943/-
e	Remuneration as % of PBT (a/d)	0.0030

**vi. Comparison of the Remuneration of the Key Managerial Personnel against the performance of the Company:**

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>	<b>% Change</b>
Market Capitalisation	3,21,58,830	3,25,40,160	(1.17)
Price Earnings Ratio	0.41	0.32	0.09

viii. Average percentile increase made in the salaries of employees other than the managerial Personnel in the financial year 2015-16 was 7%, whereas the increase in the managerial remuneration for the same financial year was 93.35%, The increase in remuneration was in line with the performance of the Company, industrial standards and individual employee performance.

**ix. The key parameters for any variable component of remuneration availed by the directors:**  
The Board of Directors have, at their Meeting held on May 30, 2016, approved payment of commission to the Managing Director and Whole-Time Director at the rate of 2.5% and 1.25% respectively, which is within the ceiling of 5% of the net profits of the Company for each Director, as computed under the applicable provisions of the Act subject to the approval of members at the forth coming Annual General Meeting of the Company. The said commission is decided each year by the Board of Directors and distributed amongst the Managing Director and Whole Time Director.

x. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year :** None.

xi. **Affirmation that the remuneration is as per the remuneration policy of the Company:**  
The Company affirms remuneration is as per the remuneration policy of the Company.

**K.P.Rao Associates**  
Chartered Accountants

7-1-59/4 & 8, Turning Point  
Ameerpet, Hyderabad – 500 016  
Ph : 23748583  
Date: 30.05.2016

**Independent Auditor's Report on Standalone Financial Statements**

**To the Members of Coastal Corporation Limited**

We have audited the accompanying standalone financial statements of Coastal Corporation Limited ('the Company'), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of 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 and presentation 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 there under.

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. 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 2016 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 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 Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - (g) 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 the impact of pending litigations on its financial position in its financial statements – Refer Note no 26 to the financial statements;
    - ii. The Company did not have any material foreseeable losses relating to long – term contracts including derivative contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **K.P.RAO ASSOCIATES**  
Chartered Accountants  
Firm's Reg. No. : 003136S

**VVS BHAGAVAN**  
Partner  
Membership number: 008571

Place : Visakhapatnam  
Date : 30th May 2016

**Annexure - A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) (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 books records.
- (iii) 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 166.44 lakhs to two of the companies in which two of the directors are interested. These advances are purely temporary and have been paid back. No interest was charged as the advances are purely temporary.
- (iv) 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.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company has been generally regular in depositing undisputed statutory dues including provident fund, employee state insurance, income tax, service tax, value added tax, cess and other statutory dues during the year with the appropriate authorities. As on 31<sup>st</sup> March 2016, there are no undisputed statutory dues payable for period exceeding for a period more than six month from the date they become payable.  
  
According to the information and explanations given to us, there were no statutory dues pending in respect of income tax, sales tax, VAT, custom duty and cess etc... On account of any dispute.
- (vii) During the year the Company has not defaulted in repayment of loans or borrowings to the Banks. The company has not taken any loan or borrowings from any financial institution or Banks during the year.

- (viii) The Company was sanctioned a term loan of Rs.14.00 crores for establishing fish feed mill but the loan was not availed during the year.
- (ix) The company has not raised any money by way of public issue from the public
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **K.PRAO ASSOCIATES**  
Chartered Accountants  
Firm's Reg. No. : 003136S

**Sd/-**  
**VVS BHAGAVAN**  
Partner  
Membership number: 008571  
Place : Visakhapatnam

Date : 30<sup>th</sup> May 2016

**Annexure - B to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Coastal Corporation Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on

Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions

are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting which can be further strengthened and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For K.P.RAO ASSOCIATES**  
Chartered Accountants  
Firm's Reg. No. : 003136S

**Sd/-**  
**VVS BHAGAVAN**  
Partner  
Membership number: 008571

Place : Visakhapatnam

Date : 30<sup>th</sup> May 2016

**COASTAL CORPORATION LIMITED  
STANDALONE BALANCE SHEET AS AT 31.03.2016**

S. No.	Particulars	Note No.	As at 31.03.16 (Rs)	As at 31.03.15 (Rs)
	<b>Equity and Liabilities</b>			
1	<b>Shareholders' Funds</b>			
	Share Capital	2	25,422,000	12,711,000
	Reserves and Surplus	3	412,140,938	350,272,950
			<b>437,562,938</b>	<b>362,983,950</b>
2	<b>Non-current Liabilities</b>			
	Long-term Borrowings	4	410,850	8,739,493
	Deferred Tax Liabilities		15,946,698	13,169,341
	Trade Payables	7	5,925,871	8,517,673
	Other Current Liabilities	8	1,000,000	1,584,223
	Other Long-term Liabilities	5	27,898,523	27,734,959
			<b>51,181,942</b>	<b>59,745,689</b>
3	<b>Current liabilities</b>			
	Short-term Borrowings	6	637,940,898	749,930,326
	Trade Payables	7	150,441,916	84,227,806
	Other Current Liabilities	8	26,810,558	27,174,023
	Short-term Provisions	9	62,216,697	72,526,551
			<b>877,410,069</b>	<b>933,858,706</b>
	<b>TOTAL</b>		<b>1,366,154,949</b>	<b>1,356,588,345</b>
	<b>Assets</b>			
1	<b>Non-current Assets</b>			
	Fixed Assets	-	-	-
	Tangible Assets	10	343,466,903	331,749,552
	Capital Work-in-progress	10	188,943	403,494
	Long-term Loans and Advances	11	33,852,983	31,524,181
	Other Non-current Assets	12	131,857,431	71,964,536
			<b>509,366,260</b>	<b>435,641,763</b>
2	<b>Current Assets</b>			
	Investments	13	19,006,606	276,000
	Inventories	14	289,037,483	451,784,521
	Trade Receivables	15	413,472,297	306,043,532
	Cash and Cash Equivalents	16	8,096,345	8,233,243
	Short-term Loans and Advances	11	127,175,958	154,609,286
			<b>856,788,689</b>	<b>920,946,582</b>
	<b>TOTAL</b>		<b>1,366,154,949</b>	<b>1,356,588,345</b>

As per our report of even date attached

For K.PRAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

For and on behalf of the Board

Sd/-  
T.Valsaraj  
Managing Director

Sd/-  
(V.V.S.BHAGAVAN)  
Partner  
M.No.008571  
Date : 30.05.2016  
Place: Visakhapatnam

Sd/-  
Swaroop Meruva  
Company Secretary

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

**COASTAL CORPORATION LIMITED  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016**

<b>S. No.</b>	<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended 31.03.16</b>	<b>For the year ended 31.03.15</b>
	<b>Income</b>			
I	Revenue from Operations	17	3,076,852,743	2,598,797,554
II	Other Operating Income	18	247,851,263	175,724,591
III	Other Income	19	11,197,604	8,560,754
IV	<b>Total Revenue (I+II+III)</b>		<b>3,335,901,610</b>	<b>2,783,082,899</b>
V	<b>Expenses</b>			
	Cost of Materials Consumed	20	2,304,576,697	2,145,548,457
	Processing & Shipment Expenses	21	555,289,088	432,065,244
	Changes in Inventories	22	167,241,270	(145,927,235)
	Employee Benefits Expense	23	47,295,931	41,862,631
	Finance Costs	24	75,766,305	99,196,824
	Depreciation	10	25,450,821	26,091,987
	Other Expenses	25	36,115,527	27,003,212
			-	
VI	<b>Total Expenses</b>		<b>3,211,735,639</b>	<b>2,625,841,120</b>
VII	Prior Year's Expenses		220,028	473,073
VIII	<b>Profit Before Tax (IV-(VI+VII))</b>		<b>123,945,943</b>	<b>156,768,706</b>
IX	<b>Tax Expenses</b>			
	Current tax		42,000,000	52,000,000
	Deferred tax		2,777,357	2,747,842
X	<b>Total Tax Expenses</b>		<b>44,777,357</b>	<b>54,747,842</b>
XI	<b>Profit for the year (VIII-X)</b>		<b>79,168,586</b>	<b>102,020,864</b>
	Significant Accounting Policies and other notes	<b>1 To</b>		
	Earnings per equity share:	<b>36</b>		
	Basic and Diluted		31.14	40.13

As per our report of even date attached

For K.PRAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

**Sd/-**

(V.V.S.BHAGAVAN)  
Partner  
M.No.008571  
Date : 30.05.2016  
Place: Visakhapatnam

**Sd/-**

Swaroopu Meruva  
Company Secretary

For and on behalf of the Board

**Sd/-**

T.Valsaraj  
Managing Director

**Sd/-**

G.V.V.Satyanarayana  
Director (Finance)

**COASTAL CORPORATION LIMITED****Standalone Cash Flow Statement for the year ended 31.03.2016**

<b>Particulars</b>	<b>Year Ended 31.03.2016</b>	<b>Year Ended 31.03.2015</b>
Cash Flow from Operating Activities		
Net Profit before Tax & Extraordinary Item	124,165,971	157,241,779
Adjustment for:		
Depreciation	25,450,821	26,091,987
Interest and Finance Charges	75,766,305	99,196,824
Other Income	(11,197,604)	(8,560,754)
Operating Profit before changes in Working Capital	<b>214,185,493</b>	<b>273,969,836</b>
Adjustment for changes in Working Capital:		
Increase/(Decrease) in Non Current Trade Payables	(2,591,802)	8,517,673
Increase/(Decrease) in Non Current Other Current Liabilities	(584,223)	1,584,223
(Increase)/Decrease in Trade Payables	66,214,110	(25,999,154)
(Increase)/Decrease in Other Current Liabilities	(363,465)	(1,864,254)
(Increase)/Decrease in Short Term Provisions	(5,203,682)	1,516,251
(Increase)/Decrease in Long term loans and advances	(2,328,802)	(20,570,033)
(Increase)/Decrease in other Non Current Assets	(59,892,895)	(32,334,907)
(Increase)/Decrease in Inventories	162,747,038	(148,544,730)
(Increase)/Decrease in Trade Receivables	(107,428,765)	(149,963,933)
(Increase)/Decrease in Short Term Loans and Advances	27,433,328	(15,739,236)
Cash Generated from Operations	292,186,335	(109,428,264)
Income Tax Paid	(51,695,770)	(50,500,000)
Cash Flow before Prior Period Items	240,490,565	(159,928,264)
Prior Period Expenditure	(220,028)	(473,073)
Net Cash Flow from Operating Activities	240,270,537	(160,401,337)
Cash Flow from Investing Activities		
Other Income Received	11,197,604	8,560,754
Investment in Subsidiary	(18,730,606)	(276,000)
Capital Subsidy received towards fixed assets	-	11,148,598
Increase in Capital Work in Progress	(188,943)	(403,494)
Acquisition of Fixed Assets	(37,136,697)	(45,666,767)
Sale of Fixed Assets	372,019	443,573
Net Cash Flow from Investing Activities	(44,486,623)	(26,193,336)
Cash Flow from Financing Activities		
Interest Paid		
Interest and Finance Charges	(75,766,305)	(99,196,824)
Proceeds from Long Term borrowings	(8,328,643)	(31,750,364)
Realization of Calls in arrears	-	
(Increase)/Decrease in Other Long Term Liabilities	163,564	(348,669)
Increase/(Decrease) in Packing Credit Utilization	(111,989,428)	299,954,003
Net Cash Flow from Financing Activities	(195,920,812)	168,658,146
Net Decrease in Cash and Cash Equivalents	(136,898)	(17,936,527)
Cash and Cash Equivalents at the commencement of the year	8,233,243	26,169,770
Cash and Cash Equivalents at the end of the year	8,096,345	8,233,243

As per our report of even date

For K.P Rao Associates

Chartered Accountants

By order of the Board

Sd/-

(V.V.S.Bhagavan)

Partner

MNo. 08571

Sd/-

Swaroop 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 The 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 assests has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

**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 subsquent 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 administred 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 Income Tax 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 progamme under section 135 of The Compinies Act, 2013 are charged of to the satament of profit & loss Account under other expenses**

**Note No. 2 :Share capital**

Particulars	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Authorised :</b> <b>Equity Shares</b>		
1,50,00,000 equity shares of Rs. 10/- each (Previous year 30,00,000 equity shares of Rs.10/- each)	150,000,000	150,000,000
	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Equity Shares</b>		
25,42,200 equity shares of Rs. 10/- each fully paid up (of the above 3,47,725 equity shares of Rs.10/- each allotted for consideration other than cash at a premium of Rs.10/- each and 1,21,775 equity shares of 10/- each allotted in cash at a premium of Rs.10/-) (Previous year 12,71,100 equity shares of Rs. 10/- each fully paid (of the above 3,47,725 equity shares of Rs.10/- each allotted for consideration other than cash at a premium of Rs.10/- and 1,21,775 equity shares of Rs.10/- each allotted in cash at a premium of Rs.10/-) and including 12,71,100 Bonus Equity shares issued during the year	25,422,000	12,711,000
	25,422,000	12,711,000
<b>Total Paid up Equity share capital</b>	<b>25,422,000</b>	<b>12,711,000</b>

Note: The Company has issued Bonus shares in the ratio of 1:1 by utilising the capital redemption reserve amounting to 12,71,100 equity shares of Rs.10/- each

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

Particulars	31-Mar-16 No. of Shares	31-Mar-15 No. of Shares
Shares outstanding at the beginning of the year	1,271,100	1,271,100
Add: Bonus equity shares issued during the year	1,271,100	-
Shares outstanding at the end of the year	2,542,200	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 31.03.16	% holding in the class	No. of Shares 31.03.15	% holding in the class
Equity shares of Rs.10 each fully paid		-		
Eastward Exim & Shipping Pte.Ltd	-	-	101500	7.99
Deepsea Fisheries Management Ltd	-	-	161225	12.68
Top Fortune Marine International Ltd	-	-	121775	9.58
Haribabu Kambampati	195400	7.69	97700	7.69
TVR Estates & Resorts Pvt Ltd	169822	6.68	84911	6.68
Satyasree Achanta	243550	9.58	-	-
Aditya Achanta	322450	12.68	-	-

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

S No.	Particulars	As at 31.03.16 (Rs)	As at 31.03.15 (Rs)
<b>a)</b>	<b>Securities Premium</b>		
	Opening Balance	4,695,000	4,695,000
	Closing Balance	<b>4,695,000</b>	<b>4,695,000</b>
<b>b)</b>	<b>General Reserve</b>		
	Opening Balance	51,838,764	36,838,764
	Add: Transfer from Statement of Profit & Loss	15,000,000	15,000,000
	Closing Balance	<b>66,838,764</b>	<b>51,838,764</b>
<b>c)</b>	<b>Capital Redemption Reserve</b>		
	Opening Balance	13,000,000	13,000,000
	less: Issue of Bonus shares	12,711,000	
	Closing Balance	<b>289,000</b>	<b>13,000,000</b>
<b>d)</b>	<b>Surplus in the Statement of Profit and Loss</b>		
	Opening balance	280,739,186	196,006,111
	Add: Profit for the current year	79,168,586	102,020,864
		359,907,772	298,026,975
	Less: Proposed Dividend @15%	3,813,300	1,906,650
	Less: Tax on Dividend	776,298	381,139
	Less: Transfer to General Reserve	15,000,000	15,000,000
	<b>Closing Balance</b>	<b>340,318,174</b>	<b>280,739,186</b>
	<b>Total reserves and surplus (a+b+c)</b>	<b>412,140,938</b>	<b>350,272,950</b>

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

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Term loans from Banks (Secured)</b>				
a) Term Loan from Bank of India (Ref.note 5a)	100	7,170,287	-	10,712,000
<b>Other loans from Bank (secured)</b>				
b) Secured loan from Bank of India - Car-Liva (Ref.note 5b)	75,323	179,298	133,728	133,728
c) Secured loan from Bank of India - car-innova (Ref note 5c)	-	-		123,698
d) Secured loan from Bank of India - Car - Rapid (Ref.Note 5 d)	-	-	-	221,932
e) Secured loan from Bank of India - Car - Figo (Ref.Note 5 e)	-	-	-	139,702
f) Secured loan from Sundaram Finance Ltd - Trucks (Ref. Note 5f)		1,389,908	1,614,716	2,397,720
g) Secured loan from Bank of India - Car - swift dezire (Ref. Note 5g)	335,427	-	141,540	-
<b>Note: 5a</b> 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> Car Loan secured on hypothecation of car repayable in 60 instalments - No defaults in repayments				
<b>Note: 5c, 5d, 5e, and 5g</b> Car Loans secured on hypothecation of cars repayable in 36 instalments - No defaults in repayments				
<b>Note: 5f</b> Trucks Loan secured on hypothecation of trucks repayable in 36 instalments - No defaults in repayments				
A sum of Rs. 18,89,984/- was disclosed under Other current liabilities(ref.note.8)				
<b>Net amount</b>	<b>410,850</b>	<b>8,739,493</b>	<b>1,889,984</b>	<b>13,728,780</b>

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

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
Trade payables	27,663,564	27,500,000	-	-
Others	234,959	234,959	-	-
<b>Total</b>	<b>27,898,523</b>	<b>27,734,959</b>	<b>-</b>	<b>-</b>

**Note No. 6 : Short - Term Borrowings**

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
Packing credit from Bank of India (secured) 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	-	-	637,940,898	749,930,326
<b>Total</b>	<b>-</b>	<b>-</b>	<b>637,940,898</b>	<b>749,930,326</b>

**Note No. 7: Trade Payables**

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
Trade payables	5,925,871	8,517,673	150,441,916	84,227,806
	<b>5,925,871</b>	<b>8,517,673</b>	<b>150,441,916</b>	<b>84,227,806</b>

**Note No.8: Other Current Liabilities**

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
Current liabilities / Maturities of long-term borrowings	-	-	1,889,984	13,728,780
Other liabilities - Capital works	1,000,000	1,584,223	2,617,170	855,456
Others payables	-	-	16,761,667	7,479,297
Statutory payables	-	-	5,541,737	5,110,490
<b>Total</b>	<b>1,000,000</b>	<b>1,584,223</b>	<b>26,810,558</b>	<b>27,174,023</b>

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

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Other Short-term Provisions</b>				
Provision for Current Tax	-	-	42,304,230	52,000,000
Provision for Expenses	-	-	14,955,249	17,871,142
Provision for Doubtful Advance	-	-	367,620	367,620
Provision for Proposed dividend (including Tax)	-	-	4,589,598	2,287,789
<b>Total</b>	-	-	<b>62,216,697</b>	<b>72,526,551</b>

**Note No. 10 : FIXED ASSETS**

S. No.	Particulars	Gross Block				Accumulated Depreciation				Net Block	
		As at 01/04/2015	Additions	Deletions	As at 31/03/2016	As at 01/04/2015	Depreciation charge for the year	Depreciation on deletions	As at 31/03/2016	As at 31/03/2016	As at 31/03/2015
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a	Tangible Assets										
	Land	38,993,144	-	-	38,993,144	-	-	-	-	38,993,144	38,993,144
	Buildings	140,073,819	19,177,066		159,250,885	15,446,179	4,338,539	-	19,784,718	139,466,167	124,627,640
	Plant and Equipment	180,399,357	15,217,401	66,810	195,549,948	42,737,088	15,313,483	-	58,050,571	137,499,377	137,662,269
	Furniture and Fixtures	7,740,409	906,201		8,646,610	4,590,662	427,835	-	5,018,497	3,628,113	3,149,747
	Vehicles	42,199,232	1,616,188	1588300	42,227,120	17,853,943	4,902,522	1,283,091	21,473,374	20,753,746	24,345,289
	Office equipment	5,492,788	545,990		6,038,778	3,170,265	237,275	-	3,407,540	2,631,238	2,322,523
	Roads	406,473	-	-	406,473	406,473	-	-	406,473	-	-
	Computers	1,840,805	77,345	-	1,918,150	1,191,865	231,167	-	1,423,032	495,118	648,940
	<b>Total</b>	<b>417,146,027</b>	<b>37,540,191</b>	<b>1,655,110</b>	<b>453,031,108</b>	<b>85,396,475</b>	<b>25,450,821</b>	<b>1,283,091</b>	<b>109,564,205</b>	<b>343,466,903</b>	<b>331,749,552</b>
b	Intangible Assets										
	Computer Software	122,150	-	-	122,150	122,150	-	-	122,150	-	-
	<b>Total</b>	<b>122,150</b>	<b>-</b>	<b>-</b>	<b>122,150</b>	<b>122,150</b>	<b>-</b>	<b>-</b>	<b>122,150</b>	<b>-</b>	<b>-</b>
c	Capital Work In Progress										
	Capital Work In Progress	403,494	188,943	403,494	188,943	-	-	-	188,943	403,494	403,494
	<b>Total</b>	<b>403,494</b>	<b>188,943</b>	<b>403,494</b>	<b>188,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,943</b>	<b>403,494</b>	<b>403,494</b>
	<b>Grand Total</b>	<b>417,671,671</b>	<b>37,729,134</b>	<b>2,058,604</b>	<b>453,342,201</b>	<b>85,518,625</b>	<b>25,450,821</b>	<b>1,283,091</b>	<b>109,686,355</b>	<b>343,655,846</b>	<b>332,153,046</b>
	Previous Year	383,193,581	46,070,261	11,592,171	417,671,671	59,426,638	26,554,818	462,831	85,518,625	11,129,340	332,153,046



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

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Advances against Capital Works</b>				
Unsecured, considered good	-	-	209,985	265,580
	-	-	<b>209,985</b>	<b>265,580</b>
<b>Security deposits</b>				
Unsecured, considered good	10718119	9,143,309	-	-
	<b>10,718,119</b>	<b>9,143,309</b>	-	-
<b>Loans and advances to related parties</b> (Unsecured, considered good)				
<b>Advances recoverable in cash or kind</b> (Unsecured, considered good)	23,134,864	22,380,872	41,733,899	59,414,850
Export Benefits Receivable	-	-	82,453,093	90,956,105
Insurance Claim Receivable	-	-	-	3,048,423
Interest Receivable	-	-	1,023,059	-
	<b>23,134,864</b>	<b>22,380,872</b>	<b>125,210,051</b>	<b>153,419,378</b>
<b>Other loans and advances</b>				
Prepaid expenses	-	-	1,124,424	523,992
Advances to employees	-	-	631,498	400,336
	-	-	1,755,922	924,328
<b>Total</b>	<b>33,852,983</b>	<b>31,524,181</b>	<b>127,175,958</b>	<b>154,609,286</b>

Note : A sum of Rs. 12,71,75,958/- was shown under short term loans and advances

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Note no. 12: Other Non Current Assets</b>				
Fixed Deposits with Banks	131,857,431	71,964,536	-	-
	131,857,431	71,964,536	-	-
<b>Note No.13: Investments ( Un-quoted)</b>				
27,600 Equity shares of Rs. 10 each in Contentantal Fisheries India Pvt Ltd	276,000	276,000	-	-
1,75,000 shares each at USD 1 dollar (USD 1,75,000 @ 67.032)	11,730,606	-	-	-
7,00,000 Equity shares of Rs. 10 each in Coastal Developers Pvt Ltd	7,000,000	-	-	-
	<b>19,006,606</b>	<b>276,000</b>	-	-
<b>Note No.14: Inventories</b>				
Inventories				
Finished goods - shrimp (refer note 22)	-	-	270,448,831	437,690,101
Stores and spares	-	-	18,588,652	14,094,420
	-	-	<b>289,037,483</b>	<b>451,784,521</b>

**COASTAL CORPORATION LIMITED**

Particulars	Non-Current		Current	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Note No.15: Trade Receivables</b> Trade receivables Outstanding for a period less than six months from the date they are due for payment, unsecured considered good				
Sale of Goods	-	-	413,472,297	306,043,532
	-	-	<b>413,472,297</b>	<b>306,043,532</b>
<b>Note No.16: Cash and Cash Equivalents</b>				
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	7,836,015	7,910,447
Cash on hand	-	-	260,330	22,796
	-	-	<b>8,096,345</b>	<b>8,233,243</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	131,857,431	71,964,536	-	-
	<b>131,857,431</b>	<b>71,964,536</b>	-	-
Amount disclosed under Other non- current assets (note 12)	<b>131,857,431</b>	<b>71,964,536</b>	-	-

Particulars	For the Year Ended 31.03.16 (Rs.)	For the Year Ended 31.03.15 (Rs.)
<b>Note No.17 : Revenue from Operations</b>		
<b>Revenue from operations</b>		
Sale of products (Shrimp):		
Finished goods	3,076,852,743	2,598,797,554
<b>Total</b>	<b>3,076,852,743</b>	<b>2,598,797,554</b>
<b>Note No.18 Other Operating Income</b>		
Export Benefits	247,851,263	173,000,202
Toll Collection	-	2,724,389
<b>Total</b>	<b>247,851,263</b>	<b>175,724,591</b>
<b>Note No. 19 Other Income</b>		
Interest on Bank deposits	7,734,786	4,756,496
Other income	3,251,040	3,800,000
Credit balance Written back	211,778	4,258
<b>Total</b>	<b>11,197,604</b>	<b>8,560,754</b>
<b>Note No. 20 : Cost of Material consumed</b>		
Inventory at the beginning of the year		
Add: Purchases	2,304,576,697	2,145,548,457
	2,304,576,697	2,145,548,457
Less: Inventory at the end of the year	-	-
Cost of raw material consumed	2,304,576,697	2,145,548,457

**COASTAL CORPORATION LIMITED**

Particulars	For the Year Ended 31.03.16 (Rs.)	For the Year Ended 31.03.15 (Rs.)
<b>Note No. 21 :</b>		
<b>Processing &amp; Shipment Expenses</b>		
Procurement Expenses	2,433,644	3,001,571
Cold Storage Charges	4,881,963	2,766,954
Peeling wages	26,256,783	14,556,456
Plant Electricity Charges	42,048,648	32,309,212
Processing wages	55,106,082	42,546,423
Plant Maintenance	25,079,707	28,720,683
Plant Other Expenses	25,386,741	16,151,644
Agriculture Market Cess	6,757,151	6,758,341
Antidumping Fee	92,842,832	64,141,681
Chemicals	20,184,647	17,048,227
Commission	5,958,671	6,719,601
ECGC Fees	6,573,075	4,538,871
Freight Charges	85,854,528	62,686,826
Ice Purchases	7,113,452	9,728,440
Monitoring Fee	3,420,000	3,370,000
Packing & Stocking	87,141,100	55,413,638
Shipment Expenses	5,804,088	7,952,073
Stock Insurance	5,348,117	6,783,331
Testing charges	7,514,170	12,713,054
Truck Repair & Maintenance	17,623,038	15,809,901
Transportation Expenses	21,960,651	18,348,317
<b>Total</b>	<b>555,289,088</b>	<b>432,065,244</b>

Particulars	Year Ended 31.03.16 (Rs.)	Year Ended 31.03.15 (Rs.)
<b>Note No. 22 : (Increase)/ Decrease in Inventories</b>		
Inventories at the end of the year	-	-
Finished goods - shrimp	270,448,831	437,690,101
Inventories at the beginning of the year	-	-
Finished goods	437,690,101	291,762,866
<b>Total</b>	<b>167,241,270</b>	<b>(145,927,235)</b>
<b>Note No. 23 : Employee Benefits Expense</b>		
Salaries, wages and bonus	41,419,644	33,323,622
Contribution to provident and other funds	3,176,423	2,257,651
Gratuity expense	1,604,172	456,618
Staff welfare expenses	1,095,692	5,824,740
<b>Total</b>	<b>47,295,931</b>	<b>41,862,631</b>
<b>Note No. 24 : Finance Costs</b>		
Interest to Bank	69,035,623	90,796,185
Bank charges	6,730,682	8,400,639
<b>Total</b>	<b>75,766,305</b>	<b>99,196,824</b>

**COASTAL CORPORATION LIMITED**

<b>Particulars</b>	<b>Year Ended 31.03.16 (Rs.)</b>	<b>Year Ended 31.03.15 (Rs.)</b>
<b>Note No.25: Other Expenses</b>		
Audit Fee *	300,000	206,500
Directors Travelling Expenses	2,111,736	2,664,169
Insurance	864,275	1,108,371
Rent ,Rate & Taxes	111,736	350,420
Stock Exchange Listing Fee	216,005	123,596
Telex & telephone	618,056	641,526
Travelling Expenses	2,041,517	1,838,713
Miscellaneous Expenses	13,252,960	10,178,396
Professional Charges	2,886,202	2,400,563
Electricity Charges	164,388	178,389
Postage	400,106	219,159
Factory Rent	9,450	113,400
Plaza Maintenance	-	199,940
C.S.R.Expenses	2,697,697	2,130,070
Directors Remuneration	5,400,000	4,650,000
Commission to Directors	5,041,399	-
<b>Total</b>	<b>36,115,527</b>	<b>27,003,212</b>
<b>*Details of Payments to Auditors</b>		
As Auditor		
Audit Fee	250,000	156,500
Tax Audit Fee	30,000	30,000
other Matters	20,000	20,000
<b>Total</b>	<b>300,000</b>	<b>206,500</b>

**COASTAL CORPORATION LIMITED**

<b>S. No.</b>	<b>Particulars</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
26	Contingent liabilities/claims not provided for :		
	Unexpired Bank Guarantee issued in favour of:		
	- Against letters of credit(SBLC)	17,500,000	12,400,000
	Pending Legal Matters		
	- A claim against the company towards Toll Fee payable to NHA during the agitation period against separation of Andhra State	5,924,000	5,924,000
	- A suit filed against the company by one of the suppliers for non payment of their bills which is contested in appeal	1,000,000	1,000,000
27	Estimated amount of contracts remaining to be executed on account of Capital works	800,000	600,000
28	Opening Stock :		
	ii) Value of Shrimp	437,690,101	291,762,866
	Closing Stock :		
	Value of Shrimp	270,448,831	437,690,101
29	Expenditure incurred in foreign currency :		
	Travelling Expenses		
	- Directors	454,565	681,672
	- others	650,313	491,573
	- Advance	3,035,000	-
	Antidumping Fee	92,842,831	64,141,681
	Marine Rejection Insurance	4,656,901	4,983,966
	Export Claims	-	199,360
	Commission	4,014,139	1,525,322
	B.A.P.Audit fee	1,866,984	3,136,073
	Cold storage charges	3,871,608	2,742,248
	Legal Expenses	1,285,624	2,397,531
	Transportation charges	9,833,261	942,163
	Earnings in Foreign Exchange(FOB)	2,990,998,215	2,536,110,728

**COASTAL CORPORATION LIMITED**

<b>Note</b>	<b>Particulars</b>	<b>2015-2016 Rs.</b>	<b>2014-2015</b>
30	Details of Remuneration to Directors :		
	Sri T. Valsaraj, Managing Director		
	i) Salary	3,300,000	2,700,000
	ii) Commission	3,360,933	-
	Sri G.V.V.Satyanarayana		
	i) Salary	2,100,000	1,950,000
	ii) Commission	1,680,466	-
31	Donations included in Other expenses	107,666	587,600

32 Conformation of balances in case of Debtors and Creditors have not been received.

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.27,77,357/- on account of timing difference in the method of depreciation adopted.

	Rs.
Deferred tax liability provided upto 1.4.15	13,169,341
Deferred tax liability provided during the year	<u>2,777,357</u>
Deferred tax liability as on 31.03.2016	<u>15,946,698</u>

34 Accounting Standard - 18 -- Related Party Disclosure

(i) Names of related parties and description of relationship

Key Management Personnel

- (a) Sri T. Valsaraj - Managing Director
- (b) Sri.G.V.V.Satyanarayana - Whole Time Director
- (c) Smt.Jeeja Valsaraj - Director

Enterprises in which KMP or Relatives having significant influence

- (a) M/s.Balaji Seafoods Ltd. - Associate Company
- (b) M/s Coastal Developers Pvt Ltd - Associate Company
- (c) M/s Continental Fisheries India Pvt Ltd - Wholly owned subsidiary
- (d) M/s Seacrest Seafoods Inc. - Wholly owned subsidiary
- (d) M/s Seacrest Seafoods Inc. - Wholly owned subsidiary

**COASTAL CORPORATION LIMITED**

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

Sl. No.	Name of Party	Relationship	Nature of transaction	Amount Rs.	Balance outstanding on 31.3.16
1)	Sri T. Valsaraj	Managing Director	Remuneration Commission Amount paid Amount Received	33.00 33.61 29.42 1.71	21.19 Cr
2)	M/s.Balaji Seafoods Ltd.	Associate Company	Amount paid Amount Received	144.34 144.34	8.07 Cr
3)	M/s.Coastal Developers Pvt Ltd	Associate Company	Amount paid Amount Received For Purchase of Premises For Invest ments in shares	30.10 30.10 40.00 70.00	Nil
4)	Sri G.V.V.Satyanarayana	Director Finance	Remuneration Amount paid Amount Received Commission	21.00 40.00 40.00 16.80	12.52 Cr
5)	M/s Continental Fisheries India Pvt Ltd	Wholly owned subsidiary	Investment in Equity Advance	2.76 102.68	102.68 Dr
6)	(d) M/s Seacrest Seafoods Inc.	Wholly owned subsidiary	Investment in Equity Sale of Shrimp Amount Received Against Sales	117.30 1618.21  232.28	1385.92Dr

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

36 Previous year's figures have been regrouped wherever necessary.

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

For and on behalf of the Board

**Sd/-**  
(V.V.S.BHAGAVAN)  
Partner  
M.No.008571  
Date : 30.05.2016  
Place: Visakhapatnam

**Sd/-**  
Swaroopu Meruva  
Company Secretary

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

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

**K.P.Rao Associates**  
Chartered Accountants

7-1-59/4 & 8, Turning Point  
Ameerpet, Hyderabad – 500 016  
Ph : 23748583

Date: 30.05.2016

### **Independent Auditors' Report on Consolidated Financial Statements**

#### **To the Members of Coastal Corporation Limited**

We have audited the accompanying consolidated financial statements of Coastal Corporation Limited ("the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"), comprising of the consolidated Balance sheet as at 31<sup>st</sup> March 2016, the consolidated Statement of Profit and loss, 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 is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013 (hereinafter referred to as "the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the 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 preparation of the Consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the 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.

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. 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 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### **Other Matters**

The company has two subsidiaries, one registered in India and the other incorporated in United States of America. Both are wholly owned subsidiaries. We have audited the financial statements of the wholly owned subsidiary company in India whose financial statements reflects total assets of Rs.67.31 lakhs and total revenue of Rs.11.20 lakhs and a profit of Rs.0.19 lakhs for the year ended 31.03.2016. The wholly owned foreign subsidiary company's accounts are reviewed by the auditors in that country which have been considered in the consolidated statements which reflect total assets of Rs.15.43 crores with total revenue of Rs.2.41 crores and a net loss of Rs.1.05 crores. The statements of foreign subsidiary company have been considered in the consolidated statements for the year ended 31<sup>st</sup> March, 2016 which have been furnished to us by the management and our opinion on the statements in so far as it relates the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the auditor of that company.

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

1. As required by sub-section 3 of Section 143 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.
- (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 31 March 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of the subsidiary company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2016 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and

- (g) 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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 26 to the consolidated financial statements;
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivatives contracts. and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and the subsidiary company incorporated in India.

For **K.P.RAO ASSOCIATES**  
Chartered Accountants  
Firm's Reg. No. : 003136S

Sd/-  
**VVS BHAGAVAN**  
Partner  
Membership number: 008571

Place : Visakhapatnam

Date : 30 May 2016

**Annexure - A to the Auditors' Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting of Coastal Corporation Limited ("the Holding Company") and its subsidiary company which is incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The Respective Board of Directors of the Holding Company and its subsidiary company, which is incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the

Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary company, which is incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting which can be further strengthened and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **K.P.RAO ASSOCIATES**  
Chartered Accountants  
Firm's Reg. No. : 003136S

**Sd/-**  
**VVS BHAGAVAN**  
Partner  
Membership number: 008571

Place : Visakhapatnam

Date : 30<sup>th</sup> May 2016

**COASTAL CORPORATION LIMITED  
CONSOLIDATED BALANCE SHEET AS AT 31.03.2016**

	<b>Particulars</b>	<b>Note No.</b>	<b>As at 31.03.16 (Rs)</b>	<b>As at 31.03.15 (Rs)</b>
	<b>Equity and Liabilities</b>			
1	<b>Shareholders' Funds</b>			
	Share Capital	2	25,422,000	12,711,000
	Reserves and Surplus	3	397,499,704	346,420,304
			<b>422,921,704</b>	<b>359,131,304</b>
2	<b>Non-current Liabilities</b>			
	Long-term Borrowings	4	410,850	8,739,493
	Deferred Tax Liabilities	33	16,059,217	13,169,341
	Trade Payables	7	5,925,871	8,517,673
	Other Current Liabilities	8	1,000,000	1,584,223
	Other Long-term Liabilities	5	27,898,523	27,734,959
			<b>51,294,461</b>	<b>59,745,689</b>
3	<b>Current Liabilities</b>			
	Short-term Borrowings	6	637,940,898	749,930,326
	Trade Payables	7	162,183,905	84,227,806
	Other Current Liabilities	8	29,780,558	27,174,023
	Short-term Provisions	9	62,236,697	72,542,521
			<b>892,142,058</b>	<b>933,874,676</b>
	<b>TOTAL</b>		<b>1,366,358,223</b>	<b>1,352,751,669</b>
	<b>Assets</b>			
1	<b>Non-current Assets</b>	-	-	-
	Fixed Assets			
	Tangible Assets	10	348,697,514	337,075,053
	Capital Work-in-progress	10	188,943	403,494
	Long-term Loans and Advances	11	23,852,983	21,524,181
	Other Non-current Assets	12	131,857,431	71,964,536
			<b>504,596,871</b>	<b>430,967,264</b>
2	<b>Current Assets</b>			
	Investments	13	7,000,000	-
	Inventories	14	431,255,612	451,874,521
	Trade Receivables	15	282,251,818	306,043,532
	Cash and Cash Equivalents	16	12,300,930	8,533,376
	Short-term Loans and Advances	11	128,952,992	155,332,976
			<b>861,761,352</b>	<b>921,784,405</b>
	<b>Significant Accounting Policies and Notes 1 To 37</b>			
	<b>TOTAL</b>		<b>1,366,358,223</b>	<b>1,352,751,669</b>

As per our report of even date attached

For K.PRAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

**Sd/-**  
(V.V.S.BHAGAVAN)  
Partner  
M.No.008571  
Date : 30.05.2016  
Place: Visakhapatnam

**Sd/-**  
Swaroopaa Meruva  
Company Secretary

For and on behalf of the Board

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

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

**COASTAL CORPORATION LIMITED  
STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2016**

S. No.	Particulars	Note No.	For the year ended 31.03.16	For the year ended 31.03.15
	<b>Continuing operations</b>			
	<b>Income</b>			
I	Revenue from Operations	17	3,102,088,549	2,601,833,093
II	Other Operating Income	18	247,851,263	175,724,591
III	Other Income	19	11,197,604	8,560,754
IV	<b>Total Revenue (I+II+III)</b>		<b>3,361,137,416</b>	<b>2,786,118,438</b>
V	<b>Expenses</b>			
	Cost of Materials Consumed	20	2,326,960,267	2,145,548,457
	Processing & Shipment Expenses	21	555,787,209	434,363,591
	Changes in Inventories	22	167,196,951	(146,017,235)
	Employee Benefits Expense	23	54,092,779	45,377,597
	Finance Costs	24	75,787,596	99,312,931
	Depreciation	10	26,083,677	26,552,281
	Other Expenses	25	41,739,035	27,591,683
VI	<b>Total Expenses</b>		<b>3,247,647,514</b>	<b>2,632,729,305</b>
VII	Prior Year's Expenses		220,028	473,073
VIII	<b>Profit Before Tax (IV-(VI+VII))</b>		<b>113,269,874</b>	<b>152,916,060</b>
IX	<b>Tax Expenses</b>			
	Current tax		42,000,000	52,000,000
	Deferred tax		2,889,876	2,747,842
X	<b>Total Tax Expenses</b>		<b>44,889,876</b>	<b>54,747,842</b>
XI	<b>Profit for the year (VIII-X)</b>		<b>68,379,998</b>	<b>98,168,218</b>
XI	<b>Profit for the year</b>		<b>68,379,998</b>	<b>98,168,218</b>
	<b>Significant Accounting Policies and Notes</b>	<b>1 To 37</b>		
	Earnings per equity share:			
	Basic and Diluted		26.90	38.62

As per our report of even date attached

For K.PRAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

For and on behalf of the Board

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

**Sd/-**  
(V.V.S.BHAGAVAN)  
Partner  
M.No.008571  
Date : 30.05.2016  
Place: Visakhapatnam

**Sd/-**  
Swaroop Meruva  
Company Secretary

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

**COASTAL CORPORATION LIMITED****Consolidated Cash Flow Statement for the year ended 31.03.2016**

<b>Particulars</b>	<b>Year Ended 31.03.2016</b>	<b>Year Ended 31.03.2015</b>
Cash Flow from Operating Activities		
Net Profit before Tax & Extraordinary Item	113,489,902	153,389,133
Adjustment for:		
Depreciation	26,083,667	26,552,281
Interest and Finance Charges	75,787,596	99,312,931
Other Income	(11,197,604)	(8,560,754)
Operating Profit before changes in Working Capital	204,163,561	270,693,591
Adjustment for changes in Working Capital:		
Increase/(Decrease) in Non Current Trade Payables	(2,591,802)	8,517,673
Increase/(Decrease) in Non Current Other Current Liabilities	(584,223)	1,584,223
(Increase)/Decrease in Trade Payables	77,956,099	(25,999,154)
(Increase)/Decrease in Other Current Liabilities	2,606,535	(1,864,254)
(Increase)/Decrease in Short Term Provisions	(5,199,642)	1,532,221
(Increase)/Decrease in Long term loans and advances	(2,328,802)	(10,570,033)
(Increase)/Decrease in other Non Current Assets	(59,892,895)	(32,334,907)
(Increase)/Decrease in Inventories	20,618,909	(148,634,730)
(Increase)/Decrease in Trade Receivables	23,791,714	(149,963,933)
(Increase)/Decrease in Short Term Loans and Advances	26,379,984	(16,462,926)
Cash Generated from Operations	284,919,438	(103,502,229)
Income Tax Paid	(51,695,770)	(50,500,000)
Cash Flow before Prior Period Items	233,223,668	(154,002,229)
Prior Period Expenditure	(220,028)	(473,073)
Net Cash Flow from Operating Activities	233,003,640	(154,475,302)
Cash Flow from Investing Activities		
Other Income Received	11,197,604	8,560,754
Investment in Subsidiary	(7,000,000)	-
Capital Subsidy received towards fixed assets	-	11,148,598
Increase in Capital Work in Progress	(188,943)	(403,494)
Acquisition of Fixed Assets	(37,674,663)	(51,452,562)
Sale of Fixed Assets	372,019	443,573
Net Cash Flow from Investing Activities	(33,293,983)	(31,703,131)
Cash Flow from Financing Activities		
Interest Paid		
Interest and Finance Charges	(75,787,596)	(99,312,931)
Proceeds from Long Term borrowings	(8,328,643)	(31,750,364)
Realization of Calls in arrears	-	-
(Increase)/Decrease in Other Long Term Liabilities	163,564	(348,669)
Increase/(Decrease) in Packing Credit Utilization	(111,989,428)	299,954,003
Net Cash Flow from Financing Activities	(195,942,103)	168,542,039
Net Decrease in Cash and Cash Equivalents	3,767,554	(17,636,394)
Cash and Cash Equivalents at the commencement of the year	8,533,376	26,169,770
Cash and Cash Equivalents at the end of the year	12,300,930	8,533,376

As per our report of even date

For K.P Rao Associates

Chartered Accountants

Sd/-

(V.V.S.Bhagavan)

Partner

MNo. 08571

Sd/-

Swaroopa Meruva

Company Secretary

Sd/-

T. Valsaraj

Managing Director

Sd/-

G.V.V.Satyanarayana

Director Finance

By order of the Board

**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 The 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.

**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 :**

Provision is made for income tax liability estimated to arise on the results for the year at the current rate of tax in accordance with the Income tax Act, 1961. 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 programme under section 135 of The Companies Act, 2013 are charged of to the statement of profit & loss Account under other expenses**

**Note No. 2 :Share capital**

Particulars	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Authorised :</b>		
<b>Equity Shares</b> 1,50,00,000 equity shares of Rs. 10/- each (Previous year 1,50,00,000 equity shares of Rs.10/- each)	150,000,000	150,000,000
	<b>150,000,000</b>	<b>150,000,000</b>
<b>Issued, subscribed and fully paid-up shares</b>		
<b>Equity Shares</b> 25,42,200 equity shares of Rs. 10/- each fully paid up (of the above 3,47,725 equity shares of Rs.10/- each allotted for consideration other than cash at a premium of Rs.10/- each and 1,21,775 equity shares of 10/- each allotted in cash at a premium of Rs.10/-) (Previous year 12,71,100 equity shares of Rs. 10/- each fully paid (of the above 3,47,725 equity shares of Rs.10/- each allotted for consideration other than cash at a premium of Rs.10/- and 1,21,775 equity shares of Rs.10/- each allotted in cash at a premium of Rs.10/-) and including 12,71,100 Bonus Equity shares issued during the year	25,422,000	12,711,000
<b>Total Paid up Equity share capital</b>	<b>25,422,000</b>	<b>12,711,000</b>

Note: The Company has issued Bonus shares in the ratio of 1:1 by utilising the capital redemption reserve amounting to 12,71,100 equity shares of Rs.10/- each.

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

Equity Shares	31-Mar-16 Numbers	31-Mar-15 Numbers
Shares outstanding at the beginning of the year	1,271,100	1,271,100
Add: Bonus equity shares issued during the year	1,271,100	-
Shares outstanding at the end of the year	2,542,200	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 Share Holders	No. of Shares 31.03.16	% holding in the class	No. of Shares 31.03.15	% holding in the class
Equity shares of Rs.10 each fully paid	'			
Eastward Exim & Shipping Pte.Ltd	-	-	101500	7.99
Deepsea Fisheries Management Ltd	-	-	161225	12.68
Top Fortune Marine International Ltd	-	-	121775	9.58
Haribabu Kambampati	195400	7.69	97700	7.69
TVR Estates & Resorts Pvt Ltd	169822	6.68	84911	6.68
Satyasree Achanta	243550	9.58	-	-
Aditya Achanta	322450	12.68	-	-

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

S No.	Particulars	As at 31.03.16 (Rs)	As at 31.03.15 (Rs)
<b>a)</b>	<b>Securities Premium</b>		
	Opening Balance	4,695,000	4,695,000
	Closing Balance	4,695,000	<b>4,695,000</b>
<b>b)</b>	<b>General Reserve</b>		
	Opening Balance	51,838,764	36,838,764
	Add: Transfer from Statement of Profit & Loss	15,000,000	15,000,000
	Closing Balance	<b>66,838,764</b>	<b>51,838,764</b>
<b>c)</b>	<b>Capital Redemption Reserve</b>		
	Opening Balance	13,000,000	13,000,000
	less: Issue of Bonus Shares	(12,711,000)	-
	Closing Balance	289,000	<b>13,000,000</b>
<b>d)</b>	<b>Surplus in the Statement of Profit and Loss</b>		
	Opening Balance	276,886,540	196,006,111
	Add: Profit for the Current Year	68,379,998	98,168,218
		345,266,538	294,174,329
	Less: Proposed Dividend @15%	3,813,300	1,906,650
	Less: Tax on Dividend	776,298	381,139
	Less: Transfer to General Reserve	15,000,000	15,000,000
	<b>Closing Balance</b>	<b>325,676,940</b>	<b>276,886,540</b>
	<b>Total Reserves and Surplus (a+b+c)</b>	<b>397,499,704</b>	<b>346,420,304</b>

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

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Term loans from Banks (Secured)</b>				
a) Term Loan from Bank of India (Ref.note 5a)	100	7,170,287	-	10,712,000
<b>Other loans from Bank (secured)</b>				
b) Secured loan from Bank of India - Car-Liva (Ref.note 5b)	75,323	179,298	133,728	133,728
c) Secured loan from Bank of India - Car- Innova (Ref note 5c)		-	-	123,698
d) Secured loan from Bank of India - Car - Rapid (Ref.note 5 d)	-	-	-	221,932
e) Secured loan from Bank of India - Car - Figo (Ref.note 5 e)	-	-	-	139,702
f) Secured loan from Sundaram Finance Ltd - Trucks (Ref. note 5f)	-	1,389,908	1,614,716	2,397,720
g) Secured loan from Bank of India - Car - swift Dezire(Ref note 5g)	335,427	-	141,540	-
<b>Note: 5a</b> 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> Car Loan secured on hypothecation of car repayable in 60 instalments - No defaults in repayments				
<b>Note: 5c, 5d, 5e and 5g</b> Car Loans secured on hypothecation of cars repayable in 36 instalments - No defaults in repayments				
<b>Note: 5f</b> Trucks Loan secured on hypothecation of trucks repayable in 36 instalments - No defaults in repayments				
A sum of Rs. 18,89,984/- was disclosed under Other current liabilities(ref.note.8)				
<b>Net amount</b>	<b>410,850</b>	<b>8,739,493</b>	<b>1,889,984</b>	<b>13,728,780</b>

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

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
Trade Payables	27,663,564	27,500,000	-	-
Others	234,959	234,959	-	-
<b>Total</b>	<b>27,898,523</b>	<b>27,734,959</b>	<b>-</b>	<b>-</b>

**Note No. 6 : Short - Term Borrowings**

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
Packing credit from Bank of India (secured) 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	-	-	637,940,898	749,930,326
<b>Total</b>		<b>-</b>	<b>637,940,898</b>	<b>749,930,326</b>

**Note No. 7: Trade Payables**

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
Trade payables	5,925,871	8,517,673	162,183,905	84,227,806
<b>Total</b>	<b>5,925,871</b>	<b>8,517,673</b>	<b>162,183,905</b>	<b>84,227,806</b>

**Note No.8: Other Current Liabilities**

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
Current Liabilities / Maturities of Long-term Borrowings	-	-	1,889,984	13,728,780
Other liabilities - Capital Works	1,000,000	1,584,223	2,617,170	855,456
Others Payables	-	-	19,731,667	7,479,297
Statutory Payables	-	-	5,541,737	5,110,490
<b>Total</b>	<b>1,000,000</b>	<b>1,584,223</b>	<b>29,780,558</b>	<b>27,174,023</b>

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

<b>Particulars</b>	<b>Non-current Liability</b>		<b>Current Liability</b>	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Other Short-term Provisions</b>				
Provision for Current Tax	-	-	42,304,230	52,000,000
Provision for Expenses	-	-	14,975,249	17,887,112
Provision for Doubtful Advance	-	-	367,620	367,620
Provision for Proposed Dividend (including Tax)	-	-	4,589,598	2,287,789
<b>Total</b>	-	-	<b>62,236,697</b>	<b>72,542,521</b>

**Note No. 10 : FIXED ASSETS**

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at 01/04/ 2015	Additions	Deletions	As at 31/03/2016	As at 01/04/ 2015	Depreciation charge for the year	Depreciation on deletions	As at 31/03 /2016	As at 31/03/2016	As at 31/03/2015
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
a Tangible Assets										
Land	38,993,144	-	-	38,993,144	-	-	-	38,993,144	38,993,144	
Buildings	140,073,819	19,177,066	-	159,250,885	15,446,179	4,338,539	-	19,784,718	139,466,167	124,627,640
Plant and Equipment	180,399,357	15,217,401	66,810	195,549,948	42,737,088	15,313,483	-	58,050,571	137,499,377	137,662,269
Furniture and Fixtures	7,740,409	906,201	-	8,646,610	4,590,662	427,835	-	5,018,497	3,628,113	3,149,747
Vehicles	42,199,232	1,616,188	1,588,300	42,227,120	17,853,943	4,902,522	1,283,091	21,473,374	20,753,746	24,345,289
Office Equipment	5,492,788	1,083,956	-	6,576,744	3,170,265	274,631	-	3,444,896	3,131,848	2,322,523
Roads	406,473	-	-	406,473	406,473	-	-	406,473	-	-
Computers	1,840,805	77,345	-	1,918,150	1,191,865	231,167	-	1,423,032	495,118	648,940
Trawlers	16,272,879	-	-	16,272,879	10,947,378	595,500	-	11,542,878	4,730,001	5,325,501
<b>Total</b>	<b>433,418,906</b>	<b>38,078,157</b>	<b>1,655,110</b>	<b>469,841,953</b>	<b>96,343,853</b>	<b>26,083,677</b>	<b>1,283,091</b>	<b>121,144,439</b>	<b>348,697,514</b>	<b>337,075,053</b>
b Intangible Assets										
Computer Software	122,150	-	-	122,150	122,150	-	-	122,150	-	-
<b>Total</b>	<b>122,150</b>	<b>-</b>	<b>-</b>	<b>122,150</b>	<b>122,150</b>	<b>-</b>	<b>-</b>	<b>122,150</b>	<b>-</b>	<b>-</b>
c Capital Work In Progress	403,494	188,943	403,494	188,943	-	-	-	-	188,943	403,494
<b>Total</b>	<b>403,494</b>	<b>188,943</b>	<b>403,494</b>	<b>188,943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,943</b>	<b>403,494</b>
<b>Grand Total</b>	<b>433,944,550</b>	<b>38,267,100</b>	<b>2,058,604</b>	<b>470,153,046</b>	<b>96,466,003</b>	<b>26,083,677</b>	<b>1,283,091</b>	<b>121,266,589</b>	<b>348,886,457</b>	<b>337,478,547</b>
Previous Year	397,770,817	477,765,904	11,592,171	433,944,550	69,913,722	27,015,112	462,831	96,466,003	337,075,053	323,766,943

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

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Advances against Capital Works</b>				
Unsecured, considered good	-	-	209,985	265,580
			<b>209,985</b>	<b>265,580</b>
<b>Security deposits</b>				
Unsecured, considered good	10,718,119	9,143,309	-	-
	<b>10,718,119</b>	<b>9,143,309</b>		
<b>Loans and Advances to Related Parties</b>				
(Unsecured, considered good)	-	-	-	-
<b>Advances Recoverable in Cash or Kind</b>				
(Unsecured, considered good)	13,134,864	12,380,872	43,510,933	60,138,540
Export Benefits Receivable	-	-	82,453,093	90,956,105
Insurance Claim Receivable	-	-	-	3,048,423
Interest Receivable	-	-	1,023,059	-
	<b>13,134,864</b>	<b>12,380,872</b>	<b>126,987,085</b>	<b>154,143,068</b>
<b>Other loans and advances</b>				
Prepaid expenses	-	-	1,124,424	523,992
Advances to employees	-	-	631,498	400,336
	-	-	1,755,922	924,328
<b>Grand Total</b>	<b>23,852,983</b>	<b>21,524,181</b>	<b>128,952,992</b>	<b>155,332,976</b>

Note : A sum of Rs. 12,79,29,933/- was shown under short term loans and advances

Particulars	Non-current Liability		Current Liability	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Note no. 12: Other Non Current Assets</b>				
Fixed Deposits with Banks	131,857,431	71,964,536	-	-
<b>Total</b>	<b>131,857,431</b>	<b>71,964,536</b>	-	-
<b>Note No.13: Investments ( Un-quoted)</b>				
7,00,000 Equity shares of Rs. 10 each in Coastal Developers Pvt Ltd	7,000,000	-	-	-
<b>Total</b>	<b>7,000,000</b>	-		
<b>Note No.14: Inventories</b>				
Inventories				
Finished goods-Shrimp (refer note 22)	-	-	412,532,641	437,690,101
Stores and spares	-	-	18,722,971	14,184,420
<b>Total</b>	-	-	<b>431,255,612</b>	<b>451,874,521</b>



**COASTAL CORPORATION LIMITED**

Particulars	Non-Current		Current	
	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)	As at 31.03.2016 (Rs)	As at 31.03.2015 (Rs)
<b>Note No.15: Trade Receivables</b>				
<b>Trade receivables</b>				
Outstanding for a period less than six months from the date they are due for payment, unsecured considered good				
Sale of Goods	-	-	282,251,818	306,043,532
<b>Total</b>	<b>-</b>	<b>-</b>	<b>282,251,818</b>	<b>306,043,532</b>
<b>Note No.16: Cash and Cash Equivalents</b>				
<b>Cash and cash equivalents</b>				
Balances with banks:				
On current accounts	-	-	11,883,688	8,051,930
Cash on hand	-	-	417,242	481,446
<b>Total</b>			<b>12,300,930</b>	<b>8,533,376</b>
<b>Other bank balances</b>				
Deposits with original maturity for more than 12 months	131,857,431	71,964,536	-	-
Amount disclosed under Other non-current assets (note 12)	<b>131,857,431</b>	<b>71,964,536</b>	<b>-</b>	<b>-</b>
Particulars	Year Ended 31.03.16 (Rs.)		Year Ended 31.03.15 (Rs.)	
<b>Note No.17 Revenue from Operations</b>				
<b>Revenue from operations</b>				
Sale of Products (Shrimp):				
Finished Goods	3,100,968,549		2,598,797,554	
Sale - Tuna	-		3,035,539	
Vessels Hire Charges	1,120,000		-	
<b>Total</b>	<b>3,102,088,549</b>		<b>2,601,833,093</b>	
<b>Note No.18 Other Operating Income</b>				
Export Benefits	247,851,263		173,000,202	
Toll Collection	-		2,724,389	
<b>Total</b>	<b>247,851,263</b>		<b>175,724,591</b>	
<b>Note No. 19 Other Income</b>				
Interest on Bank Deposits	7,734,786		4,756,496	
Other Income	3,251,040		3,800,000	
Credit Balance Written Back	211,778		4,258	
<b>Total</b>	<b>11,197,604</b>		<b>8,560,754</b>	
<b>Note No. 20 : Cost of Material consumed</b>				
Inventory at the beginning of the year	-		-	
Add: Purchases	2,326,960,267		2,145,548,457	
	<b>2,326,960,267</b>		<b>2,145,548,457</b>	
Less: Inventory at the end of the year	-		-	
Cost of raw material consumed	2,326,960,267		2,145,548,457	

**COASTAL CORPORATION LIMITED**

<b>Particulars</b>	<b>Year Ended 31.03.16 (Rs.)</b>	<b>Year Ended 31.03.15 (Rs.)</b>
<b>Note No. 21 :</b>		
<b>Processing &amp; Shipment Expenses</b>		
Procurement Expenses	2,433,644	3,001,571
Cold Storage Charges	4,881,963	2,766,954
Peeling Wages	26,256,783	14,556,456
Plant Electricity Charges	42,048,648	32,309,212
Processing Wages	55,106,082	42,546,423
Plant Maintenance	25,079,707	28,720,683
Plant Other Expenses	25,386,741	16,151,644
Agriculture Market Cess	6,757,151	6,758,341
Antidumping Fee	92,842,832	64,141,681
Chemicals	20,184,647	17,048,227
Commission	5,958,671	6,719,601
ECGC Fees	6,573,075	4,538,871
Freight Charges	85,854,528	62,686,826
Ice Purchases	7,113,452	9,728,440
Monitoring Fee	3,420,000	3,370,000
Packing & Stocking	87,141,100	55,413,638
Shipment Expenses	5,804,088	7,952,073
Stock Insurance	5,348,117	6,783,331
Testing Charges	7,514,170	12,713,054
Truck Repair & Maintenance	17,623,038	15,809,901
Transportation Expenses	21,960,651	18,348,317
Vessel Operation Expenses	498,121	2,298,347
<b>Total</b>	<b>555,787,209</b>	<b>434,363,591</b>
<b>Note No. 22 :</b>		
<b>(Increase)/ Decrease in Inventories</b>		
Inventories at the end of the year	-	-
Finished Goods-Shrimp	270,448,831	437,690,101
Stores	134,319	90,000
	<b>270,583,150</b>	<b>437,780,101</b>
Inventories at the beginning of the year	-	-
Finished Goods-Shrimp	437,690,101	291,762,866
Stores	90,000	-
	<b>437,780,101</b>	<b>291,762,866</b>
<b>Total</b>	<b>167,196,951</b>	<b>(146,017,235)</b>
<b>Note No. 23 : Employee Benefits Expense</b>		
Salaries, Wages and Bonus	48,186,492	33,383,622
Contribution to Provident and Other Funds	3,176,423	2,257,651
Gratuity Expense	1,604,172	456,618
Staff Welfare Expenses	1,095,692	5,824,740
Crew Salaries	30,000	3,454,966
<b>Total</b>	<b>54,092,779</b>	<b>45,377,597</b>

**COASTAL CORPORATION LIMITED**

<b>Particulars</b>	<b>Year Ended 31.03.16 (Rs.)</b>	<b>Year Ended 31.03.15 (Rs.)</b>
<b>Note No.24: Finance Costs</b>		
Interest to Bank	69,035,623	90,909,232
Bank Charges	6,751,973	8,403,699
	<b>7,57,87,596</b>	<b>9,93,12,931</b>
<b>Note No.25: Other Expenses</b>		
Audit Fee *	310,000	216,500
Directors Travelling Expenses	2,111,736	2,664,169
Insurance	1,185,893	1,108,371
Rent ,Rate & Taxes	514,204	525,420
Stock Exchange Listing Fee	216,005	123,596
Telex & telephone	695,540	641,526
Travelling Expenses	2,041,517	2,127,218
Miscellaneous Expenses	14,702,066	10,252,137
Professional Charges	6,233,920	2,441,788
Electricity Charges	164,388	178,389
Postage	415,220	219,159
Factory Rent	9,450	113,400
Plaza Maintenance	-	199,940
C.S.R.Expenses	2,697,697	2,130,070
Directors Remuneration	5,400,000	4,650,000
Commission to Directors	5,041,399	-
<b>Total</b>	<b>41,739,035</b>	<b>27,591,683</b>
<b>*Details of Payments to Auditors</b>		
As Auditor		
Audit Fee	260,000	166,500
Tax Audit Fee	30,000	30,000
other Matters	20,000	20,000
<b>Total</b>	<b>310,000</b>	<b>216,500</b>

**COASTAL CORPORATION LIMITED**

**Note :**

<b>S. No.</b>	<b>Particulars</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
26	Contingent liabilities/claims not provided for :  Unexpired Bank Guarantee issued in favour of: - Against letters of credit(SBLC)  Pending Legal Matters - A claim against the company towards Toll Fee payable to NHAI during the agitation peroid against separation of Andhra State  - A suit filed against the company by one of the suppliers for non payment of their bills which is contested in appel	17,500,000   5,924,000  1,000,000	12,400,000   5,924,000  1,000,000
27	Estimated amount of contracts remaining to be executed on account of Capital works	800,000	600,000
28	Opening Stock : i) Value of Shrimp ii) Stock of Oil  Closing Stock : i) Value of Shrimp ii) Stock of Oil	437,690,101 90,000  431,255,612 134,319	291,762,866 -  437,690,101 90,000
29	Expenditure incurred in foreign currency : Travelling Expenses - Directors - Others - Advnance Antidumping Fee Marine Rejection Insurance Export Claims Commission B.A.P.Audit fee Cold storage charges Legal Expenses Transportation charges Earnings in Foreign Exchange(FOB)	454,565 650,313 3,035,000 92,842,831 4,656,901 - 4,014,139 1,866,984 3,871,608 1,285,624 9,833,261 2,990,998,215	681,672 491,573 - 64,141,681 4,983,966 199,360 1,525,322 3,136,073 2,742,248 2,397,531 942,163 2,536,110,728

**COASTAL CORPORATION LIMITED**

<b>S No.</b>	<b>Particulars</b>	<b>2015-2016 Rs.</b>	<b>2014-2015 Rs.</b>
30	Details of Remuneration to Directors :		
	Sri T. Valsaraj, Managing Director		
	i) Salary	3,300,000	2,700,000
	ii) Commission	3,360,933	-
	Sri G.V.V.Satyanarayana		
	i) Salary	2,100,000	1,950,000
	ii) Commission	1,680,466	-
31	Donations included in Other expenses	107,666	587,600
32	Confirmation of balances in case of Debtors and Creditors have not been received.		
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.28,89,876/- on account of timing difference in the method of depreciation adopted.		
		Rs.	
	Deferred tax liability provided upto 1.4.15	13,169,341	
	Deferred tax liability provided during the year	2,889,876	
	Deferred tax liability as on 31.03.2016	<u>16,059,217</u>	
34	Accounting Standard - 18 — Related Party Disclosure		
(i)	Names of related parties and description of relationship		
	Key Management Personnel		
	(a) Sri T. Valsaraj - Managing Director		
	(b) Sri.G.V.V.Satyanarayana - Whole Time Director		
	(c) Smt.Jeeja Valsaraj - Director		
	Enterprises in which KMP or Relatives having significant influence		
	(a) M/s.Balaji Seafoods Ltd. - Associate Company		
	(b) M/s Coastal Developers Pvt Ltd - Associate Company		
	(c) M/s Continental Fisheries India Pvt Ltd - Wholly owned subsidiary		
	(d) M/s Seacrest Seafoods Inc. - Wholly owned subsidiary		

**COASTAL CORPORATION LIMITED**

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

Sl. No.	Name of Party	Relationship	Nature of transaction	Amount Rs.	Balance outstanding on 31.3.16
1)	Sri T. Valsaraj	Managing Director	Remuneration	33.00	
			Commission	33.61	
			Amount paid	29.42	
			Amount Received	1.71	21.19 Cr
2)	M/s.Balaji Seafoods Ltd.	Associate Company	Amount paid	144.34	
			Amount Received	144.34	8.07 Cr
3)	M/s.Coastal Developers Pvt Ltd	Associate Company	Amount paid	30.10	
			Amount Received	30.10	
			For Purchase of Premises	40.00	
			For Investments in shares	70.00	Nil
4)	Sri G.V.V.Satyanarayana	Director Finance	Remuneration	21.00	
			Amount paid	40.00	
			Amount Received	40.00	
			Commission	16.80	12.52 Cr
5)	M/s Continental Fisheries India Pvt Ltd	Wholly owned subsidiary	Investment in Equity	2.76	
			Advance	102.68	102.68 Dr
6)	M/s Seacrest Seafoods Inc.	Wholly owned subsidiary	Investment in Equity	117.30	
			Sale of Shrimp	1618.21	
			Amount Received		
			Against Sales	232.28	1385.92 Dr

35 consolidated financial statements include the results of Continental Fisheries India Pvt Ltd wholly owned subsidiary carrying on business of Trawler operations and Seacrest Seafoods Inc wholly owned subsidiary carrying on business of distribution of frozen seafood products.

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

37 Previous year's figures have been regrouped wherever necessary.

As per our report of even date attached

For K.PRAO ASSOCIATES  
Chartered Accountants  
Firm Reg.No.003136S.

For and on behalf of the Board

**Sd/-**

(V.V.S.BHAGAVAN)  
Partner  
M.No.008571  
Date : 30.05.2016  
Place: Visakhapatnam

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

**Sd/-**  
Swaroop Meruva  
Company Secretary

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

**COASTAL CORPORATION LIMITED**

**(CIN: L63040AP1981PLC003047)**

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

**ATTENDANCE SLIP**

(To be presented at the entrance of the meeting hall)

Thirty Fifth Annual General Meeting on the 17th day of August , 2016 at 10.30 A.M.

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

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

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

I hereby record my presence at the 35th Annual General Meeting of Coastal Corporation Limited, held on Wednesday, the 17th August, 2016 at 15-1-37/3, Nowroji Road, Maharanipecta, Visakhapatnam - 530 002.

(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) Only Member/Proxyholder can attend the Meeting.

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

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35th Annual General Meeting of the company, to be held on the 17th day of August, 2016 at 10.30 AM at Plant Office: D.No.6-42, Beside Toyota Showroom, Marikavalasa, Visakhapatnam-530 041, Andhra Pradesh, India and at any adjournment thereof in respect of such resolutions as are indicated below:

**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, 2016		
2.	Declaration of Dividend @ 15%.		
3.	Appointment of Mrs. Jeeja Valsaraj as Director		
4.	Ratification of appointment of M/s. K.P. Rao Associates, Chartered Accountants as Statutory Auditors.		
5.	Revision of Remuneration of Mr. T. Valsaraj as Managing Director of the company		
6.	Revision of remuneration of Mr. G.V.V.Satyanarayana, Whole Time Director of the company		
7.	Approval of Related Party Transactions.		

\* Applicable for investors holding shares in Electronic form.

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

Signature of Shareholder      Signature of Proxy holder      Signature the of shareholder  
Across Revenue Stamp

**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.

Affix Revenue  
Stamps