



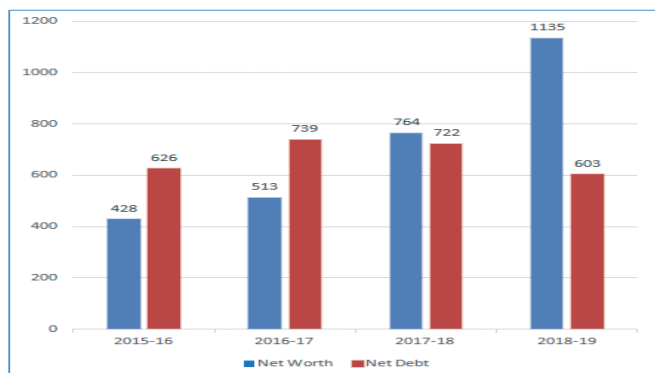
COASTAL CORPORATION LIMITED

**38TH ANNUAL REPORT
2018-2019**

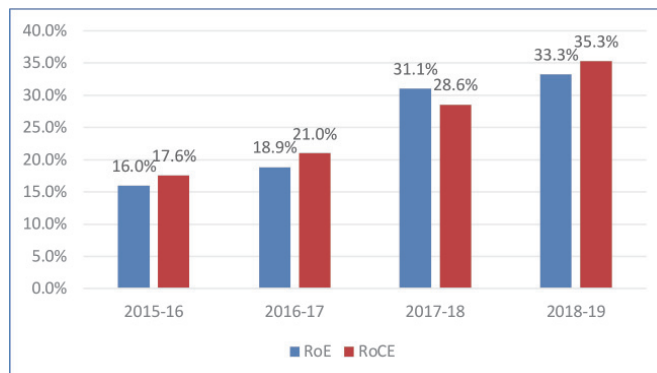


KEY PERFORMANCE INDICATORS

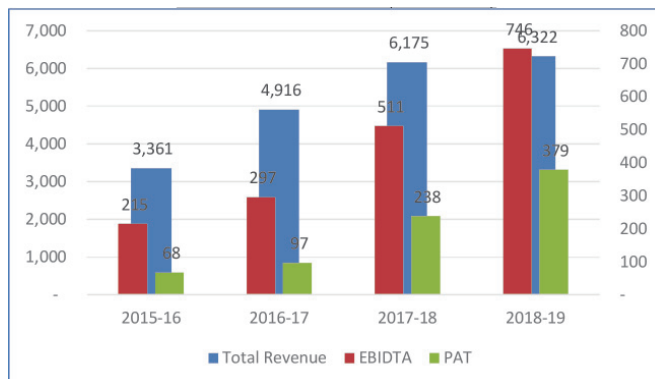
Leverage Position



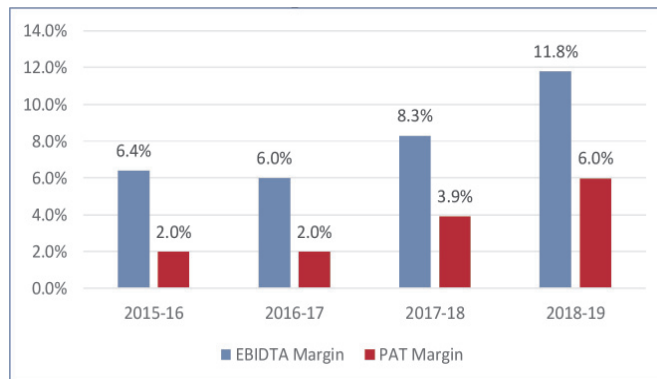
Return Ratios



Financial Performance (Rs Million)



Margin Movement



EQUITY SHARE INFORMATION

BSE CODE
501831

Dividend FY 2018-19
Rs. 1.50/-

KEY FINANCIAL HIGHLIGHTS

Market Cap
Rs.316.24Cr

Sales
Rs.616.00 Cr

Profit After Tax
Rs. 37.92 Cr

38th Annual General Meeting

on Saturday, 31st August, 2019 at 10.30 A.M.
 at Vedika, Hotel Daspalla, Suryabagh,
 Jagadamba Junction, Visakhapatnam - 530020,
 Andhra Pradesh

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COMPANY INFORMATION

BOARD OF DIRECTORS: 1. Mr. T. Valsaraj , Managing Director 2. Mr. G.V.V. Satyanarayana , Director – Finance & CFO 3. Mrs. Jeeja Valsaraj , Non-Executive Director 4. Mr. Kamireddi Venkateswara Rao , Independent Director 5. Mr. M.V.Suryanarayana , Independent Director 6. Mr. Kalyanaraman P.R. , Independent Director COMPANY SECRETARY & COMPLIANCE OFFICER: Ms. Swaroopa Meruva REGISTRAR & TRANSFER AGENT: Bigshare Services Private Limited 306, Right wing, Amrutha Ville, Opp: Yashodha Hospital, Somajiguda, Raj Bhavan Road Hyderabad – 500 082 Telephone No : 040 – 2337 4967 Fax : 040 – 2337 0295 Email : bsshyd@bigshareonline.com	STATUTORY AUDITORS: M/s. K.P. Rao & Co. Chartered Accountants Bangalore SECRETARIAL AUDITORS: M/s. Sambhu Prasad M & Associates Company Secretaries Visakhapatnam INTERNAL AUDITORS: R. Venkata Raman Chartered Accountant Chennai BANKERS: Bank of India Main Branch Visakhapatnam Andhra Pradesh
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BOARD COMMITTEES

AUDIT COMMITTEE:

S.No.	Name of the Director	Nature of Directorship	Designation in Committee
1	Kalyanaraman P R	Non-Executive & Independent Director	Chairman
2	Jeeja Valsaraj	Non Executive Director	Member
3	M.V.Suryanarayana	Non- Executive & Independent Director	Member

NOMINATION & REMUNERATION COMMITTEE:

S.No.	Name of the Director	Nature of Directorship	Designation in Committee
1	M.V.Suryanarayana	Non- Executive & Independent Director	Chairman
2	Jeeja Valsaraj	Non Executive Director	Member
3	Kalyanaraman P R	Non- Executive & Independent Director	Member

STAKEHOLDERS RELATIONSHIP COMMITTEE:

S.No.	Name of the Director	Nature of Directorship	Designation in Committee
1	Jeeja Valsaraj	Non Executive Director	Chairperson
2	K. Venkateswara Rao	Non- Executive & Independent Director	Member
3	G.V.V.Satyanarayana	Executive Director	Member

CORPORATE SOCIAL RESOPONSIBILITY COMMITTEE:

S.No.	Name of the Director	Nature of Directorship	Designation in Committee
1	G.V.V.Satyanarayana	Executive Director	Chairman
2	Jeeja Valsaraj	Non Executive Director	Member
3	K. Venkateswara Rao	Non- Executive & Independent Director	Member

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY EIGHTH** Annual General Meeting of the Members of **COASTAL CORPORATION LIMITED** will be held on Saturday, the 31st day of August, 2019 at 10.30 A.M. at Vedika, Hotel Daspalla, Suryabagh, Jagadamba Junction, Visakhapatnam - 530020, Andhra Pradesh, India, to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2019 including audited Balance Sheet as at 31st March, 2019 and Statement of Profit and Loss for the year ended on that date and the Reports of the Directors and the 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 2018-19.
3. To appoint a Director in place of Smt. Jeeja Valsaraj (DIN: 01064411), who retires by rotation and being eligible, offer herself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the recommendations of the Audit Committee of the Board of Directors of the Company and in terms of the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force, Bramhmayya & Co., Chartered Accountants, Visakhapatnam (Registration No.000513S), be and is hereby appointed as Statutory Auditors of the Company, in place of the retiring Auditors, M/s. K.P.Rao & Co., Chartered Accountants, Bangalore (Registration No.003135S), to hold office from the conclusion of this Annual General Meeting until the conclusion of the Forty Third Annual General Meeting of the Company to be held in the year 2024.”

SPECIAL BUSINESS:

5. Appointment of Mr. K. Venkateswara Rao as an Independent Director

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

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mr. K. Venkateswara Rao (holding DIN: 01678973), who was appointed as an Independent Director of the Company by the Members at their Meeting held on 30th September, 2014, as per Section 161(1) of the Companies Act, 2013 and who holds office only upto the date of this Annual General Meeting, and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for re-appointment be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from the ensuing Annual General Meeting, as per recommendation of the Board and Nomination and Remuneration Committee.

RESOLVED FURTHER THAT the approval for continuation for his appointment as an Independent Director of the Company is also accorded under Regulation (17)(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018 as he will be attaining the age of 75 years on 15.06.2020, for the remaining term of his Directorship as Independent Director of the Company.”

6. Alteration to Memorandum of Association of the Company.

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

“RESOLVED THAT pursuant to the provisions of section 13 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the Rules framed thereunder, as amended from time to time, and subject to the approval of the Registrar of Companies,

Vijayawada and/or any statutory or regulatory authority, as may be necessary, clause III of the Memorandum of Association of the company, be and is hereby altered by inserting the following new sub-clause under Part-B of Clause III, after the existing sub-clause 27".

To give or provide guarantees, corporate guarantee, counter guarantees, indemnities, securities, collateral securities, mortgages or become sureties any other business securities and to guarantee the performance of such persons, societies, trusts, companies including holding and Subsidiary companies or any other juristic persons having dealings with the company in any manner, on such terms, conditions and stipulations as may deem fit.

RESOLVED FURTHER THAT any Director of the company, be and are hereby authorized to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters, things as may be necessary and incidental for giving effect to this resolution, including agreeing to any change to the aforesaid clause of the Memorandum of Association of the company, as may be required by the ROC and/or any statutory/regulatory authority.

7. Approval for entering into Related Party Transactions

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") and the Company's policy on Related Party transaction(s), approval of Shareholders be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with related parties within the meaning of Section 2(76) of the Act and Regulation 2(1)(zb) of the Listing Regulations, for one year on such terms and conditions as the Board of Directors may deem fit, for the financial year 2019-20, provided that the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business of the Company.

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to determine the actual sums to be involved in the transactions and to finalise 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.

"RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to delegate all or any of the powers conferred on it by or under this resolution to any Committee of Directors of the Company and to do all acts and take such steps as may be necessary in this regard."

8. Approval under Section 180(1)(a) of the Companies, Act, 2013

To consider, and if thought fit, to pass, with or without modifications, the following resolution as a **Special Resolution**:

RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to Section 180(1)(a) and other applicable provisions if any, of the Companies Act, 2013 and relevant rules made thereto including any statutory modifications or reenactments thereof, consent of the shareholders of the company be and is hereby accorded, to the Board of Directors of the Company to sell, lease, pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immovable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any movable or immovable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders to secure the amount borrowed by the Company or any third party from time to time for the due payment of the principal and/or together with interest, charges, costs, expenses and all other monies payable by the Company in respect of such borrowings provided that the aggregate indebtedness

secured by the assets of the Company does not exceed a sum of Rs.40,00,00,000/- (Rupees Forty Crores only) for the Company and its subsidiary companies taken together at any time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

Regd. Office:

15-1-37/3,
Jayaprada Apartments,
Nowroji Road, Maharanipeta,
Visakhapatnam-530 002

For and on behalf of the Board

For COASTAL CORPORATION LIMITED

Sd/-
T. Valsaraj
Managing Director

Place: Visakhapatnam

Date: 29.07.2019

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on poll instead of himself/herself and such proxy need not be a member of the Company.
2. 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.
3. Proxies in order to be effective must be received by the Company at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 25.08.2019 to 31.08.2019 (both days inclusive).
5. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate.

In case you are holding Company's shares in physical form, please inform Company's RTA viz. M/s. Bigshare Services Private Limited, 06, 3rd Floor, Right Wing, Amrutha Ville Opp: Yashoda Hospital, Raj Bhavan Road Somajiguda, Hyderabad – 500082 by enclosing a photocopy of blank cancelled cheque of your bank account to update your bank details in our records.

With reference to SEBI circular, the amendment to Regulation 40 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 has mandated that transfer of securities would be carried out only in dematerialized form w.e.f. 01st April, 2019. Therefore we request all the holders of physical certificates to get them dematerialized.

6. M/s. Bigshare Services Pvt. Ltd, 06, 3rd Floor, Right Wing, Amrutha Ville Opp: Yashoda Hospital, Raj Bhavan Road Somajiguda, Hyderabad – 500082 is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/ Company.
8. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. upto the date of the meeting.

10. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting.
11. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
12. 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.
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form are required to submit their PAN details to registrar and share transfer agents.
14. 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 Directors have furnished the requisite declarations for their appointment/ re-appointment.
15. Electronic copy of the Annual Report for the year 2018-19 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 2018-19 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. 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.
18. **Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Members are requested to note that dividends not encashed or remaining unclaimed for a period of 7 (seven) years from the date of transfer to the Company's Unpaid Dividend Account, shall be transferred to the Investor Education and Protection Fund ("IEPF") established by the Central Government. Further, pursuant to the provisions of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as amended from time to time, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to IEPF Authority as notified by the Ministry of Corporate Affairs.

Members who have not yet encashed the dividend warrants from the financial year ended 31st March 2015 onwards are requested to forward their claims to the Company's Registrar and Share Transfer Agent without any further delay. It is in Members' interest to claim any un-encashed dividends and for future, opt for Electronic Clearing Service, so that dividends paid by the Company are credited to the Members' account on time.

Details of Director Seeking Re-appointment at the Annual General Meeting as on 31.03.2019

Particulars	K. Venkateswara Rao	Mrs. Jeeja Valsaraj
Date of Birth	15.06.1945	01.02.1964
Date of Appointment	30.09.2014	01.10.2004
No. of Shares held in the Company	Nil	199200

Annexure to the Notice:

**EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013)**

Item No. 4**APPOINTMENT OF STATUTORY AUDITORS**

In terms of Section 139 of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, made there under, the present Statutory Auditors of the Company M/s. K.P.Rao & Co., Chartered Accountants, Bangalore (Registration No. 003135S) retire at this AGM.

As per the recommendation of the Audit Committee, the Board recommends the appointment of M/s Brahmayya & Co., as the Statutory Auditors of the Company in place of the Retiring Auditors. The proposed auditors shall hold office for a period of five consecutive terms from the conclusion of Thirty Eighth Annual General Meeting till the conclusion of Forty Third Annual General Meeting of the Company.

In accordance with Section 139 of the Act M/s Brahmayya & Co., Chartered Accountants, , have certified that they are eligible to be appointed as the Statutory Auditors of the Company and they satisfy the criteria as provided in Section 141 (3) (g) of Companies Act 2013. The certificate is available for inspection of the Shareholders at the Registered office of the Company during business hours on any working day.

- (a) Proposed fees payable to the statutory auditor(s) is Rs.3,50,000/- (Rupees Three Lakhs Fifty Thousand only) per annum along with terms of appointment.

None of the Directors and /or Key Managerial Personnel of the Company and/or their relatives are in any way concerned or interested (financially or otherwise) in the proposed Ordinary Resolution.

Item No. 5**RE-APPOINTMENT OF Mr K. VENKATESWARA RAO AS INDEPENDENT DIRECTOR OF THE COMPANY:**

Mr. K. Venkateswara Rao has been a Director on the board of the Company with effect from 30.09.2014, in terms of section 149 of the Companies Act, 2013, the members at the Annual General Meeting held on 30th September, 2014 appointed Mr. K. Venkateswara Rao as an Independent Director of the Company to hold office for a term of Five (5) consecutive years with effect from 01.10.2014. Accordingly the current terms of Mr. K. Venkateswara Rao expires at this Annual General Meeting. In terms of Section 149 of the Companies Act, 2013, Mr. K. Venkateswara Rao is eligible for being re-appointed as an Independent Director for another term of Five (5) consecutive years.

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 29th July, 2019, proposed the appointment of Mr. K. Venkateswara Rao subject to the approval of the members at the ensuing Annual General Meeting for another term of Five (5) consecutive years commencing from 1st September, 2019. Mr. K. Venkateswara Rao will not be eligible to retire by rotation.

Mr. K. Venkateswara Rao is independent of the management and possesses appropriate skills, experience and knowledge.

Brief profile of Mr. K. Venkateswara Rao:

Prof. K. Venkateswara Rao, is well-known among the Chemical Engineering Institutions & Petroleum, Refining, Petrochemical and other Chemical Industries. He is now Programme Director, Petroleum Courses, JNTUK, Kakinada.

Prof. Rao established good contacts with industry as a consultant too. He is an expert in feasibility studies for Chemical Process Plants, Safety Energy Audits as well as Hazop and Risk Assessment Studies. Recognizing his research work in biodiesels, Prof. Rao has been invited by the Chairman, Parliament Standing Committee on Petroleum and Natural Gas Government of India to make a presentation on "Strategy for Development of Alternative Resources of Oil and Gas with reference to Biodiesels". Prof. Rao made the presentation on December 12, 2006.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. K. Venkateswara Rao is appointed as an Independent Director of the Company.

Mr. K. Venkateswara Rao is a Member of the Stakeholders Relationship Committee and Corporate Social Responsibility Committee of the Board of Directors of the Company.

He does not hold any shares in the Company. The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services as an Independent Director. Accordingly, the Board recommends the resolution in relation to re-appointment of Mr. K. Venkateswara Rao as an Independent Director, for the approval by the shareholders of the Company. Copy of the draft letter for appointment of Mr. K. Venkateswara Rao as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company.

Further, Mr. K. Venkateswara Rao will attain the age of 75 years on 15th June 2020. According to Regulation (17)(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations 2018, continuation and reappointment of Director who has attained the age of 75 years require members approval through Special Resolution.

As disclosed in his resume above, Mr. K. Venkateswara Rao, has a vast experience that is much needed for the Company's progress and development.

Thus Directors propose to take Members approval beforehand for continuation of his appointment after attaining the age of 75 years.

Except Mr. K. Venkateswara Rao, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

This Explanatory Statement may also be regarded as a disclosure under Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Directors recommend the Resolutions to be approved as Special Resolution.

Item No. 6

ALTERATION TO MEMORANDUM OF ASSOCIATION OF THE COMPANY

Your Company is currently in the phase of development by its own and through its subsidiaries. There is an on going requirement for funds by its subsidiaries for various expansion plans to be executed to carry on the activities by subsidiaries in the ordinary course of business. In this regard there is a necessity for the subsidiaries to avail loans from the banks, for which the bankers require guarantee / security from the holding company for the loans granted to subsidiaries from time to time for carrying their ordinary course of businesses.

Keeping in view of the above, it is in the interest of the Company to include such clause in its Memorandum of Association. Pursuant to the provisions of Section 13 and other applicable provisions of the Companies Act, 2013 alteration of object clause requires the approval of the shareholders by passing of special resolution and such alteration shall be effective only after getting approval from Registrar of Companies, Vijayawada.

The Directors propose to include the sub-clause under Part-B of Clause III, after the existing sub-clause 27 in Memorandum of Association of the Company.

The Directors therefore recommend the resolution at Item No. 6 of the accompanying Notice for the approval of the Members of the Company.

None of the Directors or Key Managerial Personnel of the company are anyway concerned or interested in passing of this Resolution.

Item No. 7

APPROVAL FOR ENTERING INTO RELATED PARTY TRANSACTIONS

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 Members by Special Resolution where transactions proposed to be entered into 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 are authorised to determine the actual sums to be involved in the transactions and to finalise terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions.

The Members are further informed that no Members 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.

Item No. 8

APPROVAL U/S. 180 (1)(A) OF THE COMPANIES ACT 2013

Section 180(1)(a) of the Companies Act, 2013 provides for the power of the Board to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting.

In order to achieve a greater financial flexibility, to enable optimal financial structuring and to facilitate speedy implementation of various projects, it is necessary to empower the Board to sell, lease or otherwise dispose of immovable properties of the Company from time to time where the transactions/consideration /value of property shall not exceed a sum of Rs. 40,00,00,000/- (Rupees Forty Crores only) at any time.

Hence, the Special Resolution at Item No.8 of the Notice is being proposed, that empowers the Board to take necessary decisions in respect of matters cited above.

Special Resolution as set out at Item No. 8 of the accompanying Notice, for members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

Regd. Office:

15-1-37/3,
Jayaprada Apartments,
Nowroji Road, Maharanipeta,
Visakhapatnam-530 002

Place: Visakhapatnam

Date: 29.07.2019

For and on behalf of the Board

For COASTAL CORPORATION LIMITED

Sd/-
T. Valsaraj
Managing Director

E-VOTING:

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternate to its members to cast their votes electronically on all resolutions set forth in the Notice convening the 38th Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 24th August, 2019 (cut-off date), are entitled to vote on the resolutions set forth in this Notice. The e-voting period will commence on Wednesday, 28th August, 2019 (09:00 hrs) and will end on Friday, 30th August, 2019 (17:00 hrs). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date may cast their vote electronically.

The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above. The Company has appointed Mr. Sambhu Prasad, Practicing Company Secretary (CP No. 11723) Mem. No. F8795 to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

ANNEXURE FOR E-VOTING PROCEDURE

A. 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
- (ii) Click on "Shareholders" tab.
- (iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

EVSN Reference No	E-Voting Start Date & Time	E-Voting End Date & Time
190801001	28.08.2019 at 9.00 A.M	30.08.2019 at 5.00 P.M

****Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Saturday, 24th August, 2019 are entitled to vote on the resolutions set forth 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 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 Vikas Rao with Serial Number 1 then enter VI00000001 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.
 - 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 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.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

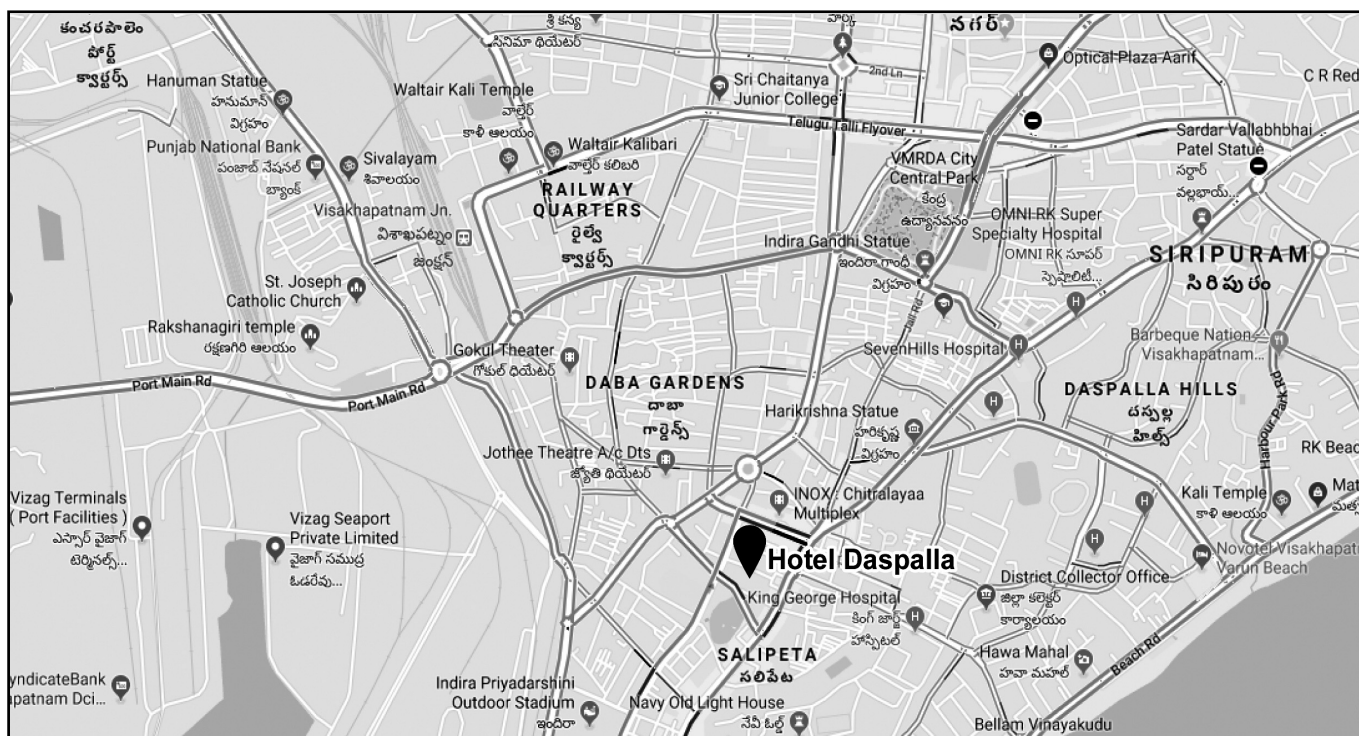
(xix) Note for Non – Individual Shareholders and Custodians

- ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
- ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- ❖ After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- ❖ The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian,

B. In case of members receiving the physical copy of notice of 38th Annual General meeting by courier (for members whose e-mail ids are not registered with the Company/Depositories):

Please follow all steps from Sl. No. (i) to Sl. No. (xvii) Above to cast vote.

ROUTE MAP AND LANDMARK



DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Thirty Eighth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2019 and the report of the Auditors thereon.

1. FINANCIAL SUMMARY

(Rs. in lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018	Year Ended 31.03.2019	Year Ended 31.03.2018
	(STANDALONE)		(CONSOLIDATED)	
Revenue from Operations	46827.01	50695.54	61600.69	61364.66
Other Income	1558.31	305.43	1614.53	383.45
Total Income	48385.32	51000.97	63215.22	61748.11
Profit before Taxation	6642.30	3893.52	6150.34	3777.12
Current Tax	2321.00	1385.00	2321.00	1385.00
Tax relating to earlier years	14.85	0	14.85	0
Deferred Tax Credit/(Charge)	24.78	1.99	22.44	3.48
Profit After Tax(PAT)	4281.67	2506.53	3792.05	2380.01
Total Other Comprehensive Income net of tax	(16.88)	(8.63)	(16.88)	(8.63)
Total Other Comprehensive Income for the year net of tax	4264.79	2497.90	3775.17	2380.01

2. DIVIDEND

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 on 25.08.2019 to 31.08.2019 for the purpose of payment of the Dividend for the Financial Year ended March 31st, 2019, and the Annual General Meeting. The Annual General Meeting is scheduled to be held on 31st August, 2019.

3. AWARDS AND RECOGNITIONS

Your Company is consistently working towards its goal. The hard work of the management was truly recognized when the company was presented FTCCI Excellence Award in recognition of Excellence in Export Performance for the year 2016-17 on 12th July, 2019 by Justice Sri Raghavendra Singh Chauhan, Hon'ble Chief Justice of high Court for the State of Telangana.

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

Continental Fisheries India Private Limited

Continental Fisheries India Private Limited is a wholly owned subsidiary of the Company. The operational performance of the Company is as below:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Revenue from operations	5896.34	3284.59
Profit Before Tax	8.09	3.37
Less:Deferred Tax	-2.34	1.49
Net Profit After Tax	10.43	1.88

Seacrest Seafoods Inc.

Seacrest Seafoods Inc. is a Wholly Owned Subsidiary of the Company which has been established in the Year 2015 in the State of Delaware, U.S.A, with an objective to import and sell sea foods in the American Markets. The operational performance of the Company is as below:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Revenue from operations	9290.58	6765.13
Gross Profit	94.09	212.14
Less:Operating expenses	594.16	467.50
Net Loss	(500.07)	(255.36)

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

Five (5) 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.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All related party transactions are placed before the Audit Committee as also the Board for approval. Prior omnibus approval of the Audit Committee is obtained as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the transactions which are of a foreseen and repetitive nature. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such 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

The term of appointment of M/s. K.P Rao & Co., Chartered Accountants, Bangalore (Firm Reg. No. 03135S) as the Statutory Auditors of the Company expires at this Annual General Meeting. Pursuant to the provisions of Section 139(2) of the Companies Act, 2013 the existing Auditors cannot be reappointed at the ensuing Annual General Meeting and the Board recommends the appointment of M/s. Brahmayya & Co., Chartered Accountants, Visakhapatnam (Firm Reg. No. 000513S) as Statutory Auditors, to hold office for a period of five consecutive

financial years from the conclusion of this Annual General Meeting. Necessary certificate has been obtained from the Auditors as per Section 139(1) of the Companies Act, 2013. The Auditor's observations are suitably explained in notes to the Accounts and are self-explanatory.

9. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sambhu Prasad M & Associates, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as '**Annexure 3**' to this report.

10. INTERNAL AUDITORS

The Board of Directors based on the recommendations of the Audit Committee have appointed Mr. R. Venkata Raman, Chartered Accountant, Chennai for the financial year 2019-20, who has to act in an 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.

11. CREDIT & GUARANTEE FACILITIES

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

12. PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "**Annexure 4**" to this report.

13. MANAGEMENT DISCUSSION ANALYSIS

Pursuant to the provisions of Regulation 34(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a report on Management Discussion & Analysis is herewith annexed as "**Annexure 5**" to this report.

14. CORPORATE GOVERNANCE

The Company has been making every endeavor to bring more transparency in the conduct of its business. As per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a compliance report on Corporate Governance for the year 2018-19 and a Certificate from the Secretarial Auditors of the Company are furnished which form part of this Annual Report as **Annexure – 6, 7 & 8**.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company as part of its Corporate Social Responsibility (CSR) initiative undertook projects like sanitation development, contributions towards the rehabilitation of victims of Natural Calamities, facilitating pure drinking water to the identified rural areas around the factory at Yelamanchili, Andhra Pradesh.

The Report on CSR activities is annexed herewith as '**Annexure 9**' to this report. The CSR Policy is posted on the website of the Company.

16. 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 - 10** to the Board's report.

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors has appointed Mr. K. Venkateswara Rao as an Independent Director of the Company whose term expires with this ensuing Annual General Meeting. The Board has an optimum combination of executive directors, non-executive directors, independent directors along with one women director.

The Board based on the recommendation of Nomination and Remuneration Committee considered the re-appointment of Mr. K. Venkateswara Rao as an Independent Director subject to the approval of shareholders. Accordingly a resolution seeking approval of shareholders for his appointment as an Independent Directors for a period of five years is included at Item No. 5 of the Notice convening the Annual General Meeting.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mrs. Jeeja Valsaraj, Director of the Company retires by rotation and being eligible, has offered herself for re appointment.

All the Independent Directors have given declarations stating that they meet the criteria of independence as per the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There was no resignation and removal of any Key Managerial Personnel during the year.

A brief profile of the Directors of the Company is annexed herewith as **Annexure 11** to this report.

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

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is herewith annexed as **Annexure - 12** to this report.

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

Pursuant to Section 134 (5) of the Companies Act, 2013, your Directors confirm that to the best of their knowledge and belief and according to the information and explanation obtained by them,

- (a) In the preparation of the annual accounts, the applicable accounting standards have 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 the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts for the financial year 2018-19 have been prepared on a going concern basis;
- (e) The directors have laid down internal financial controls, which are adequate and are operating effectively; and
- (f) The Directors have devised proper systems to ensure compliance with the provision of all applicable laws and that such systems were adequate and operating effectively.

20. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS OR TRIBUNALS

During the period under review, in respect of the consent applications filed by the listed entity & its Promoters voluntarily, with Securities and Exchange Board of India (SEBI) pursuant to the provisions of the SEBI (Settlement Proceedings) Regulations, 2018, with regard to certain delayed compliances during the years 1997 till 2014 of disclosure requirements by the listed entity & its Promoters under Regulations 6(2), 6(4) 7(1), 7(2) & 8(3) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Regulation 30(2) read with Regulation 30 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI has passed the Settlement Orders on Application No's. 3838/2019(Company) & 3839/2019(Promoters) vide its Order No's. **SO/EFD-2/SD/277/MAR/2019** (Company) & **SO/EFD-2/SD/278/MAR/2019**(Promoters) - the Company and Promoters remitted a sum of Rs. 27,95,000/- and Rs. 13,12,188/- respectively towards settlement charges.

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

21. MATERIAL CHANGES AND COMMITMENT

There were no material changes and commitments affecting the financial position of the Company that have occurred between the end of the Financial Year 2018-19 of the Company and the date of the report.

Change in the Nature of Business :

There has been no change in the nature of the Business of the Company during the year under review.

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy framed to deal with instance of fraud and mismanagement, if any in the Group. The details of the Policy are explained in the Corporate Governance Report and also posted on the website of the Company (www.coastalcorp.co.in).

23. RISK MANAGEMENT

The Company reviews the process of risk management in your Company. Risk management is interlinked with the annual planning exercise. During the year, the Company manages monitors the principal risks and uncertainties that can impact its ability to achieve its strategic objectives.

24. POLICY ON DIRECTORS' APPOINTMENTS AND REMUNERATION, INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, ETC.**Policy on Director's Appointment and Remuneration and other matters****(a) Procedure for Nomination and Appointment of Directors:**

The Nomination and Remuneration Committee has been formed pursuant to and in compliance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 178 of the Companies Act, 2013. The main object of this Committee is to identify persons who are qualified to become directors and who may be appointed in senior management of the Company, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance, recommend the remuneration package of both the Executive and the Non-Executive Directors on the Board and also the remuneration of Senior Management, one level below the Board. The Committee reviews the remuneration package payable to Executive Director(s) and recommends to the Board the same and acts in terms of reference of the Board from time to time.

On the recommendation of the Nomination and Remuneration Committee, the Board has adopted and framed a Remuneration Policy for the Directors, Key Managerial Personnel and other employees pursuant to the provisions of the Companies Act, 2013 and SEBI Listing Regulations.

The remuneration determined for Executive/Independent Directors is subject to the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors. The Executive Directors are compensated partly by way of salary and partly by way of profit sharing Commission and the Non-Executive Directors are entitled to sitting fees for the Board/Committee Meetings. The remuneration paid to Directors, Key Managerial Personnel and all other employees is in accordance with the Remuneration Policy of the Company.

The Nomination and Remuneration Policy and other matters provided in Section 178(3) of the Act and Regulation 19 of SEBI Listing Regulations have been disclosed in the Corporate Governance Report, which forms part of this Report.

The details of Policy on Directors' appointment and Remuneration (i.e. Nomination and Remuneration Policy), and the criteria for determining qualifications, positive attributes, independence of directors are included in the Report on Corporate Governance forming part of the Board's Report. Further, the information about the elements of remuneration package of individual directors is provided in the extract of the Annual Return in Form MGT-9 enclosed herewith the Board's Report.

25. 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.

26. ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 and other Committees.

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

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

27. PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORK PLACE

Your Company strongly supports the rights of all its employees to work in an environment free from all forms of harassment. The Company has also constituted an Internal Committee, known as Anti Sexual Harassment Committee to address the concerns and complaints of sexual harassment and to recommend appropriate action. The Committee aims to provide protection to Employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where Employees feel secure. During the year there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

28. HUMAN RESOURCES:

Your Company considers its Human Resources as the key to achieve its objectives. Keeping this in view, your Company takes utmost care to attract and retain quality employees. The employees are sufficiently empowered and such work environment propels them to achieve higher levels of performance. The unflinching commitment of the employees is the driving force behind the Company's vision. Your Company appreciates the spirit of its dedicated employees.

29. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

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

30. ACKNOWLEDGEMENTS:

Your Directors take this opportunity to express their sincere appreciation to the shareholders, customers, bankers, suppliers and other business associates for their excellent support and cooperation extended by them.

Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies. The Directors appreciate and value the contribution made by every member of the Coastal family.

On behalf of the Board
For **COASTAL CORPORATION LIMITED**

Sd/-
(T. VALSARAJ)
MANAGING DIRECTOR

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

Place : Visakhapatnam
Date : 29.07.2019

Annexure 1
Form AOC-1
**Statement containing salient features of the financial statement of
Subsidiaries/Associate Companies/Joint Ventures**
Part "A": Wholly Owned Subsidiaries

(Rs. in Lakhs.)

Sl. No.	Particulars	Continental Fisheries India Private Limited	Seacrest Seafoods Inc. (Foreign Subsidiary)
1.	CIN of the Subsidiary	U05000AP2014PTC094907	--
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2018 to 31.03.2019	01.04.2018 to 31.03.2019
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupee (INR)	Rupee (INR) [USD converted to INR]
4.	Share capital	302.76	2047.50
5.	Reserves & surplus	(38.71)	(1084.06)
6.	Total assets	3097.00	3451.17
7.	Total Liabilities	3097.00	3451.17
8.	Investments	NIL	NIL
9.	Turnover	5896.34	9290.58
10.	Profit before taxation	10.43	(500.07)
11.	Provision for taxation	NIL	NIL
12.	Profit/Loss after taxation	10.43	(500.07)
13.	Proposed Dividend	NIL	NIL
14.	% of shareholding	100%	100%

Part "B": Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures
- NIL
As per our report of even date
for, K. P. Rao & Co.,
 Chartered Accountants
 Firm Reg No 0031355

 Sd/-
K. Viswanath
 Partner
 Membership No. 022812
 Place: Visakhapatnam
 Date: 21st May, 2019

for, and on behalf of the Board

 Sd/-
T.Valsaraj
 Managing Director
 (DIN: 0000057558)

 Sd/-
G.V.V.Satyanarayana
 Director (Finance)
 (DIN: 0000187006)

Annexure 2

FORM NO. AOC -2

Particulars of contracts/arrangements made with related parties [pursuant to clause (h) of Sub-Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

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	206.55
Shri. G.V.V. Satyanarayana	Director – Finance & CFO	Ongoing	Remuneration	107.77
M/s. Continental Fisheries India Private Limited	Wholly Owned Subsidiary	Ongoing	Investment in Equity Advance	NIL 861.78
M/s. Seacrest Seafoods Inc.	Wholly Owned Subsidiary	Ongoing	Investment in Equity Sale of Shrimp Amount received against sales	753.30 413.23 1109.25
Jeeja Valsaraj	Director	—	Sitting Fees	1.30
Vineesha Valsaraj	Relative of Director	Ongoing	Salary	2.56
T. Viswanath	Relative of Director	Ongoing	Labour Charges Amount Paid	110.12

As per our report of even date for, K. P. Rao & Co.,
Chartered Accountants
Firm Reg No 0031355

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Annexure 3**Form No. MR-3****SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2019**

To,

**The Members,
M/s Coastal Corporation Limited
15-1-37/3, Nowroji Road,
Jayapradha Apartments, Maharanipeta,
Visakhapatnam – 530 002, Andhra Pradesh**

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 (CIN: L63040AP1981PLC003047) (here-in-after called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the 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, 2019, 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, 2019 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;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable as the Company has not issued any ESOP during the financial year under review;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;
 - (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 - not applicable;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; 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
- (r) Food Safety and Standards Act, 2006 and Food Safety Standards Regulations (FSSR), 2011
- (s) The Sexual Harassment of Workmen at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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) Few Forms were filed with additional fees, this should be reported as deemed compliance by reference of payment of additional fees.

- (ii) During the period under review, in respect of the consent applications filed by the listed entity & its Promoters voluntarily, with Securities and Exchange Board of India (SEBI) pursuant to the provisions of the SEBI (Settlement Proceedings) Regulations, 2018, with regard to certain delayed compliances pertaining to the years 1997 till 2014 of disclosure requirements by the listed entity & its Promoters under Regulations 6(2), 6(4) 7(1), 7(2) & 8(3) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Regulation 30(2) read with Regulation 30 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI has passed the Settlement Orders on Application No's. 3838/2019(Company) & 3839/2019(Promoters) vide its Order No's. **SO/EFD-2/SD/277/MAR/2019** (Company) & **SO/EFD-2/SD/278/MAR/2019**(Promoters) - the Company and Promoters remitted a sum of Rs. 27,95,000/- and Rs. 13,12,188/- respectively towards settlement charges.

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.

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.

During the audit period, the Company has allotted 76,26,600 number of fully paid Bonus shares on 25th May, 2018 in the ratio of three equity share of Rs. 10 each fully paid up for every one existing equity shares of Rs. 10 each fully paid up

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 Sambhu Prasad M & Associates

Practising Company Secretaries

Sd/-

Sambhu Prasad M

Proprietor

FCS No.: 8795

C P No.: 11723

Place: Visakhapatnam

Date: 29.07.2019

*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 Sambhu Prasad M & Associates
Practising Company Secretaries
Sd/-
Sambhu Prasad M
Proprietor
FCS No.: 8795
C P No.: 11723

Place: Visakhapatnam
Date: 29.07.2019

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.

(B) **POWER AND FUEL CONSUMPTION :**

Particulars	Current Year 31.03.2019	Previous year 31.03.2018
Electricity :		
a) Purchase		
Units	81,07,412	69,01,850
Total Amount (in Rs.)	5,37,32,268	5,35,62,621
Rate/Unit (in Rs.)	6.63	7.76
b) Own Generation :		
Through D.G. Units	1,90,961.20	1,75,755.90
Total Amount (in Rs.)	46,35,122.65	33,90,129.11
Unit/Lt. of Diesel Oil	3.05	3.14
Cost/Unit (in Rs.)	24.27	19.29

(C) **TECHNOLOGY ABSORPTION:**

Not Applicable.

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

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

Particulars	2018-19	2017-18
Foreign Exchange Earnings(FOB)	415,39,31,363	427,07,94,419
Foreign Exchange Outgo	14,27,81,014	13,78,34,299

Date : 29.07.2019
Place: Visakhapatnam

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

Annexure 5

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure And Developments

Global Overview

Global farmed shrimp production reached almost 4 mn tonnes in 2018 registering a growth of 3-5% over 2017. The lower production was on the back of strong production growth of 30% in 2017. Around 3 mn tonnes of shrimp entered the international trade in 2018. Year 2018 turned out to be a year of consolidation for the global shrimp industry after a strong performance over the past few years. Conventional markets like US and EU posted marginal growth in imports, while Japan and Australia witnessed nominal decline. The major support to international shrimp trade was provided by Asian markets led by China, East Asia and Middle East. US remained largest importer of shrimp registering growth of 5.1% to 698,000 tonnes in 2018, which China's imports grew by 22% to 458,000 tonnes during 2018.

Shrimp prices in the international markets moderated on the back of some firm prices during the period 2014-2017. Import prices fell to record level in the month of April 2018 amidst a price war between the largest exporter from India and the largest single market the US. Import prices reached some stability between August to December 2018 with some marginal upward improvement. Subsequently, prices have shown substantial stability and have started to improve to an extent.

2019 is expected to be similar in terms of supply like the one in 2018. Rising demand from China is likely to play a significant role in the global shrimp trade. Despite some consolidation in demand for shrimp, increasing health consciousness amongst consumers, rising disposable income, improving standard of livings with rising aspiration levels, greater adaptability for white meat over red meat is likely to drive shrimps demand over the longer run.

India with its long coast line, availability of raw materials, large labor resources and an exclusive economic zone has enormous potential for developing the fisheries and aquaculture on large scale in coastal states. Government has also laid down favorable policies to support aquaculture, generate employment and give a fillip to exports of seafoods. India has firmly established its footprint in the global shrimp trade as it has emerged as one of the largest exporter of shrimps.

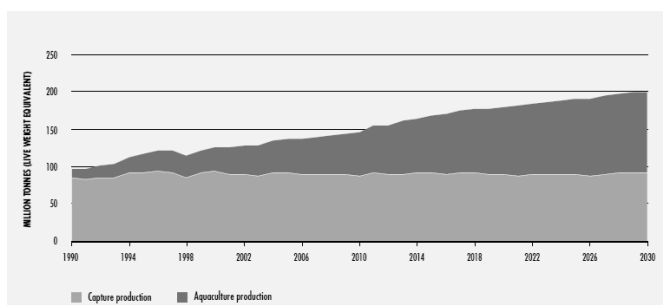
During 2018, India's shrimp exports registered a growth of 7.2% to around 617,000 tonnes as against robust growth of 31% in 2017 to around 575,000 tonnes. US remains largest export market for India with 36% contribution to US shrimp imports. In addition to US, Indian players have managed to diversify to other geographies like Vietnam and China over the past few years and managed to grab decent market share.

Company's Outlook

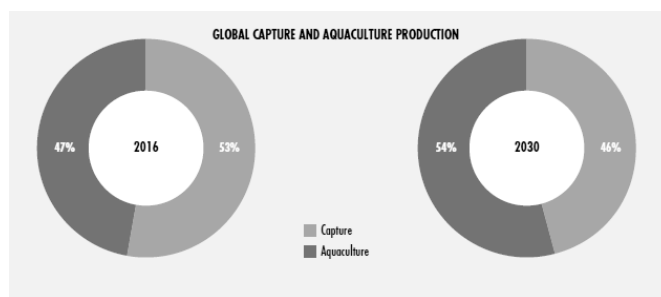
Your Company has already established its long standing presence in the international markets.

FY19 has been a landmark year for the Company. The Company delivered its highest ever annual profit supported by benign raw material prices. The international shrimp prices softened during the beginning of this year due to reduced off take in the US, resulting in lower farmgate prices. However the farmgate prices have started firming up from August 2018, hence farming activity is expected to regain its momentum. The Company has built a strong platform to capitalize the existing and new opportunities in the growing aquaculture industry. The Company endeavors through its quality control division to enhance the quality of products by taking careful steps and to give the products at best prices to the customers.

Production Outlook till 2030



Increased contribution of Aquaculture



Financial Statement Analysis

The Company's key financial highlights are mentioned below (STANDALONE):

- ❖ Revenue from Operation decreased by 7.6% from 50695.54 lakhs in 2017-18 to 46827.01 lakhs.
- ❖ Profit before tax increased by 70% from 3893.52 lakhs in 2017-18 to 6642.30 lakhs.
- ❖ Operating Profit before tax increased by 55.24% from 4824.65 lakhs in 2017-18 to 7490.22 lakhs
- ❖ Net profit increased by 70.8% from 2506.53 lakhs in 2017-18 to 4281.67 lakhs
- ❖ The Company reported an EPS of 41.94 in 2018-19 compared to 24.56 in 2017-18.

The Key Financial ratios of the Company are given below with explanation in case of significant changes: (Standalone)

Financial Ratio	FY 2018-19	FY 2017-18	Change (% / BPS)	Reason for Change
Debtors Turnover Ratio (X)	17.4	10.8	61.92%	During the year, the company adopted Ind-AS, as a result deposite sales - stock-in-transit was considered as Inventory and thereby lower debtors to that extent on books.
Interest Coverage Ratio (X)	9.89	5.67	74.43%	Improved Profitability on account of better utilization, higher contribution of value added products and lower raw material procurement costs
Inventory Turnover Ratio (X)	6.11	9.33	-34.55%	During the year, the company adopted Ind-AS, as a result Inventory were higher to the extent of stock-in-transit. Additionally lower raw-material costs and control on fixed overheads aided overall costs of the company
Current Ratio(X)	1.38	1.14	21.20%	-
Debt Equity Ratio (X)	0.67	1.03	-35.11%	Substantial improvement in the profitability helped internal cashflow generation, which enhanced the network of the company
Operating Profit Margin (%)	16.00%	9.52%	648 BPS	Improved Profitability on account of better utilization, higher contribution of value added products and lower raw material procurement costs
Net Profit Margin (%)	9.11%	4.93%	418 BPS	Improved Profitability on account of better utilization, higher contribution of value added products and lower raw material procurement costs
Return on Net worth(%)	34.18%	30.25%	393 BPS	-

Policy Initiatives by Government to fillip Aquaculture

- ❖ Ministry of Food Processing, Govt. Of India, is encouraging the entrepreneurs for establishing processing factories under "Scheme for Integrated Cold Chain and Value Addition Infrastructure by extending Rs. 10 Crores Grant-in-aid
- ❖ The Govt. Of India is providing Interest Equalization @ 5% in respect of exports by the Micro, Small & Medium Enterprises(MSME) sector manufacturers under the Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit

- ❖ There are various schemes under Andhra Pradesh Food Processing Policy 2015-20 for setting up Cold Chain Units for Establishment of Shrimp Processing Units, eligibility upto 50% of Project Cost and Maximum Limit of Grant-in-aid upto Rs. 5 Crores and interest Subsidy for 5 years from COD @ 6% (Subject to Max. Rs. 2.50 Crores)
- ❖ The State Govt. also provides Fiscal Incentives like Reimbursement of Power Consumption Charges @ Rs. 1.00 per unit for 5 years for Fish & Shrimp Processing Units and other incentives for establishing shrimp processing units in the State of AP.
- ❖ The Central Govt. (Ministry of Commerce & Industry) also provides Export Benefits like Merchandise Export from India Scheme (MEIS) @ 7% on FOB Value in Rupees and Duty Drawback @ 2.7% on FOB value

Mile Stones

The Company has marked its presence in the field of aquaculture by engaging in processing and exporting shrimps. The global shrimp consumption is expected to increase in future, assuring consistent market.

Your Company is consistently working towards its goal. The hard work of the management was truly recognized when the company was presented FTCCI Excellence Award in recognition of Excellence in Export Performance for the year 2016-17 on 12th July, 2019 by Justice Sri Raghavendra Singh Chauhan, Hon'ble Chief Justice of High Court for the State of Telangana.

The enhanced production of the plants situated at Marikavalasa and Yelamanchili in Visakhapatnam District of Andhra Pradesh and also the multidimensional presence of the company will help cater to the increased demand for Shrimp in international markets.

Strengths, Weaknesses, Opportunities and Threats (SWOT Analysis)

Strengths

The Company is one of the leading manufacturer's and exporter of extensive range of Shrimp products. The Company exports shrimps in different forms to quality conscious markets of U.S.A, Europe, Canada, UAE, Saudi Arabia and Hongkong. The company's processing plants are approved by FDA, EU and HACCP certified.

Your company has two processing facilities located in prime aquaculture zone near coastal area of Andhra Pradesh which are backed by highly advanced, modern technology, completely on par with the global standards. It is Coastal's mission to provide the highest level of customer service and satisfaction.

Over the years, Company is committed to develop sustainable business practices in all activities including CSR that will help saving this planet for future generations. We believe that quality comes first and continuously improve the products and services by investing in top-notch R&D and implementing rigorous quality control protocols.

Weaknesses

Although shrimp production has tripled in the recent years, the shrimp culture industry is continued to be concerned about inadequate infrastructure facilities, particularly inadequate power supply to aquaculture farms and inadequate cold store chain available for farmers to store their product.

Opportunities

India is well positioned to take advantage of an increase in global seafood consumption because of our long coast line. India is now the leading exporter of Shrimps to the world and with available resources that are at its disposal, it would continue to be a dominant player even in the future. With an enhanced base for shrimp feed, wider distribution network and improved offerings comprising hatchery and farm care products.

Indian seafood has significant presence in the world seafood in commodity trade, increased commodity diversification has been one of the major strength achieved over the years. The seafood consumption is increasing all over the world. With its long coast line, India is ideally suited for development of the seafood industry. A planned development would provide abundant opportunities for the seafood industry. The international trade scenario is changing fast and the importers are insisting on stringent quality standards.

Threats

In spite of technical advancement, the possibilities of the shrimps getting affected by virus and diseases cannot be ruled out. The activity is dependent on climatic conditions prevailing during season to season, which is unpredictable. Volatility of international prices of shrimps and fluctuating foreign exchange rates and US anti-dumping duty continue to be the major areas of threat for the industry. However, development of the potential domestic market to support exports, strict adherence of traceability, scientific pond management and a judicious approach to prices and forex management are expected to reduce the impact of threats to a great extent.

In 2018, US Department of Commerce had hiked the anti-dumping duty on Indian shrimp imports to 1.82 % from earlier 1.31 % in the preliminary results for the Administrative Review for 2016–2017.

The impact of implementation of Seafood Import Monitoring Programme (SIMP) for shrimp exports into US is a key factor to be watched in Indian exports of shrimps to US. SIMP mandates stringent data requirements to trace the entire supply chain of seafood from the point-of-harvest to the point-of-entry into the US.

Internal Control Systems and Their Adequacy

Coastal internal controls are commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transactions with proper authorization and ensuring compliance with corporate policies. The Company has a well-defined delegation of power with authority limits for approving contracts as well as expenditure.

Coastal has appointed R. Venkata Raman, Chartered Accountant, to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee.

The audit committee reviews reports submitted by the management and audit reports submitted by internal auditors and statutory auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets Coastal's statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically. Based on its evaluation (as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015), our audit committee has concluded that, as of March 31, 2019, our internal financial controls were adequate and operating effectively.

Discussion on financial performance with respect to operational performance

The Financial Statements comply in all material aspects with Indian Accounting Standards (IND AS) notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The company performed excellently well in its business and posted an impressive profit after tax of Rs. 42.81 Crores as compared to Rs. 25.06 Crores during last year and revenues of Rs. 483.85 Crores as compared to Rs. 510.00 Crores during the last year.

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.

The Directors are pleased to recommend a Dividend of Rs 1.50 per share for Fiscal 2019.

Certifications

- ❖ Certificate from NSF Food Safety Certification, LLC, Michigan, USA confirming meeting of Seafood Processing Standard as per Global Aquaculture Alliance (GAA) and Best Aquaculture Practices (BAP)
- ❖ Registration Certificate issued by Halal Committee, Jamiat Ulama- E- Maharashtra for Cooked IQF Shrimps, Balanced IQF Shrimps, Raw IQF Shrimps, Cooked IQF HON Shrimps, Balanced IQF HON Shrimps, Raw IQF HON Shrimps and Block Frozen Shrimps kept at Unit II at Survey No. 87, Dharmavaram Village, S. Rayavaram Mandalam, Yelamanchili, Visakhapatnam.
- ❖ Registration Certificate issued by Halal Committee, Jamiat Ulama- E- Maharashtra on June 21, 2016 for Cooked IQF Shrimps, Blanched IQF Shrimps, Raw IQF Shrimps, Cooked IQF HON Shrimps, Balanced IQF HON Shrimps, Raw IQF HON Shrimps and Block Frozen Shrimps kept at Marikavalasa Village, Paradesipalem Panchayat, Chinnagadila (Mandalam) Visakhapatnam- 531 163 (A.P.)

- ❖ HACCP Compliance Certificate for freezing of Raw and cooked Fish & Fishery products (Block & IQF) for export to all countries including EU and Russian Federation other than Australia.
- ❖ HACCP (Hazard Analysis and Critical Control Point) issued certificate for processing of Raw and Cooked Shrimps in Block and Individually Quick Frozen (IQF) Forms, Primarily Packed in Single or Multilayer Polyethylene. Food Sector- Fish and Fish Products.
- ❖ Best Aquaculture Practices validation Letter issued vide registration no. SGS IN15/50093 and BAP Number P10419 in conjunction with a valid ISO Certification Body Certificate for compliance with GAA/BAP Plant Standard.
- ❖ SGS has certified that the Company has been assessed and certified as meeting the requirements of Global Standard for Food Safety and achieved Grade A for processing of Raw and Cooked Shrimps in Block and individually Quick Frozen (IQF) Forms, Primarily Packed in Single or Multi layer polyethylene.
- ❖ SGS has certified that the Company has been assessed and certified as meeting the requirements of Global Aquaculture Alliance Best Aquaculture Practices (BAP) Sea Food Processing Plant for Production of Frozen Raw & Cooked Shrimps.
- ❖ SGS issued a Certificate during 10/10/2016 certifying that the Company has been assessed and certified as meeting the requirements of SA 8000:2008 for receiving, Pre Processing, Processing, Freezing, Storage and Export of Frozen Shrimps.
- ❖ Certificate of Conformity issued by NSF International in compliance to HACCP Codex Alimentarius Commission for Raw and Cooked shrimps frozen (IQF) & Raw Shrimps frozen in block form.
- ❖ Certificate of Registration issued by Registrar Corp to registered company with the U.S. Food and Drug Administration pursuant to the Federal Food Drug and Cosmetic Act, as amended by the Bioterrorism Act of 2002 and the FDA Food safety Modernization Act.
- ❖ FFRM (Food Facility Registration Module) has renewed the FDA – Food Facility Registration vide registration no. 12211857218.
- ❖ Export Inspection Council of India has issued renewal Certificate of Approval for Packing of Fresh/ Chilled Fish & Fishery Products and Freezing of Raw/ Cooked Fish & Fishery Products and for exports to all Countries excluding Australia.
- ❖ Export Inspection Council of India has granted renewal Certificate of Approval for Freezing of Raw/ Cooked Fish & Fishery Products (Block & IQF) and for exports to all Countries excluding Australia & Customs Union.
- ❖ NSF Certification awarded Certificate of Conformity with Grade- A to Coastal Corporation Limited for Global Standard for Food Safety Standards.
- ❖ NSF Food Safety Certification, LLC has evaluated and found that company has meet all the requirements of Global Aquaculture Alliance (GAA) and Best Aquaculture Practices (BAP) Sea food Processing Standard Issue 4, Revision 2 for food safety.

Approvals from other Authorities

- i. Inspector of Facilities
- ii. Pollution Control Board
- iii. Labor Office
- iv. Fire Department, etc.,

Cautionary Statement

Statements in this management discussion analysis describing the Company's objectives, projections, estimates, expectations may be forward looking within the meaning of applicable securities-laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could make difference to Company's operations include economic conditions affecting the overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

Annexure 6

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2018-2019 **(As required under Regulation 27(2) of the SEBI (LODR) Regulations, 2015)**

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The essence of Corporate Governance lies in its transparency, its efficiency lies in its ability to protect the stakeholders' interest. This is precisely what your Company's governance process and practice ventured to achieve; a transparency and professionalism in action as well as the implementation of policies and procedure to ensure high ethical standards as well as responsible management.

The Company believes in abiding by the Code of Governance so as to be a responsible corporate citizen and to serve the best interests of all the stakeholders, viz., the employees, shareholders, customers, vendors and the society at large. The Company seeks to achieve this goal by being transparent in its business dealings, by disclosure of all relevant information in an easily understood manner, and by being fair to all stakeholders, by ensuring that the Company's activities are managed by a professionally competent and independent Board of Directors.

A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is as under:

2. BOARD OF DIRECTORS

SIZE OF THE BOARD

The composition of Board is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The strength of Board as on 31st March, 2019 is Six Directors. The Board comprises of Executive and NonExecutive Directors. The Managing Director and a Whole-time Director are the two Executive Directors. There are Four Non-Executive Directors, of which three Directors, are Independent Directors and one Non – Executive/ Woman Director.

(a) Composition and Category of Directors:

As on 31st March, 2019, the strength of the Board of Directors is Six (6) and its composition is as follows:

(i) Executive Directors	
Mr. T. Valsaraj	- Chairman & Managing Director – Promoter
Mr. G.V.V.Satyanarayana	- Whole-time Director designated as Director Finance cum CFO
(ii) Non-Executive Director	
Smt Jeeja Valsaraj	- Non-Executive Woman Director
(iii) Non- Executive Independent Directors	
Prof. Kamireddi Venkateswara Rao	- Independent Director
Mr. M.V. Suryanarayana	- Independent Director
Mr. Kalyanaraman P.R	- Independent Director

(b) Board Meetings & Related Information:

During the year, 5 (Five) meetings of the Board of Directors were held on:

07/04/2018	25/05/2018	31/07/2018	14/11/2018	09/02/2019
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Every Director has personally attended at least one Board/Committee of Directors' Meeting in the financial year 2018-19.

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 as on 31.03.2019	No. of Committee Membership in other public Companies as on 31.03.2019	
		Held	Attended			Member	Chairman
Mr. T. Valsaraj (DIN No. 00057558)	Managing Director	5	5	Present	—	—	—
Mr. G.V.V.Satyanarayana (DIN No. 00187006)	Whole time Director	5	5	Present	—	—	—
Mrs. Jeeja Valsaraj (DIN No. 01064411)	Non- Executive Women Director	5	5	Present	—	—	—
Mr. Kalyanaraman P.R (DIN No.01993027)	Independent Director	5	4	—	3	—	—
Mr. K. Venkateswara Rao (DIN No. 01678973)	Independent Director	5	5	Present	—	—	—
Mr. M.V.Suryanarayana (DIN No. 00372812)	Independent Director	5	4	Present	—	—	—

In terms of Schedule V (C) (2) (e) and Regulation 36 (3) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, none of the Directors are related to each other except Mrs. Jeeja Valsaraj, wife of Mr. T.Valsaraj, Managing Director of the Company.

Disclosure of Shareholding of Non-Executive Directors:

Shareholding of the Directors as on 31.03.2019

(Own or held by/for other persons on a beneficial basis)

Mrs. Jeeja Valsaraj#	199200 Equity Shares
Mr. K. Venkateswara Rao#	Nil
Mr. Kalyanaraman P.R	Nil
Mr. M.V.Suryanarayana	Nil

Director seeking re-appointment at this Annual General Meeting.

Orientation of newly elected directors and updation strategy

Newly elected directors are apprised on the functioning of the Company, the directors are intimated of the changes as and when they happen.

Access to information

The Directors, including independent directors, visit the various manufacturing locations of the Company. They are not necessarily accompanied by the Managing Director. The purpose is to ensure that the independent directors have free and independent access to the Company's officials and records, so that they can form an independent opinion about the state of affairs of the Company.

Apart from this, reports of the audit carried out by the internal auditors and the statutory auditors are circulated to all the directors.

It is ensured that the Board receives qualitative and quantitative information in line with the best management practices adopted.

Code of Conduct for Board of Directors and Senior Management

The Company has adopted a Code of Conduct for Board of Directors and Senior Management (the Code). The Code has been communicated to the Directors and the members of Senior Management. The Code has also been posted on the Company's website at www.coastalcorp.co.in. All Board members and senior management have confirmed compliance with the Code for the year ended 31st March, 2019. The Annual Report contains a declaration to this effect signed by the Managing Director.

Expertise of Board of Directors

The following is the list of core skills/expertise/competencies identified by the Board of Directors as required in the context of the Company's aforesaid business(es) for it to function effectively and those available with the Board as a whole.

- i) **Sales & Marketing:** Experience in sales and marketing management based on understanding of the consumer & consumer goods industry
- ii) **International Business experience:** Experience in leading businesses in different geographies/markets around the world
- iii) **General management/Governance:** Strategic thinking, decision making and protect interest of all stakeholders
- iv) **Financial skills:** Understanding the financial statements, financial controls, risk management, mergers and acquisition, etc.
- v) **Technical skills and professional skills** and knowledge including legal and regulatory aspects.

3. COMMITTEES:

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder. The Board periodically reviews the composition and terms of reference of its Committees in order to comply with any amendments/modifications to the provisions relating to composition of Committees under the Listing Regulations, Companies Act, 2013 and the Rules issued thereunder.

The number of directorships and the positions held on Board Committees by the directors are in conformity with the limits on the number of Directorships and Board Committee positions as laid down in the Companies Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations as on 31st March, 2019.

(i) AUDIT COMMITTEE:

The Audit Committee comprises of the following 3 (Three) Directors as members:

Mr. M.V.Suryanarayana, Mrs. Jeeja Valsaraj and Mr. Kalyanaraman P.R.

Mr. Kalyanaraman P.R, a Non-Executive Independent Director, is the Chairman of the, Audit Committee.

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, guarantee 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. Mr. Kalyanaraman P.R. is the Chairman of the Audit Committee. During the period under review, Five(5) meetings of the Audit committee were held on 07.04.2018, 25.05.2018, 31.07.2018, 14.11.2018 and 09.02.2019, 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.	Mr. Kalyanaraman	Chairman	Independent Director	4
02.	Mr. M.V. Suryanarayana	Member	Independent Director	4
03.	Mrs. Jeeja Valsaraj	Member	Non Executive Director	5

The terms of reference of the Audit Committee are as outlined in the Act, and the Listing Regulations.

Besides this, another meeting of the Audit Committee was held on 21.05.2019 at which meeting the Audited Annual Accounts for the year ended 31st March, 2019, were placed before the Committee for consideration. The representatives of the Statutory Auditors also attend the Audit Committee meetings.

The Internal Auditors report directly to the Audit Committee.

(ii) NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration committee comprises of the following 3 (Three) Directors as members:

Mr. M.V.Suryanarayana, Mrs. Jeeja Valsaraj and Mr. Kalyanaraman P.R. .

Mr. M.V.Suryanarayana, a Non-Executive Independent Director, is the Chairman of the, Nomination and Remuneration committee.

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

- 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,
- formulation of criteria for evaluation of Independent Directors and the Board,
- devising a policy on Board diversity,
- 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.

Any other functions / powers / duties as may be entrusted by the Board from time to time. The Company has adopted a policy relating to the remuneration for Directors, Key Managerial Personnel and other employees of the Company which is disclosed on the website of the Company.

Mr. M.V.Suryanarayana, the Chairman of the Nomination & Remuneration Committee, was present at the last Annual General Meeting held on 11th September, 2018.

There were 2 meetings of the Nomination & Remuneration Committee during the year ended 25.05.2018 & 31.07.2018.

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

Sl.No.	Name of the Director	Designation	Category	No. of Remuneration Committee meetings attended
01.	Mr. M.V.Suryanarayana	Chairman	Independent Director	1
02.	Mr. Kalyanaraman P.R	Member	Independent Director	1
03.	Mrs. Jeeja Valsaraj	Member	Non Executive Director	2

Remuneration Policy:

The objective of the policy is to have a compensation framework that will reward and retain talent. The remuneration will be such as to ensure that the correlation of remuneration to performance is clear and meets appropriate performance benchmarks. Remuneration to Key Managerial Personnel, Senior Management and other employees will involve a balance between fixed and variable pay reflecting short and long term performance objectives of the employees in line with the working of the Company and its goals.

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 the Whole Time Director

The Non-Executive Directors are also paid sitting fees for attending the meetings of the Board within the limits prescribed under the Companies Act as approved by the Board. Apart from the sitting fees paid by the Company, the Non-Executive Directors other than Mrs. Jeeja Valsaraj, in their individual capacity, did not have any pecuniary relationship or transactions with the Company during the financial year 2018-19.

During the year 2018-19 the Company paid sitting fees to its Non-Executive Directors for attending meetings of the Board/Committees. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The details of remuneration (including perquisites and allowances) as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, for FY 2018-19 are as follows:

Name of Director	Designation	Remuneration Rs.
Sri T.Valsaraj	Managing Director	Rs. 2,75,000/- P.M from 01.04.2018 to 31.03.2019+2.5% as a % of Net Profits
Sri G.V.V.Satyanarayana	Whole-time Director	Rs. 1,75,000/- P.M from 01.04.2018 to 31.03.2019+1.25% as a % of Net Profits

(iii) STAKEHOLDER RELATIONSHIP COMMITTEE:

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

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

Mrs.Jeeja Valsaraj, a Non-Executive Director, is the Chairman of the, Stakeholders' Relationship Committee.

Stakeholders Relationship Committee looks 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	0
No. of complaints resolved during the year	0
No. of complaints pending at the end of the year	Nil

Normally all complaints/queries are disposed of expeditiously. The Company had no complaints pending at the close of the financial year. The Committee reviews the security transfers/transmissions, process of dematerialization and the investors' grievances and the systems dealing with these issues.

The Committee considers and resolves the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends. The Committee attends to share-transfer formalities every fortnight and all other matters incidental or related to shares.

As mandated by SEBI, the quarterly Reconciliation of Share Capital Audit, highlighting the reconciliation of total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) vis-a-vis the total issued and listed capital is being carried out by a Practicing Company Secretary. This Audit confirms that the total issued and paid up capital is in agreement with the total number of shares held in physical and dematerialized form with NSDL and CDSL.

As on 31st March, 2019, 90,65,763 Equity Shares of Rs. 10/- each representing 89.15% of the total no. of shares are in dematerialized form. During the period 9 (Nine) meetings of the committee were held on 06.04.2018, 24.05.2018, 25.06.2018, 31.07.2018, 28.08.2018, 16.10.2018, 14.11.2018, 09.01.2019 and 25.02.2019 respectively.

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.	Mrs. Jeeja Valsaraj	Chairman	Non-Executive Director	9
02.	Mr. K. Venkateswara Rao.	Member	Independent Director	6
03.	Mr. G.V.V.Satyanarayana	Member	Whole Time Director designated as Director – Finance Cum CFO	9

Independent Directors' Meeting

Pursuant to the provisions of Section 149 of the Companies Act, 2013, the Independent Directors of the Company has been appointed for a period of 5 years.

Separate meeting of Independent Directors

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. During the year under review, the Independent Directors met once on the 9th day of February, 2019, 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.
- 3 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, Jayapada Apartments, Nowroji Road
 Maharani-peta, Visakhapatnam – 530 002
 Andhra Pradesh, India

(iv) CSR COMMITTEE:

The CSR Committee comprises of the following 3 Directors as Members:
 Sri. G.V.V. Satyanarayana, Sri. K. Venkateswara Rao, Smt. Jeeja Valsaraj
 Sri. G.V.V. Satyanarayana is the Chairman of CSR Committee.

During the period, 2 (Two) meetings of the committee were held on 07.04.2018 and 08.02.2019.

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.	Mr. G.V.V. Satyanarayana	Chairman	Whole Time Director designated as Director – Finance Cum CFO	2
02.	Mr.K. Venkateswara Rao	Member	Independent Director	2
03.	Mrs. Jeeja Valsaraj	Member	Non – Executive Director	2

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.

FAMILIARIZATION PROGRAMME FOR BOARD MEMBERS

A formal familiarization programme was conducted about the amendments in the Companies Act, 2013, Rules prescribed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and all other applicable laws of the Company.

It is the general practice of the Company to notify the changes in all the applicable laws from time to time in every Board Meeting conducted.

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
2017-2018	11.09.2018	No special resolution passed during the year	10.30 AM D.No.6-42, Marikavalasa, Besides Toyota Showroom, Visakhapatnam-530 041, Andhra Pradesh, India
2016-2017	29.09.2017	No special resolution passed during the year	
2015-2016	17.08.2016	Special resolution passed during the year	

Postal Ballot was conducted in Financial Year 2018-19 for the purpose of capitalization of reserves by way issue of Bonus Equity Shares in the ratio of 3:1.

EXTRA-ORDINARY GENERAL MEETING DURING THE PERIOD (2018-19):

During the year under review, 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:

All transactions entered into with the Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, during the financial year were in the ordinary course of business and on arm's length basis and do not attract provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year that may have potential conflict with the interests of the Company at large.

Related party transactions have been disclosed in Note 30 to the financial statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review. Omnibus approval was obtained for transactions which were repetitive in nature. Transactions entered into pursuant to omnibus approval were placed before the Audit Committee for its review during the year. The Company has a Related Party Transaction Policy in place, which has been posted on the website of the Company.

- b) Your Company has complied with all the requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets. However during the year under review, the Company remitted a sum of Rs. 27,95,000/- towards settlement charges in respect of the consent applications filed by the listed entity with Securities and Exchange Board of India (SEBI) pursuant to the provisions of the SEBI (Settlement Proceedings) Regulations, 2018, with regard to certain delayed compliances pertaining to the years 1997 till 2014 of disclosure requirements by the listed entity & its Promoters under Regulations 6(2), 6(4) 7(1), 7(2) & 8(3) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Regulation 30(2) read with Regulation 30 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

There were no other penalties imposed or strictures passed against your Company by the statutory authorities in this regard.

- c) The company has established a whistle bowler policy. No personnel has been denied access to the Audit Committee.
- d) 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.
- e) The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of SEBI Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2019.
- f) The Company does not have any Material Subsidiary as defined under Regulation 16 of SEBI Listing Regulations. It is, therefore, not required to have an Independent Director of the Company on the Board of such Subsidiary. The Policy on determining "material" subsidiaries can be viewed at: www.coastalcorp.co.in

- g) Audit qualifications: During the year under review, there was no audit qualification on your Company's financial statements.
- h) Reporting of Internal Auditor: The internal auditor may report directly to the audit committee.
- i) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Status of Complaints:

No. of complaints received during the year	0
No. of complaints resolved during the year	0
No. of complaints pending at the end of the year	Nil

- j) Credit Rating

The Company sustained its good financial health with a sizeable treasury income. The Company has maintained its credit rating at CRISIL BBB/STABLE, indicating moderate degree of safety with respect to timely servicing of financial obligations and moderate credit risk, for borrowings with a tenure of more than one year.

The rating for short term facilities of tenure less than one year, has also been maintained at CRISIL A3+,

- k) The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated 15th November, 2018 is not required to be given.
- l) There were no instances of raising of funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of the Listing Regulations.
- m) A certificate from M/s. Sambhu Prasad M & Associates., Company Secretaries, as to the Directors of the Company not being debarred or disqualified is enclosed herewith as an '**Annexure-7**'.
- n) In terms of the amendments made to the Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.
- o) Total fees for all services paid by the listed entity of which the statutory auditor is a part - Rs.3,50,000/- (Rupees Three Lakh Fifty Thousand only)

(viii) MEANS OF COMMUNICATION:

The Quarterly results, intimation of Board Meetings date, Record Date, Book Closure of the Company are displayed on the BSE websites through BSE Listing Centre and published in the newspapers within 48hrs from the conclusion of the Board meeting.

Financial results and other information are displayed in the Investor Relations section on the company's Website: www.coastalcorp.co.in, Press Release, Investors Meet and Investor Presentations are also uploaded on the BSE website as well as the Company's website.

(ix) GENERAL SHAREHOLDERS INFORMATION:

Thirty Eighth Annual General Meeting of the Company:

Date & Time	31.08.2019 & 10.30AM
Venue	Vedika, Hotel Daspalla, Suryabagh, Jagadamba Junction, Visakhapatnam - 530020, Andhra Pradesh, India.

i)	Financial Year	1 st April to 31 st March.	2019-2020
ii)	Financial Calendar(Tentative)	Period	Approval of Quarterly Results
		1 st Quarter ending 30.06.2019	1 st week of August, 2019
		2 nd Quarter & half year ending 30.09. 2019	1 st week of November, 2019
		3 rd Quarter ending 31.12.2019	2 nd week of February, 2020
		4 th Quarter & Year ending 31.03.2020	Last week of May, 2020
iii)	Date of Book Closure	25.08.2019 to 31.08.2019	
iv)	Dividend Payable Date	Within 30 days from the date of declaration	
v)	Listing on Stock Exchanges	Bombay 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 for the Financial Year 2019	High-443.15Low-42.13	
viii)	Stock Code: BSEISIN (for Dematerialization)	Scrip ID : coastcorp - Scrip code : 501831 ISIN : INE377E01016	
ix)	CIN No	L63040AP1981PLC003047	
x)	Board Meeting for consideration of Accounts for the financial year ended March 31, 2019 and recommendation of dividend	21 st May, 2019	
xi)	Credit Rating	CRISIL Rating - "BBB/STABLE" : CRISIL A3+	

The Listing fees for the year 2019-20 has been paid to Bombay Stock Exchange

(xi). Share Transfer System:

Transfers 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.

In compliance with the 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 & NSDL, is placed before the Board on a quarterly basis. A copy of the Audit Report is submitted to the Stock Exchanges.

(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 For Business relation : marketing@bigshareonline.com For Investor Query /Grievances: investor@bigshareonline.com
Branch Office	Bigshare Services Private Limited 306, Right wing, Amrutha Ville, Opp: Yashodha Hospital Somajiguda, Raj Bhavan Road Hyderabad – 500 082 Telephone No : 040 – 2337 4967; Fax : 040 – 2337 0295 Email : bsshyd@bigshareonline.com

Registered Office of the Company

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

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

- Unit I** - Marikavalasa(V), Paradesipalem Panchayat, **Visakhapatnam dist.**
Unit II - P. Dharmavaram Village, S.Rayavaram Mandal, **Visakhapatnam Dist**

Shareholding Pattern:

S.No	Category	As at 31 st March'2019	
		No. of Shares	% of Total No. of Shares
1	Promoters	3327040	32.71
2	Body Corporates	174884	1.72
3	NRIs	2878686	28.31
4	Indian Public	3788190	37.26
	Total	1,01,68,800	100.00%

(xiii) Dematerialization of Equity Shares and Liquidity:

The Company's Equity Shares are listed on Bombay Stock Exchange with a view to provide liquidity to the Shareholders. The Company's Equity Shares can be dematerialized.

The MOU with CDSL & NSDL 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:**

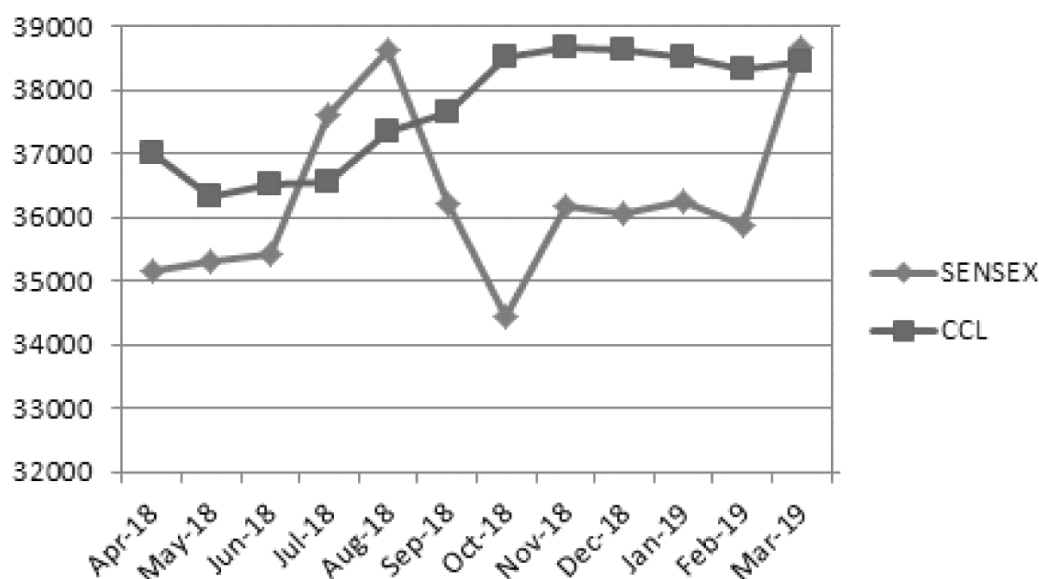
Dividends, other than interim dividend(s), are to be declared at the annual general meeting of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, 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:**

Market Price data- high, low during each month in last Financial Year:

Month	Highest	Lowest	BSE Sensex Highest	BSE Sensex Lowest	No. of shares traded
Apr 2018	88.30	88.30	35213	32973	305
May 2018	166.15	42.30	35994	34303	1351
Jun 2018	56.45	48.65	35877	34785	513
Jul 2018	57.55	57.55	37645	35107	1
Aug 2018	115.75	58.70	38990	37129	15
Sep 2018	152.50	118.05	38934	35986	647
Oct 2018	329.65	155.55	36617	33292	9199
Nov 2018	443.15	336.05	36389	34303	99869
Dec 2018	405.10	332.55	36555	34426	83901
Jan 2019	381.70	331.35	36701	35376	35557
Feb 2019	400.00	274.55	37172	35287	428958
Mar 2019	365.40	294	38749	35927	263356

Comparison of the Company's share price with BSE Sensex in FY19:



(xvi) Outstanding GDRs or ADRs or warrants or any convertible instruments, conversion date and likely impact on equity: The Company has not issued any GDRs / ADRs / 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 31.03.2019:

Shareholding	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 to 5000	857	43.9487	729490	0.7174
5001 to 10000	607	31.1282	4833940	4.7537
10001 to 20000	228	11.6923	3627500	3.5673
20001 to 30000	68	3.4872	1658750	1.6312
30001 to 40000	76	3.8974	2911650	2.8633
40001 to 50000	21	1.0769	983020	0.9667
50001 to 100000	33	1.6923	2553480	2.5111
100001 to 999999999	60	3.0769	84390170	82.9893
Total:	100	100.00	101688000	100

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

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2019.

CEO/CFO Certification:

We, T.Valsaraj, Managing Director and G.V.V.Satyanarayana, Chief Financial Officer, to the best of our knowledge and belief, certify that:

- a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended March 31, 2019 and to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material factor contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d. We have indicated to the auditors and the Audit Committee:
 - i. significant changes in the internal control over financial reporting during the year;
 - ii. Significant changes in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. that there are no instances of significant fraud of which they have become aware of and involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **COASTAL CORPORATION LIMITED**

Date: 29.07.2019
Place: Visakhapatnam

Sd/-
T.Valsaraj
Managing Director

Sd/-
G.V.V.Satyanarayana
Chief Financial Officer

Annexure 7

CERTIFICATE RELATING TO NON-DISQUALIFICATION OF DIRECTORS

To,

The Members,
 Coastal Corporation Limited,
 15-1-37/3, Nowroji Road,
 Jayapradha Apartments,
 Mharanipeta, Visakhapatnam,
 Andhra Pradesh 530002),

Based on our verification of the declarations provided to Coastal Corporation Limited (hereinafter referred to as 'the Company') by the Directors (as enlisted in Table A) and the documents and details available on the website of the Ministry of Corporate Affairs, BSE Limited, and publicly available details of cases/litigations filed against any individuals as on 31.03.2019, we hereby certify that in our opinion, the Directors of the Company (as enlisted in Table-A) are neither debarred nor disqualified from being appointed or continuing as directors of the Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authorities.

We have followed processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the declarations. We believe that the processes and practices, we followed provide a reasonable basis for our certification.

TABLE-A

S.NO.	NAME OF DIRECTOR	DIN
1.	Valsaraj Thottoli	00057558
2.	G.V.V. Satyanarayana	00187006
3.	Venkata Suryanarayana Malakapalli	00372812
4.	Jeeja Valsaraj	01064411
5.	Venkateswara Rao Kamireddi	01678973
6.	Pandithacholanaloor Ramaswamy Kalyanaraman	01993027

For **Sambhu Prasad M & Associates**
 Practicing Company Secretaries

Sd/-
Sambhu Prasad.M
 Proprietor
 FCS No. 8795
 C.P. No. 11723

Place: Visakhapatnam
 Date: 29.07.2019

Annexure 8**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

The Members of Coastal Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Coastal Corporation Limited ("the Company") for the year ended on March 31, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

We conducted our examination in accordance with Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India (the ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

In our opinion and according 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 regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2019.

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

For K.P.Rao & Co.
Chartered Accountants
Firm Reg. No. 003135S

Sd/-
K.Viswanath
Partner
Membership No. 022812

Place : Visakhapatnam
Date : May 21, 2019

Annexure 9

Annual Report on Corporate Social Responsibility (CSR)

SNo.	Particulars	Amount/Status
1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken	The CSR activities we pursue will be in line with our policy and Mission focused around our plants and offices, but also in other geographies based on the needs of the communities.
2	Composition of the CSR Committee	1. Shri. G.V.V. Satyanarayana 2. Shri. Kamireddi Venkateswara Rao 3. Smt. Jeeja Valsaraj
3	Average Net Profits of the Company for the last three financial years (FY 2015-16, 2016-17 and 2017-18)	Rs.2435.66 Lakhs
4	Prescribed CSR expenditure(2 % on the amount mentioned in item 3 above)	Rs. 48.71 Lakhs
5	Details of CSR spent during Financial year 2018-19 :	Rs. 8.24 Lakhs
6	Total Amount to be spent for the FY 2018-19	Rs. 48.71 Lakhs
7	Amount unspent, if any	Rs.109.34 Lakhs
8	Reasons for not spending the amount:	The Company is in the process of search for viable projects where it can contribute for the betterment of the people at and around the factory premises

Manner in which the amount spent during the Financial year 2018-19 is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects	Cumulative expenditure upto to the reporting period.	Amount spent: through implementing agency * (Rs.)Coastal Charitable Foundation
1	i. Setting Up an RO plant for providing safe drinking water (Continuation of the Old Project)	To Provide Safe Drinking Water	P.Dharmavaram, S. Rayavaram Mandal, Visakhapatnam Dist., Andhra Pradesh	Rs.1,00,000/-	Rs.86,050/-	Rs.86,050/-	Rs.86,050/-
	ii. Contribution to Natural Calamities	Kerala Flood Relief	Distribution of Clothes & Provisions to Kerala Flood Victims from Visakhapatnam Dist. AP.	Rs.3,56,870/-	Rs.3,56,870/-	Rs.3,56,870/-	Rs.3,56,870/-
	iii. Contribution to health Centres	Health Care	Local Visakhapatnam Dist.	Rs.2,19,734/-	Rs.2,19,734/-	Rs.2,19,734/-	Rs.2,19,734/-
	iv. Others	Enhancing Livelihood	P. Dharmavaram Visakhapatnam Dist.	Rs. 1,61,800/-	Rs.1,61,800/-	Rs.1,61,800/-	Rs. 1,61,800/-
	TOTAL						Rs.8,24,454/-

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.

Place : Visakhapatnam
Date : 29.07.2019

Sd/-
G.V.V. Satyanarayana
Chairman CSR Committee

Annexure 10

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2018

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	Public Company/Limited by Shares
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 : bsshyd@bigshareonline.com

I. 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:-

No of Companies for which information is being filled					2
S.No.	Name and Address of the Company	CIN	Holding/ Subsidiary /Associate	% of Shares held	Applicable Section
1	Continental Fisheries India Private Limited 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	Seacrest Seafoods Inc.Address: State of Delaware, USA	—	Wholly Owned Subsidiary	100%	2(87)

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-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	—	—	—	—	—	—	—	—	—
a) Individual/ HUF	660938	—	660938	25.99	2647752	—	2647752	26.03	0.04
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	169822	—	169822	6.68	679288	—	679288	6.68	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A)	830760	—	830760	32.67	3327040	—	3327040	32.71	0.04
B. Public Shareholding	—	—	—	—	—	—	—	—	—
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) Alternative Investment Fund	—	—	—	—	2511	—	2511	0.02	0.02
Sub-total (B)(1):-	—	—	—	—	2511	—	2511	0.02	0.02
2. Non-Institutions	—	—	—	—	—	—	—	—	—
a) Bodies Corp.	—	—	—	—	—	—	—	—	—
i) Indian	15553	1500	17053	0.88	173884	1000	174884	1.72	1.05
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	121516	321631	443147	17.43	968621	440737	1409358	13.86	(3.57)
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	526914	—	526914	20.72	2290486	43200	2333686	22.95	2.23

c) Others (specify)									
Non Resident Indians	562591	156200	718791	28.27	2260586	618100	2878686	28.30	0.03
Overseas Corporate Bodies	—	—	—	—	—	—	—	—	—
Foreign Nationals	—	—	—	—	—	—	—	—	—
Clearing Members	5535	—	5535	0.21	42635	—	42635	0.42	0.21
Trusts	—	—	—	—	—	—	—	—	—
Foreign Bodies - D R	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	1232109	479331	1711440	67.32	5738723	1103037	6841760	67.28	(0.04)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1232109	479331	1711440	67.32	5738723	1103037	6841760	67.28	(0.04)
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	2062869	479331	2542200	100	9065763	1103037	10168800	100	—

B) Shareholding of Promoter & Promoter Group

SN	Shareholder's Name	Shareholding at the beginning of the year 01-04-2018			Shareholding at the end of the year 31-03-2019			% change in share holding 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	125038	4.92	Nil	504152	4.95	Nil	0.03
2	Jeeja Valsaraj	49800	1.95	Nil	199200	1.95	Nil	Nil
3	Viswanadh Thottoli	12000	0.47	Nil	48000	0.47	Nil	Nil
4	Vijeta Valsaraj	107600	4.23	Nil	430400	4.23	Nil	Nil
5	Vineesha Valsaraj	107600	4.23	Nil	430400	4.23	Nil	Nil
6	TVR Estates & Resorts (P) Ltd	169822	6.68	Nil	679288	6.68	Nil	Nil
7	K. Hari Babu(HUF)	195400	7.69	Nil	781600	7.69	Nil	Nil
8	K.Jayasree	8600	0.34	Nil	34400	0.34	Nil	Nil
9	Chandana Kambhampati	2800	0.11	Nil	11200	0.11	Nil	Nil
10	Chetna Kambhampati	2800	0.11	Nil	11200	0.11	Nil	Nil
11	Venkatesh Kambhampati	47800	1.88	Nil	191200	1.88	Nil	Nil
12	K.Hari Babu	1500	0.05	Nil	6000	0.05	Nil	Nil
	TOTAL	830760	32.68	Nil	3327040	32.71	Nil	0.03

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

SN	Particulars	Shareholding at the beginning of the year 01-04-2018		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	8,30,760	32.67%	8,30,760	32.67%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year:	—	—	—	—
	Increase				
	- The Company have issued Bonus Shares in the Ratio of 3:1 during the year on 25.05.2018	—	—	24,92,280	—
	- T. Valsaraj - Dt. 02.11.2018	—	—	4000	0.04
3.	At the end of the year	830760	32.67%	33,27,040	32.71%

** Apart from the above mentioned there is nil movement in the Promoters shares during the year.

D) Shareholding Pattern of top ten Shareholders:

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

SNo	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2018		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	322450	12.68	322450	12.68
	Bonus Issue(3:1) – Dt.25.05.2018	—	—	967350	—
	At the end of the year	—	—	1289800	12.68
		322450	12.68	1289800	12.68
2	Satyasree Achanta				
	At the beginning of the year	238541	9.38	243550	9.38
	Bonus Issue(3:1) – Dt.25.05.2018	—	—	715611	—
	At the end of the year	—	—	954146	9.38
		238541	9.38	954146	9.38
3	Deepak Murali				
	At the beginning of the year	101500	3.99	101500	3.99
	Bonus Issue(3:1) – Dt.25.05.2018	—	—	304500	—
	At the end of the year	—	—	406000	3.99
		101500	3.99	406000	3.99
4	Pinakin Chimanlal Shah				
	At the beginning of the year	78028	3.07	78028	3.07
	Bonus Issue(3:1) – Dt.25.05.2018	—	—	234084	—
	At the end of the year	—	—	307792	3.03
		78028	3.07	307792	3.03
5	Dharmesh Bipin Badani				
	At the beginning of the year	50974	2.00	50974	2.00
	Bonus Issue(3:1) – Dt.25.05.2018	—	—	152886	—
	At the end of the year	—	—	195341	1.92
		50974	2.00	195341	1.92

6	Sheetal Dharmesh Badani At the beginning of the year Bonus Issue(3:1) – Dt.25.05.2018 At the end of the year	50800	2.00	50800	2.00
		—	—	152400	—
		—	—	195700	1.93
		50800	2.00	195700	1.93
7	Ganta Sricharan At the beginning of the year Bonus Issue(3:1) – Dt.25.05.2018 At the end of the year	50800	1.99	50800	1.99
		—	—	152400	—
		—	—	203200	1.99
		50800	1.99	203200	1.99
8	Ganta Lakshmi Anusha At the beginning of the year Bonus Issue(3:1) – Dt.25.05.2018 At the end of the year	47800	1.88	47800	1.88
		—	—	143400	—
		—	—	191200	1.88
		47800	1.88	191200	1.88
9	Vittu Bajrang Agarwal At the beginning of the year Bonus Issue(3:1) – Dt.25.05.2018 At the end of the year	35972	1.41	35972	1.41
		—	—	107916	—
		—	—	143888	1.41
		35972	1.41	143888	1.41
10	D. Siva Nageswara Rao At the beginning of the year Bonus Issue(3:1) – Dt.25.05.2018 At the end of the year	24000	0.94	24000	0.94
		—	—	72000	—
		—	—	96000	0.94
		24000	0.94	96000	0.94

* The shares of the Company are traded on daily basis and hence the datewise increase/decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel			Shareholding		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	01.04.2018	Beginning of the year	125038	4.92	125038	4.92
		25.05.2018	Bonus Issue (3:1)	—	—	375114	—
		31.03.2019	End of the year	125038	4.92	504152	4.96
2.	G.V.V.Satyanarayana	01.04.2018	Beginning of the year	66300	2.60	66300	2.60
		25.05.2018	Bonus Issue (3:1)	—	—	198900	—
		31.03.2019	End of the year	66300	2.60	130200	1.28
3.	Jeeja Valsaraj	01.04.2018	Beginning of the year	49,800	1.95	49,800	1.95
		25.05.2018	Bonus Issue (3:1)	—	—	149400	—
		31.03.2019	End of the year	199200	1.95	199200	1.95
4.	K. Venkateshwara Rao	01.04.2018	Beginning of the year	—	—	—	—
		31.03.2019	End of the year	—	—	—	—

5.	Kalyanaraman P.R	01.04.2018	Beginning of the year	—	—	—	—
		31.03.2019	End of the year	—	—	—	—
6.	M.V.Suryanarayana	01.04.2018	Beginning of the year	—	—	—	—
		31.03.2019	End of the year	—	—	—	—
7.	Swaroop Meruva	01.04.2018	Beginning of the year	—	—	—	—
		31.03.2019	End of the year	—	—	—	—

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

(Amount in Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	860558547	3394878	—	863953425
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	860558547	3394878	—	863953425
Change in Indebtedness during the financial year				
* Addition	—	—	—	—
* Reduction	(15853849)	(3394878)	—	(19248727)
Net Change	(15853849)	(3394878)	—	(19248727)
Indebtedness at the end of the financial year				
i) Principal Amount	844704698	—	—	844704698
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	844704698	(3394878)	—	844704698

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Amount in Rs.)

SN.	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	1,72,55,384	86,77,692	2,60,33,076
5	Others, please specify	—	—	—
	Total (A)	2,06,55,384	1,07,77,692	3,14,33,076
	Ceiling as per the Act - 10% of Net Profits	—	—	6,94,21,536

B. Remuneration to other Directors

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		K. Venkateshwara Rao Independent Director	Kalyanaraman P.R. Independent Director	M.V. Suryanarayana Independent Director	Jeeja Valsaraj Non Executive Director	
1	Independent Directors					
	Fee for attending board committee meetings	90,000	60,000	60,000	—	2,10,000
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (1)	90,000	60,000	60,000	—	2,10,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	—	—	—	1,30,000	1,30,000
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)			—	1,30,000	1,30,000
	Total (B)=(1+2)	—	—	—	—	3,40,000
	Total Managerial Remuneration	90,000	60,000	60,000	1,30,000	3,40,000
	Overall Ceiling as per the Act(10% of the Net Profits)	—	—	—	—	6,94,21,536

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	---	8,40,000	---	8,40,000
	(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	---	70,000	---	70,000
	Total	---	9,10,000	---	9,10,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Regulations of SEBI SAST 1997 & 2011	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made,if any (give Details)
COMPANY, DIRECTORS & OFFICERS IN DEFAULT					
COMPANY	6(2), 6(4) 7(1), 7(2) & 8(3)	Certain delayed compliances pertaining to the years 1997 till 2014 of disclosure requirements by the listed entity	Rs. 27,95,000/-	Securities Exchange Board of India	Settlement Charges paid and submitted the disclosures
PROMOTERS	30(2) & 30(3)	Certain delayed compliances pertaining to the years 1997 till 2014 of disclosure requirements by the Promoters	Rs.13,12,188/-	Securities Exchange Board of India	Settlement Charges paid and submitted the disclosures

There were no penalties, punishments, compounding of offences for the year ended March 31, 2019 apart from the above mentioned.

DIRECTORS' PROFILE

Sri. Kalyanaraman P.R is a well rounded commercial banker, having an impeccable career record spanning over 46 years in financial services. He have held successful assignments across public and private sector banks, across geographies and functions both in business and in operational areas– across retail and corporate businesses –both in field and at macro levels.

Annexure 12

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 2018-19

There were no employees receiving remuneration in the aggregate, more than One Crore and Two Lakhs Rupees in the Company during the Financial Year.

(ii) 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.(in lakhs)

(Rs. in Lakhs)

Sl.No.	Name of Director/ KMP and Designation	Age	Qualification	Designation	Date of commencement of Employment	Experience	Gross Remuneration
1.	Mr. T. Valsaraj	65	B.E	Managing Director	1981	38	206.55
2.	Mr.G.V.V. Satyanarayana	58	M.Com	Director – Finance Cum CFO	1988	31	107.77

(iii) **Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31 March, 2019.**

S.No.	Name of Director	Remuneration of Director (in Lakhs)	Median Remuneration (in Lakhs)	Ratio
1.	Mr. T. Valsaraj	206.15	1.09	189.1
2.	Mr.G.V.V. Satyanarayana	107.77	1.09	98.87
3.	Ms. Jeeja Valsaraj	1.30	1.09	1.19
4.	Mr. K. Venkateswara Rao	0.90	1.09	0.83
5.	Mr. Kalyanaraman P.R.	0.60	1.09	0.55
6.	Mr. M.V. Suryanarayana	0.60	1.09	0.55

(iv) **The Percentage increase in remuneration of each Director, CFO, Company Secretary in the financial year**

S.No.	Name of Director	% increase
1.	Mr. T. Valsaraj	52.83
2.	Mr.G.V.V. Satyanarayana	49.80
3.	Ms. Jeeja Valsaraj	225
4.	Mr. K. Venkateswara Rao	200
5.	Mr. Kalyanaraman P.R. (Appointed on 11.09.2018)	N.A.
6.	Mr. M.V. Suryanarayana	50

Company Secretary

Name	% increase
Ms. Swaroopa Meruvva	40

- (v) In the financial year, there was an increase in 3.88% in the median remuneration of employees.
- (vi) There were 628 permanent employees on the rolls of the Company as on 31st March, 2019.
- (vii) Average percentile increase already made in the salaries of employees in the last year was 6.2%. Average percentile increase in the managerial personnel in the last financial year was 96.27%.

The remuneration to the Executive Directors is being paid partly by way of Monthly Salary and partly as a % of Net Profits. There is no change in the Monthly salary paid to the Executive Directors, however, the major reason in percentile increase in their remuneration was due to increase in net profits of the Company during the year. The Non-Executive Directors were also paid the sitting fees for the Board Committee Meetings during the year.

- (viii) the key parameters for any variable component of remuneration availed by the directors:

In recognition of the efforts made by the management in achieving the highest profitability & turnover during the year.

- (ix) Affirmation that the remuneration is as per the remuneration policy of the Company:

It is affirmed that the remuneration paid is as per the remuneration policy of the Company.

On behalf of the Board

Sd/-
T.Valsaraj
Managing Director

Date: 29.07.2019

Place: Visakhapatnam

Independent Auditors' Report

To The Members of Coastal Corporation Limited

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Coastal Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income) for the year then ended, the Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Management Responsibilities 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, with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance, of the Division in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Division and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Division or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Division has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Division to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Independent Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect of the adequacy of the Internal Financial Controls over Financial Reporting of the company and its operating effectiveness of such controls, refer to our separate report in “**Annexure B**”.
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For **K.P. Rao & Co.,**
Chartered Accountants
Firm Reg. No. 003135S

Sd/-

K Viswanath
Partner

Membership No. 022812

Place : Bangalore
Date : May 21, 2019

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date]

- (i) (a) The company is maintaining records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have not been physically verified by the management during the year.
- (c) The title deeds of the immovable properties held by the Company is in the name of the Company.
- (ii) According to the information and explanations given to us, the inventory of the Company has been physically verified by the management during the course of the year and no material discrepancies were noticed on such physical verification.
- (iii) The company has granted unsecured loan to its wholly owned Subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) The amount outstanding as at 31/03/2019 is Rs. 1882.26 lakhs and based on the information and explanations given by the management, the terms and conditions are not prejudicial to the interest of the Company.
 - (b) The payment of interest has been stipulated and the repayments are regular.
 - (c) In our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest in respect of loan.
- (iv) The company has provided guarantee in connection with a term loan taken by one of the subsidiaries. According to the information and explanations given to us the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public, and in our opinion and according to the information and explanation given to us, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in the case of this company.
- (vii) (a) According to the information and explanations given to us and as per our verification of the records of the company, the company has been regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income Tax, Sales Tax, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities during the year.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income Tax, Sales Tax, Goods and Service Tax, Cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanation given to us, there are no dues of Sales tax, Goods and Service Tax, Cess and other statutory dues which have not been deposited on account of dispute except dues of Income Tax as below:

Nature of Statute	Nature of Dues	Forum where Dispute is pending	Period to which amount relates	Amount (Rs. in lakhs)
The Income Tax Act, 1961	Income Tax	Appellate Authority upto Commissioner's Level	AY 2017-18	5.02

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to financial institution, bank, government or dues to debenture holders.

- (ix) According to the information and explanations given to us, there were no monies raised by way of initial public offer or further public offer (including debt instruments) and no term loans were obtained during the year. Therefore the provisions of Para 3(ix) of the Companies (Auditors Report), 2016 is not applicable to the Company.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **K.P. Rao & Co.,**
Chartered Accountants
Firm Reg. No. 003135S

Sd/-
K Viswanath
Partner
Membership No. 022812

Place : Bangalore
Date : May 21, 2019

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of the Company as at 31 March 2019 in conjunction with our audit of the Balance Sheet as at 31st March 2019, the statement of profit and loss and cash flow statement annexed for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 the Companies Act, 2013 ('the Act').

Auditor's 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 and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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. This includes those policies and procedures that :

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) 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
- (iii) 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 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.

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 maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be appropriately documented.

For **K.P. Rao & Co.,**
Chartered Accountants
Firm Reg. No. 003135S

Sd/-
K Viswanath
Partner
Membership No. 022812

Place : Bangalore
Date : May 21, 2019

Standalone Balance Sheet as at March 31, 2019
(All amounts in Lakhs Rupees except for share data or as otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
(1) Non Current Assets			
(a) Property, plant and equipment	2	3,969.39	4,017.54
(b) Capital work in progress		237.43	-
(c) Investment Property	2.1	381.60	390.65
(d) Intangible assets	3	-	0.17
(e) Investments in subsidiaries and associates	4	2,350.26	1,596.96
(f) Financial assets			
(i) Investments	5A	141.00	141.00
(ii) Loans	5B	96.14	94.32
(iii) Deposits and others	5C	812.92	691.55
(g) Capital advances and other receivables	6	172.22	144.45
		8,160.96	7,076.64
(2) Current Assets			
(a) Inventories	7	8,261.00	4,578.30
(b) Financial assets			
(i) Loans	5B	1,894.91	1,029.82
(c) Trade receivables	8	513.70	4,857.22
(d) Cash & cash equivalents	9A	722.86	657.66
(e) Bank balances other than above	9B	1,943.18	979.22
(f) Deposits and others	5C	106.59	97.69
(g) Advances and other receivables	6	3,959.25	2,604.74
		17,401.49	14,804.65
Total Assets		25,562.45	21,881.29
II. EQUITY and LIABILITIES			
(1) Equity			
(a) Equity share capital	10	1,016.88	254.22
(b) Other equity		11,459.46	8,003.30
Total Equity		12,476.34	8,257.52
(2) Non Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	11A	19.71	85.22
(ii) Trade payables	11C	185.66	285.66
(b) Provisions	12A	48.41	51.75
(c) Deferred Tax Liabilities (Net)	25	199.83	175.04
		453.61	597.67
(3) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	11B	8,352.73	8,454.23
(ii) Trade payables	11C	1,522.23	2,700.48
(iii) Other financial liabilities	11D	76.57	107.97
(b) Provisions	12C	215.61	304.28
(c) Current tax liabilities	13	2,321.00	1,385.00
(d) Other Current Liabilities	14	144.36	74.14
		12,632.50	13,026.10
Total Equity and Liabilities		25,562.45	21,881.29
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the standalone financial statements	21-33		

As per our report of even date
for, K. P. Rao & Co.,
Chartered Accountants
Firm Reg No 0031355

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Sd/-
Swaroopu Meruva
Company Secretary

Standalone Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Lakhs Rupees except for share data or as otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I. INCOME			
Revenue from Operations (Gross)	15	46,827.01	50,695.54
Other Income	16	1,558.31	305.43
Total Revenue (I)		48,385.32	51,000.97
II. EXPENSES			
Cost of Materials Consumed	17	42,710.67	44,159.74
Purchase of Traded Goods			
(Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress	18	(3,503.13)	366.00
Employee Benefits Expenses	19	773.93	889.43
Finance cost	20	847.92	931.13
Depreciation and Amortisation	2,2.1&3	320.58	299.37
Other Expenses	21	593.05	461.78
Total Expenses (II)		41,743.02	47,107.45
III. Profit Before Tax (I - II)		6,642.30	3,893.52
IV. Tax Expense			
Current tax		2,321.00	1,385.00
Tax relating to earlier years		14.85	-
Deferred tax charge/ (credit)	25	24.78	1.99
Adjustment of deferred tax relating to earlier years		-	-
Income tax expense		2,360.63	1,386.99
V. Profit for the year (III - IV)		4,281.67	2,506.53
VI. OTHER COMPREHENSIVE INCOME (OCI)	22		
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		(16.88)	56.19
(ii) Items that will be reclassified to profit or loss		-	(64.82)
Total other comprehensive income for the year, net of tax		(16.88)	(8.63)
Total comprehensive income for the year, net of tax (V + VI)		4,264.79	2,497.90
Earnings Per Equity Share Rs. 10/- each fully paid (March 31, 2018: Rs. 10/- each fully paid)	23		
Computed on the basis of total profit for the year			
Basic (Rs.)		41.94	24.56
Diluted (Rs.)		41.94	24.56
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the standalone financial statements	21-33		

As per our report of even date
for, K. P. Rao & Co.,
Chartered Accountants
Firm Reg No 0031355

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Sd/-
Swaroop Meruva
Company Secretary

Standalone Statement of Cash Flows for year ended March 31, 2019

(All amounts in Lakhs Rupees except for share data or as otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		6,625.42	3,884.89
Adjustments for :			
Depreciation of property, plant and equipment		320.41	299.21
Amortisation of intangible assets		0.17	0.16
Impairment loss on fixed assets		-	37.63
Loss on sale of fixed assets (net)		-	-
Profit on sale of fixed assets (net)		-	(0.57)
Interest income		(229.44)	(154.59)
Interest expense		847.92	931.13
Unrealised exchange difference on derivatives		-	64.82
Gratuity and compensated absences		(32.15)	73.06
Operating profit before working capital changes		7,532.33	5,135.74
Movement in working capital:			
(increase)/decrease in inventories		(3,682.70)	386.42
(increase)/decrease in trade receivables		4,343.52	(299.18)
(increase)/decrease in other non current assets		(150.96)	323.32
(increase)/decrease in other current assets		(2,228.50)	(761.82)
increase/(decrease) in other long term liabilities		28.81	(19.34)
increase/(decrease) in trade payables		(1,278.25)	(356.27)
increase/(decrease) in other current liabilities		(49.85)	15.75
Cash generated from operations		4,514.40	4,424.62
Income tax paid		(1,399.85)	(1,336.53)
Net cash flows from operating activities (A)		3,114.55	3,088.09
(B) CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances		(623.60)	(1,546.96)
Proceeds from sale of property, plant and equipment		17.06	2.98
Government Grant Received		105.90	-
Proceeds from sale of investments in deposits		-	414.77
Net cash outflow on acquisition of subsidiary (Refer Note 1)		(753.30)	(915.63)
Net cash inflow on disposal of subsidiary (Refer Note 1)		-	-
Interest received		229.44	154.59
Net cash flows used in investing activities (B)		(1,024.50)	(1,890.25)
(C) CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long - term borrowings (net)		(65.50)	(161.41)
Repayment from short - term borrowings (net)		(101.50)	955.14
Dividend paid		(38.13)	(38.13)
Tax on dividend		(7.84)	(7.76)
Interest paid		(847.92)	(931.13)
Net cash flows from financing activities (C)		(1,060.89)	(183.29)
Net decrease in cash and cash equivalents (A+B+C)		1,029.16	1,014.55
Cash and cash equivalents at the beginning of the year		1,636.88	622.33
Cash and cash equivalents at the year end		2,666.04	1,636.88

Standalone Statement of Cash Flows for year ended March 31, 2019

(All amounts in Lakhs Rupees except for share data or as otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Components of cash and cash equivalents:			
Cash on hand		3.97	10.75
Balances with banks			
-On current accounts		718.89	657.53
-On deposit accounts		1,943.18	968.60
Total cash and cash Equivalents		2,666.04	1,636.88

Note 1: Net cash inflow/(outflow) on disposal/ acquisition of subsidiary

Particulars		For the year ended March 31, 2018	For the year ended March 31, 2018
Consideration paid in cash on acquisition of shares in subsidiary		(753.30)	(915.63)
Total		(753.30)	(915.63)
Consideration received in cash on disposal of subsidiary		-	-
Total		-	-
The accompanying notes are an integral part of the standalone financial statements.			
As per our report of even date			

As per our report of even date
for, K. P. Rao & Co.,
 Chartered Accountants
 Firm Reg No 003135S

Sd/-
K. Viswanath
 Partner
 Membership No. 022812
 Place: Visakhapatnam
 Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
 Managing Director
 (DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
 Director (Finance)
 (DIN: 0000187006)

Sd/-
Swaroop Meruva
 Company Secretary

Standalone Statement of Changes in Equity for the year ended March 31, 2019

(All amounts in Lakhs Rupees except for share data or as otherwise stated)

a. Equity Share Capital

Equity Shares of Rs.10 Each, Fully paid up	No.	Amount
As at April 01, 2017	25,42,200.00	254.22
Issued during the year	-	-
As at March 31, 2018	25,42,200.00	254.22
Issued during the year	76,26,600.00	762.66
As at March 31, 2018	1,01,68,800.00	1,016.88

b. Other Equity

Particulars	Reserves and surplus				FVTOCI reserve (Refer note 25)	Total
	Securities Premium	Capital Redemption reserve	General reserve	Retained Earnings		
At March 31, 2017	46.95	2.89	868.38	4,633.07	-	5,551.29
Profit for the year	-	-	-	2,506.53	-	2,506.53
Other Comprehensive Income						
- Premium on conversion of CCPS	-	-	-	-	-	-
- Premium on IPO Allotment	-	-	-	-	-	-
- Issue of Bonus shares	-	-	-	-	-	-
- Re-measurement gains / (losses) on employee defined benefit plans	-	-	-	56.19	-	56.19
- Unrealised exchange difference on derivatives	-	-	-	(64.82)	-	(64.82)
Final dividend to equity and preference shareholders						
- Final dividend on equity shares	-	-	-	(38.13)	-	(38.13)
- Tax on final dividend on equity shares	-	-	-	(7.76)	-	(7.76)
- Final dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
- Tax on proposed dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
As at March 31, 2018	46.95	2.89	868.38	7,085.08	-	8,003.30
Profit for the year	-	-	-	4,264.79	-	4,264.79
Other Comprehensive Income						
- Premium on conversion of CCPS	-	-	-	-	-	-
- Premium on IPO Allotment	-	-	-	-	-	-
- Issue of Bonus shares	-	-	(762.66)	-	-	(762.66)
- Re-measurement gains / (losses) on employee defined benefit plans	-	-	-	-	-	-
- Unrealised exchange difference on derivatives	-	-	-	-	-	-
Final dividend to equity and preference shareholders						
- Final dividend on equity shares	-	-	-	(38.13)	-	(38.13)
- Tax on final dividend on equity shares	-	-	-	(7.84)	-	(7.84)
- Final dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
- Tax on proposed dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
As at March 31, 2019	46.95	2.89	105.72	11,303.90	-	11,459.46

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date
for, K. P. Rao & Co.,
Chartered Accountants
Firm Reg No 003135S

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Sd/-
Swaroop Meruva
Company Secretary

2 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Computers	Vehicles	Office Equipment	Roads	Total Property, plant and equipment
Gross Block (Cost or deemed cost)									
As at March 31, 2017	355.24	1,522.10	1,639.92	86.47	19.82	435.87	62.52	4.06	4,126.00
Additions	585.88	149.23	501.05	15.98	2.10	136.99	0.92	-	1,392.15
Disposals	-	-	(63.01)	-	-	(12.46)	-	-	(75.47)
As at March 31, 2018	941.12	1,671.33	2,077.96	102.45	21.92	560.40	63.44	4.06	5,442.68
Additions	74.13	95.06	123.17	1.79	3.42	88.12	0.48	-	386.17
Disposals (Refere Note Below)	(17.06)	(7.56)	(98.34)	-	-	-	-	-	(122.96)
As at March 31, 2019	998.19	1,758.83	2,102.79	104.24	25.34	648.52	63.92	4.06	5,705.89
Depreciation and Impairment									
As at March 31, 2017	-	244.83	543.79	53.52	17.19	270.27	35.02	4.06	1,168.68
Charge for the year	-	48.16	155.64	5.01	2.19	66.67	14.23	-	291.90
Disposals	-	-	(25.39)	-	-	(10.05)	-	-	(35.44)
As at March 31, 2018	-	292.99	674.04	58.53	19.38	326.89	49.25	4.06	1,425.14
Charge for the year	-	52.15	173.86	4.73	1.29	74.87	4.46	-	311.36
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	345.14	847.90	63.26	20.67	401.76	53.71	4.06	1,736.50
Net Block									
As at March 31, 2017	355.24	1,277.27	1,096.13	32.95	2.63	165.60	27.50	-	2,957.32
As at March 31, 2018	941.12	1,378.34	1,403.92	43.92	2.54	233.51	14.19	-	4,017.54
As at March 31, 2019	998.19	1,413.69	1,254.89	40.98	4.67	246.76	10.21	-	3,969.39

Note:

- During the year the company has received an amount Rs. 7.56 Lakhs for Buildings and Rs. 98.34 Lakhs for Plant & Equipment as subsidy under Technology and Infrastructure Upgradation Scheme for Marine Products (TIUSMP). As per IND AS 20 as amended, the company has reduced this amount of subsidy from the cost of the asset.
- A land of 29.59 Acres was purchased in Survey No: 206-4E1 in Tenerla village in the year 2017-18, As per government survey performed in current year the land measurement was 28.49 Acres. During the year, the company has received Rs. 17.06 Lakhs as refund for the shortfall of land measurement. This has been reduced from the cost of the asset.

2.1 Investment Property

Particulars	Freehold land	Buildings	Total
Gross Block (Cost or deemed cost)			
As at March 31, 2017	10.65	179	189.65
Additions	-	213.06	213.06
Disposals	-	-	-
As at March 31, 2018	10.65	392.06	402.71
Additions	-	-	-
Disposals	-	-	-
As at March 31, 2019	10.65	392.06	402.71
Depreciation and Impairment			
As at March 31, 2017	-	4.75	4.75
Charge for the year	-	7.31	7.31
Disposals	-	-	-
As at March 31, 2018	-	12.06	12.06
Charge for the year	-	9.05	9.05
Disposals	-	-	-
As at March 31, 2019	-	21.11	21.11
Net Block			
As at March 31, 2017	10.65	174.25	184.9
As at March 31, 2018	10.65	380	390.65
As at March 31, 2019	10.65	370.95	381.6

* The Fair Value of Freehold Land and Buildings as on 31st March 2019 was Rs. 100 Lakhs and Rs. 375.96 Lakhs respectively.

3. Intangible Assets

Particulars	Computer Software	Total Intangible Assets
Gross Block (Cost or deemed cost)		
As at March 31, 2017	1.22	1.22
Additions	0.33	0.33
Disposals	-	-
As at March 31, 2018	1.55	1.55
Additions	-	-
Disposals	-	-
As at March 31, 2019	1.55	1.55
Amortisation		
As at March 31, 2017	1.22	1.22
Charge for the year	0.16	0.16
Disposals	-	-
As at March 31, 2018	1.38	1.38
Charge for the year	0.17	0.17
Disposals	-	-
As at March 31, 2019	1.55	1.55
Net Block		
As at March 31, 2017	-	-
As at March 31, 2018	0.17	0.17
As at March 31, 2019	-	-

4. Investments in subsidiaries and associates

Particulars	As at March 31, 2019	As at March 31, 2018
Investments in subsidiary (at cost) (unquoted)		
(i) 30,27,600 Equity shares of Rs. 10 each in Continental Fisheries India Pvt Ltd (March 31, 2018: 30,27,600)	302.76	302.76
(ii) 30,00,000 Equity shares of USD 1 each in Seacrest Seafoods Inc. (March 31, 2018: 20,00,000)	2,047.50	1,294.20
Total (A)	2,350.26	1,596.96

5. Financial assets
A

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted investments (valued at fair value through profit and loss) Refer Note No.34		
(i) 7,00,000 (March 31, 2018: 7,00,000) Equity Shares of Rs.10 each of Coastal Developers Pvt Ltd	70.00	70.00
(ii) 7,10,000 (March 31, 2018: 7,10,000) Equity Shares of Rs.10 each of Seagold Aqua Farms India Pvt Ltd	71.00	71.00
Total (A)	141.00	141.00

B. Loans

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current (unsecured, considered good unless otherwise stated)		
Security Deposits	96.14	94.32
Total	96.14	94.32
Current (unsecured, considered good unless otherwise stated)		
Security Deposits	-	-
Loans to related parties (refer note 30)	1,882.26	1,020.48
- Loans to Subsidiary (including doubtful advances Rs. Nil (March 31, 2018))		
Other loans		
- Loans to employees	12.65	9.34
	1,894.91	1,029.82
Less: Provision for doubtful advances	-	-
Total (B)	1,894.91	1,029.82

C. Deposits and Others

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current (unsecured, considered good unless stated otherwise)		
Bank Deposits	772.63	636.78
Interest Accrued on Deposits	40.29	54.77
Total	812.92	691.55

Current (unsecured, considered good unless stated otherwise)		
Current Bank Deposits	-	-
Interest Accrued on Deposits	106.59	97.69
Unbilled Revenue	-	-
Insurance claim receivable	-	-
Assets held for sale	-	-
	106.59	97.69
Less: Provision for insurance claim receivable	-	-
Total (C)	106.59	97.69

Breakup of Financial Assets

Particulars	As at March 31, 2019	As at March 31, 2018
Valued at fair value through profit or loss		
Investments	-	-
Total financial assets carried at fair value through profit or loss	-	-
Valued at amortised cost		
Loans	-	-
Deposits and others	-	-
Trade Receivables	-	-
Cash & cash equivalents	-	-
Bank balances other than above	-	-
Total financial assets carried at amortised cost	-	-

6. Capital advances and other receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current (unsecured, considered good unless otherwise stated)		
Capital Advances	172.22	144.41
Advances Recoverable in cash & kind	-	0.04
	172.22	144.45
Less: Provision for doubtful advances	-	-
Total	172.22	144.45
Current (unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	398.71	119.58
Loans and advances to related parties (refer note 30)	-	-
Prepayments	9.44	8.97
Balances with Statutory/Government Authorities	2,327.77	1,176.57
Export and other incentives receivable*	1,223.33	1,274.99
Others	-	24.63
Total	3,959.25	2,604.74

* Export and other incentives receivable has been recognized on the following: a) Incentive in the form of duty credit scrip upon sale of exports under Merchandise Exports from India Scheme under Foreign Trade Policy of India b) Sales tax incentive and reimbursement of power cost under the Andhra Pradesh state incentives IIPP 2010-15 scheme. There are no unfulfilled conditions or contingencies attached to these incentives.

7. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(At lower of cost and net realisable value)		
Raw Materials	140.27	-
Work-in-progress	-	-
Finished Goods	7,807.69	4,304.56
Stores, spares and packing materials	313.04	273.74
Total	8,261.00	4,578.30

8. Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Unsecured, Considered Good *	513.70	4,857.22
Doubtful	-	-
	513.70	4,857.22
Less: Allowance for credit losses	-	-
	513.70	4,857.22

* Included due from subsidiaries (refer note 30)

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 - 90 days.

9. Cash & cash equivalents and Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
A) Cash & Cash Equivalents		
Balances with Banks		
- On Current Accounts	718.89	646.91
- Deposits with original maturity of less than three months		-
Cash on hand	3.97	10.75
	722.86	657.66
B) Bank balances other than above		
On Deposit Accounts		
Balances with Banks (Unclaimed Dividend)	14.47	10.62
- Remaining maturity for less than twelve months	1,928.71	968.60
	1,943.18	979.22

The bank of India as per the terms of its sanction letter has placed a condition for a prescribed % of the export proceeds of the company to be kept as fixed deposit and 15% margin money has been maintained against the Stand By Letter of Credit.

10. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised 1,50,00,000 (March 31, 2018: 1,50,00,000) Equity shares of Rs.10/- each	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Paid Up 1,01,68,800 (March 31, 2018: 25,42,200) Equity share of Rs.10/- each fully paid up	1,016.88	254.22
Total	1,016.88	254.22

10.1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019		As at April 01, 2018	
	No.	Rs.	No.	Rs.
Equity Shares of Rs.10 Each, Fully paid up				
Balance as per last financial statements	25,42,200.00	254.22	25,42,200.00	254.22
Add : Bonus shares issued during the year	76,26,600.00	762.66	-	-
Outstanding at the end of the year	1,01,68,800.00	1,016.88	25,42,200.00	254.22

10.2. Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. 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 share holding. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

10.3. Pursuant to the approval of the shareholders on 16th May, 2018, record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on 24th May, 2018 Accordingly, the Company has allotted 76,26,600 number of fully paid Bonus shares on 25th May, 2018 in the ratio of three equity share of Rs. 10 each fully paid up for every one existing equity shares of Rs. 10 each fully paid up

Pursuant to the approval of the shareholders on 14th September, 2015, record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on 1st October, 2015. Accordingly, the Company has allotted 12,71,100 number of fully paid Bonus shares on 3rd October, 2015 in the ratio of one equity share of Rs. 10 each fully paid up for every one existing equity shares of Rs. 10 each fully paid up

10.4. Details of Shareholders holding more than 5% shares of the Company:

Particulars	As at March 31, 2019		As at April 01, 2018	
	No.	Rs.	No.	Rs.
Equity Shares of Rs. 10/- each Held By				
Haribabu Kambampati	7.69	7,81,600	7.69	1,95,400
T.V.R.Estates & Resorts Pvt Ltd	6.68	6,79,288	6.68	1,69,822
Satyasree Achanta	9.38	9,54,146	9.38	2,38,541
Aditya Achanta	12.68	12,89,800	12.68	3,22,450

11 Financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
A) Non Current borrowings (Refer Note 26)		
Other Loans	-	-
Vehicle loans from banks (Secured)	18.02	49.58
Other Loans (Unsecured)	1.69	35.64
Total	19.71	85.22

B) Current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Cash Credits and Working Capital Demand Loans		
Indian Rupee loans from banks (Secured)	8,352.73	8,454.23
Foreign Currency loans from banks (Secured)	-	-
Total	8,352.73	8,454.23

C) Non Current Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Valued at amortised cost		
- Outstanding dues to creditors other than micro enterprises and small enterprises	185.66	285.66
- Outstanding dues to micro enterprises and small enterprises	-	-
- Outstanding dues to related parties (refer note 30)	-	-
Valued at fair value through profit or loss	-	-
Total	185.66	285.66

Current Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Valued at amortised cost		
- Outstanding dues to creditors other than micro enterprises and small enterprises	735.98	2,361.64
- Outstanding dues to micro enterprises and small enterprises (Note 37)	369.45	-
- Outstanding dues to related parties (refer note 30)	-	-
Valued at fair value through profit or loss	-	-
- Outstanding derivate contracts	-	-
- Others	416.80	338.84
Total	1,522.23	2,700.48

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 days terms.

D) Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of non current borrowings (refer note 26)	76.29	101.78
Capital Creditors	0.28	6.19
Interest accrued	-	-
Payable to selling shareholders (IPO)	-	-
Total	76.57	107.97

Interest payable is normally settled monthly/quarterly throughout the financial year.

12 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
A) Non-Current Provisions		
Provision for Gratuity (refer note 31(II))	48.41	51.75
Total	48.41	51.75
B) Current Provisions		
Provision for Gratuity (refer note 31(II))	10.88	4.13
Provision for Expenses	204.73	300.15
Total	215.61	304.28

13. Non-current tax assets and current tax liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current tax assets		
Advance tax (net)	-	-
Tax paid under protest	-	-
	-	-
Current tax liabilities		
Provision for taxes (net)	2,321.00	1,385.00
	2,321.00	1,385.00

14 Other Current Liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current	-	-
Advances from Customers	-	-
	-	-
Current		
Advances from customers	-	-
Unclaimed dividend	14.34	10.49
Statutory dues	130.02	63.65
Total	144.36	74.14

15. Revenue from Operations

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Sale of Products		
Income from Sale of Shrimp		
-Sale of goods	42,984.34	42,675.29
-Shipments in transit (refer note 1.2(iii))	-	4,171.63
	42,984.34	46,846.92
(A)	42,984.34	46,846.92
Other Operating Revenue	-	-
Export Benefits	3,842.67	3,848.62
(B)	3,842.67	3,848.62
Revenue from Operations (A+B)	46,827.01	50,695.54

16. Other Income

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Net Gain on Foreign Exchange Fluctuations	-	31.61
Credit balances written back	17.78	74.46
Profit on sale of fixed assets	-	0.57
Agriculture Income	9.56	8.17
Lease rental income	40.21	30.28
Interest Income	229.44	154.59
Other Income	215.43	2.00
Refund of Anti Dumping Duty	1,016.44	-
Subsidy received from Central Government on P.F	29.45	3.75
Total	1,558.31	305.43

17. Cost of Materials Consumed

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Raw Materials Consumed		
Opening stock at the beginning of the year	-	66.17
Add : Purchases	34,031.70	36,561.83
Less : Sale of materials	-	-
	34,031.70	36,628.00
Less : Closing stock at the end of the year	140.27	-
(A)	33,891.43	36,628.00
Procurement Expenses	22.13	20.84
Cold Storage Charges	80.66	102.09
Peeling wages	736.64	662.94
Plant Electricity Charges	538.86	541.09
Processing wages	948.88	715.35
Plant Maintenance	325.75	283.18
Plant Other Expenses	468.42	731.03
Agriculture Market Cess	159.18	63.82
Antidumping Fee	746.90	603.27
Chemicals	354.86	382.47
Commission	212.09	92.23
ECGC Fees	89.50	66.06
Freight Charges	1,445.03	1,183.58
Ice Purchases	46.95	55.50
Monitoring Fee	52.72	35.05
Packing & Stocking	1,523.62	1,184.38
Shipment Expenses	288.28	96.96
Stock Insurance	119.06	117.68
Testing charges	78.54	87.53
Truck Repair & Maintenance	308.30	254.14
Transportation Expenses	272.87	252.56
(B)	8,819.24	7,531.74
Total (A+B)	42,710.67	44,159.74

18. (Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Opening stock of inventories		
Finished goods of Shrimp	4,304.56	4,670.56
Work-in-Progress of API and Intermediates	-	-
	4,304.56	4,670.56
Closing stock of inventories		
Finished goods of Shrimp	7,807.69	4,304.56
Work-in-Progress of API and Intermediates	-	-
	7,807.69	4,304.56
Increase in inventories of finished goods and work-in-progress	(3,503.13)	366.00
Increase in Finished goods of API and Intermediates	(3,503.13)	366.00
Decrease/(Increase) in Work-in-Progress of API and Intermediates	-	-
Increase in inventories of finished goods and work-in-progress	(3,503.13)	366.00

19. Employee Benefits Expenses

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Salaries, allowances and wages	608.17	629.98
Contribution to provident fund and other funds	102.50	86.84
Gratuity expense (Note 31)	27.14	129.25
Share based payment expense	-	-
Managerial remuneration	-	-
Leave salary	16.43	16.35
Staff welfare expenses	19.69	27.01
Total	773.93	889.43

20. Finance cost

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Interest Expense	747.27	833.90
Bank charges	100.65	97.23
Total	847.92	931.13

21. Other Expenses

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Audit Fee *	4.00	4.13
Directors Travelling Expenses	31.08	32.21
Insurance	12.74	10.61
Rent ,Rate & Taxes	3.33	3.76
Stock Exchange Listing Fee	2.04	2.67
Telex & telephone	4.74	7.15
Travelling Expenses	13.33	29.73
Loss on sale of fixed assets	-	-
Miscellaneous Expenses (Refer Note 39)	157.62	51.38
Professional Charges	37.38	46.02
Electricity Charges	4.04	2.91
Postage	5.25	3.75

Balances with Banks (Unclaimed Dividend)	-	-
Directors Remuneration	314.33	206.83
Net (Gain)/Loss on Foreign Exchange Fluctuations	3.17	-
Service Tax	-	23.00
Impairment Loss	-	37.63
Total	593.05	461.78

* **Note:** Audit fees comprises of:

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Audit Fee	3.50	3.54
Tax Audit fees	0.50	0.35
Other Matters	-	0.24
Total	4.00	4.13

22. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:
During the year ended March 31, 2019

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Remeasurement costs on net defined benefit liability	(16.88)	56.19
Deferred tax effect on remeasurement costs	-	-
Cashflow hedge on forward contracts	-	-
Deferred tax effect on cashflow hedge on forward contracts	-	-
Reclassified to statement of profit or loss	-	-
Re-measurement on unrealised gain/loss on forward contracts	-	(64.82)
Total	(16.88)	(8.63)

23. Earnings per share (EPS)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit for the year attributable to shareholders	4,264.79	2,497.90
Less: Preference dividend and tax thereon	-	-
Profit available for equity shareholders	4,264.79	2,497.90
Weighted average number of equity shares in computing basic EPS *	101.69	101.69
Add: Effect of dilution *	-	-
Convertible preference shares	-	-
Stock options granted under ESOP	-	-
Weighted Average number of Equity Shares in computing diluted earnings per share *	101.69	101.69
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	41.94	24.56
- Diluted (Rs.)	41.94	24.56
* Adjusted for bonus issue		

During the year ended March 31, 2019, the Company on May 25, 2018, has allotted 76,26,600 equity shares of Rs. 10/- each to the then existing shareholders of the Company as Bonus shares in the ratio of 3:1 (i.e three equity shares have been allotted for every equity share held). Accordingly, the earnings per share has been adjusted for bonus issue for previous periods presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

24. Details of CSR expenditure

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year:	48.71	33.21
(b) Amount spent during the year	0.83	-
(i) Construction/acquisition of any asset	0.00	-
(ii) On purposes other than (i) above	0.00	-

Note: The amount unspent as at March 31, 2019 is Rs. 109.34 lakhs , as at March 31, 2018 Rs. 61.46 lakhs

25 Deferred tax liability/(asset) (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Deferred tax liability</u>		
Impact of difference between the aggregate book written down value and tax written down value of property, plant and equipment	220.55	194.38
Total (A)	220.55	194.38
<u>Deferred tax asset</u>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
-Gratuity	20.72	19.34
Total (B)	20.72	19.34
Deferred tax liability/(asset) (Net) (A-B)	199.83	175.04

26.

(a) The details of Indian rupee Vehicle loans from banks are as under:

Name of the Bank	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018	No. of Instalments	Commencement of instalments	Effective interest rate
a) Secured loan from Canara Bank of India - car- innova	25.68	45.99	36 monthly instalments ranging from Rs. 2.09 to Rs.2.29	May- 2017	MCLR Plus 1.90% p.a (March 31, 2016: Base rate plus 2.50% - 3.20 % p.a., April 01, 2015 : Base rate plus 3.20 % p.a.)
b) Secured loan from Canara Bank of India - car- swift	3.12	5.12	36 equal monthly instalments of Rs.0.20	August 2017	MCLR Plus 1.90% p.a.(March 31, 2016: Base rate plus 2.00% - 2.50 % p.a., April 01, 2015 : Base rate plus 2.00 % p.a.)
c) Secured loan from Bank of India - Car - shift dezire)	1.51	2.71	36 equal monthly instalments of Rs.0.12	July 2015	Base rate plus 2.00% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 2.00 % p.a.)
d) Secured loan from ICICI Bank - Tata- Ace-2	3.74	6.36	35 equal monthly instalments of Rs.0.27	August 2017	Base rate plus 2.25% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 1.75% p.a.)
e) Secured loan from ICICI Bank - car- swift	2.88	4.85	36 equal monthly instalments of Rs.0.19	August 2017	MCLR plus 2.75% p.a. (March 31, 2016 : Base rate plus 2.50% p.a., April 01, 2015 : Base rate plus 2.50% p.a.)
f) Secured loan from Bank of India - car- Innova	17.00	19.17	72 equal monthly instalments of Rs.0.32	November 2017	MCLR plus 0.5% p.a.(March 31, 2016 : Base rate plus 0.6% p.a., April 01, 2015: Nil)
g) Secured loan from Bank of India - car- Tiago	3.15	3.54	72 equal monthly instalments of Rs.0.06	February 2017	MCLR plus 0.5% p.a.(March 31, 2016 : Base rate plus 0.6% p.a., April 01, 2015: Nil)
h) Secured loan from HDFC Bank Ltd - Buses	37.23	0.00	18 equal monthly instalments of Rs.4.28	JUNE-2018	MCLR plus 0.5% p.a.(March 31, 2016 : Base rate plus 0.6% p.a., April 01, 2015: Nil)
i) Secured loan from Kotak Mahindra - Trucks	0.00	63.61	23 equal monthly instalments of Rs.7.37	Feb-2017	Flat Rate of interest 9.12%
j) Unsecured loan from Bajaj Finance	0.00	6.90	24 monthly instalments of Rs.2.06 To 0.51	Jan-2017	Flat Rate of interest 8.18%
k) Unsecured loan from Magma Fincorp Ltd.	0.00	15.53	24 monthly instalments of Rs.5.82 To1.45	Jan-2017	Flat Rate of interest 8.18%
l) Unsecured loan from Tata Capital Financial Services	0.00	11.52	24 monthly instalments of Rs.2.59 To0.96	Jan-2017	Flat Rate of interest 8.18%
Total	94.31	185.30			

27 Contingent liabilities/claims not provided for

Particulars	As at March 31, 2019	As at March 31, 2018
<u>Unexpired Bank Guarantee issued in favour of:</u>		
Against letters of credit(SBLC)	470.925	271.78
M/s Continental Fisheries India Pvt Ltd	400.00	-

28. Estimated amount of contracts remaining

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining	75.50	-

29. Details of Remuneration to Whole-time Directors

Particulars	As at March 31, 2019	As at March 31, 2018
a) Sri T. Valsaraj, Managing Director	206.55	134.89
b) Sri G.V.V.Satyanarayana	107.77	71.94
Total	314.32	206.83

30. Related Party Disclosures
(i) Names of related parties and description of relationship
Key Management Personnel

Name of the Related Party	Relationship
(a) Sri T. Valsaraj	KMP (Managing Director)
(b) Sri.G.V.V.Satyanarayana	KMP (Whole-time Director)
(c) Smt. Swaroopa Meruva	KMP (Company Secretary)
(d) Smt. Jeeja Valsaraj	Relative of KMP
(e) Smt. Vijeta Valsaraj	Relative of KMP

Enterprises in which KMP or Relatives having significant influence

Name of the Related Party	Relationship
(a) M/s Continental Fisheries India Pvt Ltd	Wholly owned subsidiary
(b) M/s Seacrest Seafoods Inc.	Wholly owned subsidiary

(ii) Transactions during the year with related parties

Sl. No.	Name of the Party	Relationship	Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
1)	Sri T. Valsaraj	KMP (MD)	Remuneration Amount paid Amount received	206.55 - -	134.89 85.00 85.00
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration Amount paid Amount received	107.77 - -	71.94 120.00 120.00
3)	Smt. Jeeja Valsaraj	Relative of KMP	Sitting fees	1.30	0.36
4)	Smt. Vijeta Valsaraj	Relative of KMP	Salary Amount paid	- -	- 0.09
5)	M/s Continental Fisheries India Pvt Ltd	Wholly owned subsidiary incorporated in India	Investment in Equity Advance	- 861.78	300 917.29
6)	M/s Seacrest Seafoods Inc.	Wholly owned subsidiary incorporated in The United States of America	Investment in Equity Sale of Shrimp Amount received against Sales	753.30 413.23 1,109.25	648.08 1097.26 1441.08
7)	Smt. Vineesha Valsaraj	Relative of KMP	Salary Amount paid	2.56 -	-
8)	Sri T. Vishwanath	Relative of KMP Amount paid	Labour charges	110.12	-

(iii) Balance outstanding

Sl. No.	Name of the Party	Relationship	Nature of transaction	For the year ended March 31, 2019	As at March 31, 2018
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	109.98 Cr	71.84 Cr
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	46.40Cr	14.63 Cr
3)	Smt. Vijeta Valsaraj	Relative of KMP	Salary	0.14 Cr	0.14 Cr
4)	M/s Continental Fisheries India Pvt Ltd	Wholly owned subsidiary	Investment in Equity Advance	302.76 Dr 1882.26 Dr	302.76 Dr 1020.48 Dr
5)	M/s Seacrest Seafoods Inc.	Wholly owned subsidiary	Investment in Equity Amount received against Sales	2047.5 Dr 78.19 Dr	1294.20 Dr 791.57 Dr
6)	Smt. Vineesha Valsaraj	Relative of KMP	Salary	0.18 Cr	-
7)	Sri T. Vishwanath	Relative of KMP	Labour charges	5.81 Cr	-

31. Employee Benefits
I. Provident Fund

Particulars	As at March 31, 2019	As at March 31, 2018
Contribution	51.21	69.36

II. Gratuity

A) Change in Defined Benefit Obligation

Particulars	For the year ended March 31, 2019	As at March 31, 2018
Defined Benefit Obligation at the beginning	97.32	-
Current Service Cost	20.18	20.22
Past Service Cost	6.00	102.34
(Gain)/Loss on settlements	-	-
Interest Expense	7.79	-
Benefit Payments from Plan Assets	-	(1.70)
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	(8.65)	1.70
Defined Benefit Obligation at the end	122.64	122.55
Discount Rate	8.00%	8.00%
Salary Escalation Rate	10.00%	10.00%

B) Change in Fair Value of Plan Assets

Particulars	For the year ended March 31, 2019	As at March 31, 2018
Fair Value of Plan Assets at the beginning	66.68	-
Interest Income	5.92	0.34
Employer Contributions	14.62	10.15
Employer Direct Benefit Payments	-	-
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	(1.70)
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	(0.97)	55.89
Fair Value of Plan Assets at the end	86.25	64.68

C) Components of Defined Benefit Cost

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	20.18	20.22
Past Service Cost	6.00	102.34
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	26.18	122.55
Interest Expense on DBO	7.79	-
Interest (Income) on Plan Assets	(5.92)	(0.34)
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	1.87	(0.34)
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	28.05	122.22
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	(8.65)	1.70
(Return) on Plan Assets (Excluding Interest Income)	0.97	(57.89)
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	(7.68)	(56.19)
Total Defined Benefit Cost recognized in P&L and OCI	20.37	66.03
Discount Rate	8.00%	8.00%
Salary Escalation Rate	10.00%	10.00%

32. Balances Outstanding

Loans and Advances, Trade Receivables and Trade Payables are subject to confirmation.

33. Dividend

The Board of Directors at its meeting held on May 21, 2019 had recommended a dividend of 15% (Rs. 1.50 per equity share of par value of Rs. 10 each) which is subject to approval in Annual General Meeting

34. Fair Value Measurement Hierarchy

Quantitative Disclosures of Fair Value Measurement Hierarchy for financial assets and liabilities as at 31 March 2019

Particulars	Fair Value Measurement using		
	Date of Valuation	Total	Significant unobservable Inputs (Level 3)
Financial assets measured at Fair Value :			
Investments (Refer Note 5A)	3/31/2019	141.00	141.00

Quantitative Disclosures of Fair Value Measurement Hierarchy for financial assets and liabilities as at 31 March 2018

Particulars	Fair Value Measurement using		
	Date of Valuation	Total	Significant unobservable Inputs (Level 3)
Financial assets measured at Fair Value :			
Investments (Refer Note 5A)	3/31/2018	141.00	141.00

35. Income Tax
Income Tax Expense in statement of profit and loss

Particulars	For the year ended	
	31 March 2019	31 March 2018
Current income tax:		
In respect of the current year	2,321.00	1,385.00
Tax relating to earlier years	14.85	-
Deferred tax:		
In respect of the current year	24.78	1.99
Income tax expense recognised in the statement of profit or loss	2,360.63	1,386.99

Reconciliation between provision of Income Tax of the company and amounts computed by applying the Indian Statutory Income tax rate to profit before taxes :

Particulars	For the year ended	
	31 March 2019	31 March 2018
Profit before Tax	6,642.30	3,893.52
Enacted Income Tax Rate in India	34.94%	34.61%
Computed Tax Expense	(2,320.82)	(1,347.55)
Effect of :		
Income tax pertaining to earlier years	(14.85)	-
Income Taxed in earlier years		
Expenses not deductible in determining taxable profit	(11.79)	(12.87)
Exempt Income	3.34	8.17
Deduction of bad debts of NPA related to prior years debited through provisions		
Others	(16.51)	(34.75)
Deductible - Transferred to Special reserves		
Income tax expense recognised in the statement of profit and loss	(2,360.63)	(1,386.99)

The tax rates under Indian Income Tax Act, for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61% respectively.

36. Deferred Tax assets/(liabilities) as at 31 March 2019 in relation to :

Particulars	As at 01 April 2018	Recognised in profit and loss	Recognised in OCI	As at 31 March 2019
Property, plant and Equipment	(194.38)	(26.16)	-	(220.55)
Gratuity	19.34	1.38	-	20.72
Total	(175.04)	(24.78)	-	(199.83)

Deferred Tax assets/(liabilities) as at 31 March 2018 in relation to :

Particulars	As at 01 April 2017	Recognised in profit and loss	Recognised in OCI	As at 31 March 2018
Deferred Tax Assets				
Property, plant and Equipment	(173.06)	(21.33)	-	(194.38)
Gratuity	-	19.34	-	19.34
Total	(173.06)	(1.99)	-	(175.04)

37. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Principal amount remaining unpaid	369.45	-
(b) Interest due thereon	-	-
(c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of Interest due and payable for the year	-	-
(e) The amount of Interest accrued and remaining unpaid	-	-
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-

38. The Capital Structure is as follows

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Total Capital	20,905.36	16,813.53
Total Equity attributable to the Equity Shareholders of the Company	12,476.34	8,257.52
As percentage of Total Capital	59.68%	49.11%
Short Term Borrowing and Current maturities of Long term borrowings	8,429.02	8,556.01
Long Term Borrowings	19.71	85.22
Total Borrowings	8,429.02	8,556.01
As a percentage of Total Capital	40.32%	50.89%
Total Capital (Equity and Borrowings)	20,905.36	16,813.53

39. During the period under review, in respect of the consent applications filed by the listed entity & its Promoters voluntarily, with Securities and Exchange Board of India (SEBI) pursuant to the provisions of the SEBI (Settlement Proceedings) Regulations, 2018, with regard to certain delayed compliances of disclosure requirements by the listed entity & its Promoters under Regulations 6(2), 6(4) 7(1), 7(2) & 8(3) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Regulation 30(2) read with Regulation 30 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI has passed the Settlement Orders on Application Nos. 3838/2019(Company) & 3839/2019(Promoters) vide its Order No. SO/EFD-2/SD/277/MAR/2019 (Company) - the Company remitted a sum of Rs. 27,95,000/- towards settlement charges.

40. Foreign currency sensitivity

The Company's currency exposures in respect of monetary items at March 31, 2019, that result in net currency gains and losses in the income statement and equity arise principally from movement in US Dollar exchange rates

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The other currencies includes Australian Dollar, Great Britain Pound, Danish Kroner etc.,

Currency	% change in currency rate	Effect on PBT
March 31, 2019		
USD	+ 5%	119.88
USD	-5%	(119.88)

41. Liquidity Risk

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019, March 31, 2018

Particulars	As at March 31, 2019			Above 5 Years	Total
	< 1 year	1-3 years	3-5 years		
Debt Securities	-	-	-	-	-
Borrowings	8,352.73	18.02	-	1.69	8,372.44
Other Financial Liabilities	76.57	48.41	-	-	124.98
Trade Payable	1,522.23	-	185.66	-	1,707.89
					-

Particulars	As at March 31, 2018			Above 5 Years	Total
	< 1 year	1-3 years	3-5 years		
Debt Securities	-	-	-	-	-
Borrowings	8,454.23	82.88	-	2.34	8,539.45
Other Financial Liabilities	107.97	51.75	-	-	159.72
Trade Payable	2,700.48	-	285.66	-	2,986.14

42. Ind AS 115 was issued in February 2016 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard came into force from accounting period commencing on or after 1st April 2018. The effect on adoption of Ind AS 115 did not have impact on the Company's financial statements.

43. Ind AS 116 Leases

On 30th March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116-Leases which is applicable from 1st April 2019. Ind AS 116 changes the method of accounting for leases. Excluding short-term and small ticket leases, the lessee would have to account for all other leases as a right-to-use asset in their financial statements and recognise a corresponding liability to pay the lessor. In accordance with the transition provisions of Ind AS 116, differences on adoption would be adjusted to retained earnings as on 1st April 2019. However the standard will not have material impact on company's financial statements.

COMPANY OVERVIEW

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.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation and compliance with Ind AS

Compliance with Ind AS These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements.

1.2 Summary of significant accounting policies

(i) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

Fair value measurement

The Company measures financial instruments, such as forward contracts at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(ii) Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs with two decimals.

Revenue Recognition

Revenue from the sale of goods is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is upon delivery in case of export sales made to USA and in other cases upon shipment of goods.

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using effective rate of interest method.

(iii) Property, Plant and Equipment

(a) Property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Government Grants

Government Grants are recognised when the Company has a reasonable assurance that the entity will comply with all the conditions and the grants will be received. Grants related to depreciable assets are deducted while calculating the carrying value of the asset. All other grants are recognised as Income over the grant period.

Other government grants: A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

(b) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

(c) Depreciation

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. 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.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit. When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

(iv) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(v) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial Assets - Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- ❖ The rights to receive cash flows from the asset have expired, or
- ❖ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Trade Receivables of the company are discounted with a bank and historically there have been no reported instances of non-payments of Trade Receivables. Hence, the Company considers the expected credit loss for its Trade Receivables to be Nil.

Financial liabilities – Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

❖ Financial liabilities at fair value through statement of profit and loss

Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

❖ Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through statement of profit and loss.

❖ Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(vi) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through statement of profit or loss

All forward contracts are categorized as a financial asset or financial liability, at fair value through statement of profit and loss.

Derivatives not designated as hedges are recognized initially at fair value. Attributable transaction costs are recognized in the statement of profit and loss as and when incurred. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss:

(vii) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(viii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(ix) Impairment of Non-financial assets

Tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(x) Inventories

- i. Raw Materials, Packing Materials and Stores & Spares are stated at weighted average cost.

ii. Finished goods are stated at lower of cost or net realizable value.

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stock-in-transit and finished goods are valued at lower of cost and net realizable value.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xi) Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(xii) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

(xiii) Provision for liabilities and charges, Contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

(xiv) Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

The Company's financial statements are presented in INR. The Company determines the functional currency

as INR on the basis of primary economic environment in which the entity operates.

(xv) Earnings per share

The Company presents basic and diluted earnings per share (“EPS”) data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(xvi) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 “Statement of Cash Flows”, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xvii) Research and development

Revenue expenditure towards research and development is charged to the statement of profit and loss in the year it is incurred. Capital expenditure on research and development related to property, plant and equipments is included in the cost of related property, plant and equipments.

(xviii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company’s general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

(xix) Use of Estimates, assumptions and Judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

2.4 Recent Accounting Pronouncements

Issued but not yet effective

Applicable from 1 April 2019

New Accounting Standards

On 30th March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116-Leases which is applicable from 1st April 2019. Ind AS 116 changes the method of accounting for leases. Excluding short-term and small ticket leases, the lessee would have to account for all other leases as a right-to-use asset in their financial statements and recognise a corresponding liability to pay the lessor. THE COMPANY would be implementing Ind AS 116 with effect from Q1 2020. In accordance with the transition provisions of Ind AS 116, differences on adoption would be adjusted to retained earnings as on 1st April 2019.

Amendments to Accounting Standards

On 30th March 2019, the MCA made the following amendments to accounting standards:

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. THE COMPANY does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. THE COMPANY does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. THE COMPANY does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. THE COMPANY does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. THE COMPANY does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. THE COMPANY does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.

Ind AS 111 - Joint Arrangements

The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. THE COMPANY will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation

As per our report of even date

for, K. P. Rao & Co.,
Chartered Accountants
Firm Reg No 003135S

Sd/-
K. Viswanath
Partner
Membership No. 022812

Place: Visakhapatnam
Date: May 21, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Sd/-
Swaroop Meruva
Company Secretary

Independent Auditors' Report

To The Members of Coastal Corporation Limited

Report on the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Coastal Corporation Limited ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income) for the year then ended, the Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit for the year ended on that date.

Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the Ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Other Matter

We did not audit the financial statements of the two subsidiary companies included in the financial statements of the Company whose financial statements reflect total Assets of Rs. 5,563.43 lakhs/- as at 31st March 2019 and total Revenue of Rs. 15,243.14/- lakhs for the year ended that date as considered in the financial statements and our opinion in so far as it relates to the amounts and disclosures included in respect of the subsidiary companies, is based solely on the reports of the other auditors.

Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

Management Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013, with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position and financial performance, of the Division in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Division and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Division or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ❖ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ❖ Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Division has adequate internal financial controls system in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ❖ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Division to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We also communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect of the adequacy of the Internal Financial Controls over Financial Reporting of the company and its operating effectiveness of such controls, refer to our separate report in “**Annexure A**”.
- g) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) 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 does not have any pending litigations which would impact its financial position in its consolidated Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

For **K.P. Rao & Co.,**
Chartered Accountants
Firm Reg. No. 003135S

Sd/-
K Viswanath
Partner
Membership No. 022812

Place : Bangalore
Date : May 21, 2019

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date]

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of
Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of the Company as at 31 March 2019 in conjunction with our audit of the Balance Sheet as at 31st March 2019, the statement of profit and loss and cash flow statement annexed for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management is responsible for establishing and maintaining internal financial controls based on the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('the 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 the Companies Act, 2013 ('the Act').

Auditor's 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 and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. 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. This includes those policies and procedures that :

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) 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
- (iii) 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 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.

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 maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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 of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be appropriately documented.

Place : Bangalore
Date : May 21, 2019

For **K.P. Rao & Co.,**
Chartered Accountants
Firm Reg. No. 003135S

Sd/-
K Viswanath
Partner
Membership No. 022812

Consolidated Balance Sheet as at March 31, 2019
(All amounts in Lakhs Rupees except for share data or as otherwise stated)

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
(1) Non Current Assets			
(a) Property, plant and equipment	2	4,042.43	4,104.77
(b) Capital work in progress		237.43	-
(c) Investment Property	2.1	381.60	390.65
(d) Intangible assets	3	-	0.17
(e) Financial assets	-		
(i) Investments	4A	141.00	141.00
(ii) Loans	4B	183.64	214.32
(iii) Deposits and others	4C	832.98	711.68
(f) Capital advances and other receivables	5	172.22	144.45
		5,991.30	5,707.04
(2) Current Assets	-		
(a) Inventories	6	11,477.16	7,888.87
(b) Financial assets		-	-
(i) Loans	4B	14.20	13.39
(c) Trade receivables	7	3,229.19	5,080.70
(d) Cash & cash equivalents	8A	820.83	740.89
(e) Bank balances other than above	8B	1,943.18	979.22
(f) Deposits and others	4C	106.59	97.69
(g) Advances and other receivables	5	4,224.23	2,891.21
		21,815.38	17,691.97
Total Assets		27,806.68	23,399.01
II. EQUITY and LIABILITIES			
(1) Equity			
(a) Equity share capital	9	1,016.88	254.22
(b) Other equity		10,332.16	7,384.88
Total Equity		11,349.04	7,639.10
(2) Non Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	10A	38.86	190.86
(ii) Trade payables	10C	187.73	287.46
(b) Provisions	11A	48.41	51.75
(c) Deferred Tax Liabilities	25	200.63	178.19
		475.63	708.26
(3) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	10B	8,756.42	8,857.09
(ii) Trade payables	10C	4,396.53	4,301.18
(iii) Current maturities and other liabilities	10D	76.57	107.97
(b) Provisions	11B	233.13	326.27
(c) Current tax liabilities	12	2,321.00	1,385.00
(d) Advances from Customers and others	13	198.36	74.14
		15,982.01	15,051.65
Total Equity and Liabilities		27,806.68	23,399.01
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the consolidated financial statements	22-32		

As per our report of even date
for, K. P. Rao & Co.,
Chartered Accountants
Firm Reg No. 003135S

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Sd/-
Swaroop Meruva
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(All amounts in Lakhs Rupees except for share data or as otherwise stated)

Particulars	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
I. INCOME			
Revenue from Operations (Gross)	14	61,600.69	61,364.66
Other Income	15	1,614.53	383.45
Total Revenue (I)		63,215.22	61,748.11
II. EXPENSES			
Cost of Materials Consumed	16	58,740.26	57,621.32
Purchase of Traded Goods	-		
(Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress	17	(5,089.86)	(2,899.12)
Employee Benefits Expenses	18	1,314.06	1,296.96
Finance Cost	19	976.93	1,034.58
Depreciation and Amortisation	2,2.1&3	336.26	310.96
Other Expenses	20	787.23	606.29
Total Expenses (II)		57,064.88	57,970.99
III. Profit Before Tax (I-II)		6,150.34	3,777.12
IV. Tax Expense			
Current tax		2,321.00	1,385.00
Tax relating to earlier years		14.85	-
Deferred tax charge/ (credit)	24	22.44	3.48
Adjustment of deferred tax relating to earlier years	-		
Income tax expense		2,358.29	1,388.48
V. Profit for the year (III -IV)		3,792.05	2,388.64
VI. OTHER COMPREHENSIVE INCOME (OCI)	21		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(ii) Items that will be reclassified to profit or loss		(16.88)	56.19
Total other comprehensive income for the year, net of tax		-	(64.82)
Total comprehensive income for the year, net of tax		3,775.17	2,380.01
Earnings Per Equity Share Rs. 10/- each fully paid (March 31, 2017: Rs. 10/- each fully paid)	22		
Computed on the basis of total profit for the year			
Basic (Rs.)		37.13	23.40
Diluted (Rs.)		37.13	23.40
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the consolidated financial statements	21-32		

As per our report of even date
for, K. P. Rao & Co.,
Chartered Accountants
Firm Reg No. 003135S

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Sd/-
Swaroop Meruva
Company Secretary

Consolidated Statement of Cash Flows for year ended March 31, 2019

(All amounts in Lakhs Rupees except for share data or as otherwise stated)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	6,133.45	3,767.15
Adjustments for :		
Depreciation of property, plant and equipment	336.23	310.78
Amortisation of intangible assets	0.15	0.16
Impairment loss on fixed assets	-	37.63
Loss on sale of fixed assets (net)	-	15.84
Profit on sale of fixed assets (net)	-	(0.57)
Interest income	(230.72)	(155.73)
Interest expense	976.93	1,034.58
Foreign Currency Translation Reserve	(19.24)	32.26
Unrealised exchange difference on derivatives	-	64.82
Gratuity and compensated absences	(32.15)	73.06
Operating profit before working capital changes	7,164.65	5,179.98
Movement in working capital:		
(increase)/decrease in inventories	(3,588.29)	(1,694.05)
(increase)/decrease in trade receivables	1,851.51	(962.74)
(increase)/decrease in other non current assets	(118.39)	218.06
(increase)/decrease in other current assets	(1,342.73)	(113.76)
increase/(decrease) in other long term liabilities	28.81	(17.86)
increase/(decrease) in trade payables	(4.38)	444.44
increase/(decrease) in other current liabilities	(0.32)	46.01
Cash generated from operations	3,990.87	3,100.08
Income tax paid	(1,399.85)	(1,338.02)
Net cash flows from operating activities (A)	2,591.02	1,762.06
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(626.85)	(1,622.70)
Proceeds from sale of property, plant and equipment	18.80	28.48
Governemnt Grant received	105.90	-
Proceeds from sale of investments in deposits	-	394.64
Interest received	230.62	155.73
Net cash flows used in investing activities (B)	(271.53)	(1,043.85)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from issue of equity shares	-	-
Proceeds from Securities Premium	-	-
Repayment of long - term borrowings (net)	(152.00)	(55.77)
Repayment from short - term borrowings (net)	(100.67)	1,358.00
Dividend paid	(38.13)	(38.13)
Tax on dividend	(7.86)	(7.76)
Interest paid	(976.93)	(1,034.58)
Net cash flows from financing activities (C)	(1,275.59)	221.76
Net decrease in cash and cash equivalents (A+B+C)	1,043.90	939.97
Cash and cash equivalents at the beginning of the year	1,720.11	778.80
Cash and cash equivalents at the year end	2,764.01	1,718.77
<u>Components of cash and cash equivalents:</u>		
Cash on hand	4.09	10.77
Balances with banks		
-On current accounts	831.21	730.12
-On deposit accounts	1,928.71	968.60
Total cash and cash Equivalents	2,764.01	1,709.49

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

for, K. P. Rao & Co.,

Chartered Accountants

Firm Reg No 003135S

Sd/-

K. Viswanath

Partner

Membership No. 022812

Place: Visakhapatnam

Date: 21st May, 2019

for, and on behalf of the Board

Sd/-

T.Valsaraj

Managing Director

(DIN: 0000057558)

Sd/-

G.V.V.Satyanarayana

Director (Finance)

(DIN: 0000187006)

Sd/-

Swaroop Meruva

Company Secretary

a. Equity Share Capital

Equity Shares of Rs.10 Each, Fully paid up	No.	Amount
As at April 01, 2016	25,42,200.00	254.22
Issued during the year	-	-
As at March 31, 2017	25,42,200.00	254.22
Issued during the year	76,26,600.00	762.66
As at March 31, 2018	1,01,68,800.00	1,016.88

b. Other Equity

Particulars	Reserves and surplus				FVTOCI reserve (Refer note 25)	Total
	Securities Premium	Capital Redemption reserve	General reserve	Retained Earnings		
At March 31, 2017	46.95	2.89	868.38	4,100.28	-	5,018.50
Profit for the year	-	-	-	2,388.64	-	2,388.64
Foreign Currency Translation Reserve	-	-	-	32.26	-	32.26
Other Comprehensive Income (Note 25)	-	-	-	-	-	-
- Premium on conversion of CCPS	-	-	-	-	-	-
- Premium on IPO Allotment	-	-	-	-	-	-
- Issue of Bonus shares	-	-	-	-	-	-
-Re-measurement gains / (losses) on employee defined benefit plans	-	-	-	56.19	-	56.19
-Unrealised exchange difference on derivatives	-	-	-	(64.82)	-	(64.82)
Final dividend to equity and preference shareholders	-	-	-	-	-	-
- Final dividend on equity shares	-	-	-	(38.13)	-	(38.13)
- Tax on final dividend on equity shares	-	-	-	(7.76)	-	(7.76)
- Final dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
- Tax on proposed dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
As at March 31, 2018	46.95	2.89	868.38	6,466.66	-	7,384.88
Profit for the year	-	-	-	3,775.17	-	3,775.17
Foreign Currency Translation Reserve	-	-	-	(19.24)	-	(19.24)
Other Comprehensive Income (Note 25)	-	-	-	-	-	-
- Premium on conversion of CCPS	-	-	-	-	-	-
- Premium on IPO Allotment	-	-	-	-	-	-
- Issue of Bonus shares	-	-	(762.66)	-	-	(762.66)
-Re-measurement gains / (losses) on employee defined benefit plans	-	-	-	-	-	-
-Unrealised exchange difference on derivatives	-	-	-	-	-	-
Final dividend to equity and preference shareholders	-	-	-	-	-	-
- Final dividend on equity shares	-	-	-	(38.13)	-	(38.13)
- Tax on final dividend on equity shares	-	-	-	(7.86)	-	(7.86)
- Final dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
- Tax on proposed dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
As at March 31, 2019	46.95	2.89	105.72	10,176.60	-	10,332.16

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date
for, K. P. Rao & Co.,
Chartered Accountants
Firm Reg No 0031355

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Sd/-
Swaroop Meruva
Company Secretary

2. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Computers	Vehicles	Office Equipment	Roads	Trawlers	Total Property, plant and equipment
Gross Block (Cost or deemed cost)										
As at March 31, 2017	355.24	1,522.10	1,639.92	86.47	19.82	435.87	89.12	4.06	162.73	4,315.33
Additions	585.88	149.23	502.81	16.96	4.97	204.20	3.84	-	-	1,467.89
Disposals	-	-	(63.01)	-	-	(12.46)	-	-	(41.35)	(116.82)
As at March 31, 2018	941.12	1,671.33	2,079.72	103.43	24.79	627.61	92.96	4.06	121.38	5,666.40
Additions	74.13	95.06	124.18	1.79	3.42	88.12	2.70	-	-	389.40
Disposals (Refer Note Below)	(17.06)	(7.56)	(98.34)	(0.08)	(0.11)	(1.34)	(0.21)	-	-	(124.70)
As at March 31, 2019	998.19	1,758.83	2,105.56	105.14	28.10	714.39	95.45	4.06	121.38	5,931.10
Depreciation and Impairment										
As at March 31, 2017	-	244.83	543.79	53.52	17.19	270.27	38.59	4.06	121.38	1,293.63
Charge for the year	-	48.16	155.71	5.06	2.66	72.64	19.24	-	-	303.47
Disposals	-	-	(25.39)	-	-	(10.05)	-	-	-	(35.44)
As at March 31, 2018	-	292.99	674.11	58.58	19.85	332.86	57.83	4.06	121.38	1,561.66
Charge for the year	52.15	174.02	4.81	2.16	85.30	8.75	-	-	-	327.19
Disposals	-	(0.02)	(0.15)	(0.01)	-	-	-	-	-	(0.18)
As at March 31, 2019	-	345.14	848.13	63.39	21.99	418.01	66.57	4.06	121.38	1,888.67
Net Block										
As at March 31, 2017	355.24	1,277.27	1,096.13	32.95	2.63	165.60	50.53	-	-	3,021.70
As at March 31, 2018	941.12	1,378.34	1,405.61	44.85	4.94	294.75	35.13	-	-	4,104.74
As at March 31, 2019	998.19	1,413.69	1,257.43	41.75	6.11	296.38	28.88	-	-	4,042.43

Note: 1) During the year the company has received an amount Rs. 7.56 Lakhs for Buildings and Rs. 98.34 Lakhs for Plant & Equipment as subsidy under Technology and Infrastructure Upgradation Scheme for Marine Products (TIUSMP). As per IND AS 20 as amended, the company has reduced this amount of subsidy from the cost of the asset.

2) A land of 29.59 Acres was purchased in Survey No: 206-4E1 in Tenerala village in the year 2017-18, As per government survey performed in current year the land measurement was 28.49 Acres. During the year, the company has received Rs. 17.06 Lakhs as refund for the shortfall of land measurement. This has been reduced from the cost of the asset.

2.1 Investment Property

Particulars	Freehold land	Buildings	Total
Gross Block (Cost or deemed cost)			
As at March 31, 2017	10.65	179.00	189.65
Additions	-	213.06	213.06
Disposals	-	-	-
As at March 31, 2018	10.65	392.06	402.71
Additions			
Disposals			
As at March 31, 2019	10.65	392.06	402.71
Depreciation and Impairment			
As at March 31, 2017	-	4.75	4.75
Charge for the year	-	7.31	7.31
Disposals	-	-	-
As at March 31, 2018	-	12.06	12.06
Charge for the year	-	9.05	9.05
Disposals	-	-	-
As at March 31, 2019	-	21.11	21.11
As at March 31, 2017	10.65	174.25	184.90
As at March 31, 2018	10.65	380.00	390.65
As at March 31, 2019	10.65	370.95	381.60

* The Fair Value of Freehold Land and Buildings as on 31st March 2019 was Rs. 100 Lakhs and Rs. 375.96 Lakhs respectively.

3. Intangible Assets

Particulars	Computer Software	Total Intangible Assets
Gross Block (Cost or deemed cost)		
As at March 31, 2017	1.22	1.22
Additions	0.33	0.33
Disposals	-	-
As at March 31, 2018	1.55	1.55
Additions	-	-
Disposals	-	-
As at March 31, 2019	1.55	1.55
Amortisation		
As at March 31, 2017	1.22	1.22
Charge for the year	0.16	0.16
Disposals	-	-
As at March 31, 2018	1.38	1.38
Charge for the year	0.17	0.17
Disposals	-	-
As at March 31, 2019	1.55	1.55
Net Block		
As at March 31, 2017	-	-
As at March 31, 2018	0.17	0.17
As at March 31, 2019	-	-

4. Financial assets
A. Investments

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted investments (valued at fair value through profit and loss)		
Refer Note No.33		
(i) 7,00,000 (March 31, 2018: 7,00,000) Equity Shares of Rs.10 each of Coastal Developers Pvt Ltd	70.00	70.00
(ii) 7,10,000 (March 31, 2018: 7,10,000) Equity Shares of Rs.10 each of Seagold Aqua Farms India Pvt Ltd	71.00	71.00
Total (A)	141.00	141.00

B. Loans

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current (unsecured, considered good unless otherwise stated)		
Security Deposits	183.64	214.32
Total	183.64	214.32
Current (unsecured, considered good unless otherwise stated)	-	-
Loans to related parties (note 29)	-	3.62
Other loans	-	-
- Loans to employees	14.20	9.77
	14.20	13.39
Less: Provision for doubtful advances		
Total (B)	14.20	13.39

C. Deposits and others

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current (unsecured, considered good unless stated otherwise)		
Bank Deposits	792.69	656.91
Interest Accrued on Deposits	40.29	54.77
Total	832.98	711.68
Current (unsecured, considered good unless stated otherwise)		
Current Bank Deposits	-	-
Interest Accrued on Deposits	106.59	97.69
Unbilled Revenue	-	-
Assets held for sale	-	-
	106.59	97.69
Less: Provision for insurance claim receivable		
Total (C)	106.59	97.69

Breakup of financial assets

Particulars	As at March 31, 2019	As at March 31, 2018
Valued at fair value through profit or loss		
Investments	141.00	141.00
Total financial assets carried at fair value through profit or loss		
Valued at amortised cost		
Loans	197.84	227.71
Deposits and others	939.57	809.37
Trade Receivables	-	-
Cash & cash equivalents	-	-
Bank balances other than above	-	-
Total financial assets carried at amortised cost	-	-

5. Capital advances and other receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Non-Current (unsecured, considered good unless otherwise stated)		
Capital Advances	172.22	144.41
Advances Recoverable in cash & kind	-	0.04
	172.22	144.45
Less: Provision for doubtful advances		
Total	172.22	144.45
Current (unsecured, considered good unless otherwise stated)		
Security Deposits	-	-
Advances recoverable in cash or kind	414.35	246.12
Loans and advances to related parties (note 29)	-	-
Unamortised processing fee	-	-
Prepayments	10.00	10.09
Balances with Statutory/Government Authorities	2,500.85	1,176.57
Export and other incentives receivable*	1,299.03	1,433.80
Others	-	24.63
Total	4,224.23	2,891.21

* Export and other incentives receivable has been recognized on the following: a) Incentive in the form of duty credit scrip upon sale of exports under Merchandise Exports from India Scheme under Foreign Trade Policy of India b) Sales tax incentive and reimbursement of power cost under the Andhra Pradesh state incentives IIPP 2010-15 scheme. There are no unfulfilled conditions or contingencies attached to these incentives.

6. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(At lower of cost and net realisable value)		
Raw Materials	155.11	-
Work-in-progress	-	-
Finished Goods	10,978.17	7,569.68
Oil	-	1.34
Stores, spares and packing materials	343.88	317.85
Total	11,477.16	7,888.87

7. Trade Receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables		
Unsecured, Considered Good *	3,229.19	5,080.71
Doubtful	-	-
	3,229.19	5,080.71
Less: Allowance for credit losses	-	
	3,229.19	5,080.71

* Included due from subsidiaries (refer note 29)

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing and are generally on terms of 30 - 90 days.

8. Cash & cash equivalents and Other bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
A) Cash & Cash Equivalents		
Balances with Banks		
- On Current Accounts	816.74	730.12
- Deposits with original maturity of less than three months	-	-
Cash on hand	4.09	10.77
	820.83	740.89
B) Bank balances other than above		
On Deposit Accounts		
Balances with Banks(Unclaimed Dividend)	14.47	10.62
- Remaining maturity for less than twelve months	1,928.71	968.60
	1,943.18	979.22

The bank of India as per the terms of its sanction letter has placed a condition for a prescribed % of the export proceeds of the company to be kept as fixed deposit and 15% margin money has been maintained against the Stand By Letter of Credit.

9. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised		
1,50,00,000 (March 31, 2018: 1,50,00,000)		
Equity shares of Rs.10/- each	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Paid Up		
1,01,68,800 (March 31, 2018: 25,42,200) Equity share of		
Rs.10/- each fully paid up	1,016.88	254.22
Total	1,016.88	254.22

9.1. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2019		As at March 31, 2018	
	No.	Rs.	No.	Rs.
Equity Shares of Rs.10 Each, Fully paid up				
Balance as per last financial statements	25,42,200.00	254.22	25,42,200.00	254.22
Add : Equity shares allotted	76,26,600.00	762.66	-	-
Outstanding at the end of the year	1,01,68,800.00	1,016.88	25,42,200.00	254.22

9.2. Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. 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 share holding. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

9.3. Pursuant to the approval of the shareholders on 16th May, 2018, record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on 24th May, 2018 Accordingly, the Company has allotted 76,26,600 number of fully paid Bonus shares on 25th May, 2018 in the ratio of three equity share of Rs. 10 each fully paid up for every one existing equity shares of Rs. 10 each fully paid up

Pursuant to the approval of the shareholders on 14th September, 2015, record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on 1st October, 2015. Accordingly, the Company has allotted 12,71,100 number of fully paid Bonus shares on 3rd October, 2015 in the ratio of one equity share of Rs. 10 each fully paid up for every one existing equity shares of Rs. 10 each fully paid up

9.4. Details of Shareholders holding more than 5% shares of the Company:

Particulars	As at March 31, 2019		As at March 31, 2018	
	% Holding	No.	% Holding	No.
Equity Shares of Rs. 10/- each Held By				
Haribabu Kambampati	7.69	7,81,600	7.69	1,95,400
T.V.R.Estates & Resorts Pvt Ltd	6.68	6,79,288	6.68	1,69,822
Satyasree Achanta	9.38	9,54,146	9.38	2,38,541
Aditya Achanta	12.68	12,89,800	12.68	3,22,450

10 Financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
A) Non Current borrowings (Refer Note 25)		
Other Loans	19.15	105.64
Vehicle loans from banks (Secured)	18.02	49.58
Other Loans (Unsecured)	1.69	35.64
Total	38.86	190.86

B) Current borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Cash Credits and Working Capital Demand Loans		
Indian Rupee loans from banks (Secured)	8,756.42	8,857.09
Foreign Currency loans from banks (Secured)	-	-
Buyers Credit from banks (Secured)	-	-
Total	8,756.42	8,857.09

C) Non Current Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Valued at amortised cost		
- Outstanding dues to creditors other than micro enterprises and small enterprises	187.73	287.46
- Outstanding dues to micro enterprises and small enterprises	-	-
- Outstanding dues to related parties (Note 29)	-	-
- Valued at fair value through profit or loss	-	-
- Outstanding derivate contracts	-	-
Total	187.73	287.46

Current Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Valued at amortised cost		
- Outstanding dues to creditors other than micro enterprises and small enterprises	3,307.15	3,955.15
- Outstanding dues to micro enterprises and small enterprises (Note 36)	369.45	-
- Outstanding dues to related parties (Note 29)	-	-
- Valued at fair value through profit or loss	-	-
- Outstanding derivate contracts	-	-
- Others	719.93	346.03
Total	4,396.53	4,301.18

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30-120 days terms.

D) Current maturities and other liabilities

Particulars	As at March 31, 2019	As at April 01, 2018
Current maturities of non current borrowings (Note 25)	76.29	101.78
Capital Creditors	0.28	6.19
Interest accrued	-	-
Others	-	-
Payable to selling shareholders (IPO)	-	-
Total	76.57	107.97

Interest payable is normally settled monthly/quarterly throughout the financial year.

11 Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
A) Non-Current Provisions		
Provision for Gratuity (note 30(II))	48.41	51.75
Deferred Tax Liability	-	-
Provision for Expenses	-	-
Total	48.41	51.75
B) Current Provisions		
Provision for Gratuity (note 30(II))	10.88	4.13
Provision for Expenses	222.25	322.14
Total	233.13	326.27

12. Non-current tax assets and current tax liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current tax assets		
Advance tax (net)	-	-
Tax paid under protest	-	-
Current tax liabilities		
Provision for taxes (net)	2,321.00	1,385.00
Total	2,321.00	1,385.00

13 Advances from Customers and others

Particulars	As at March 31, 2019	As at March 31, 2018
Non Current	-	-
Advances from Customers	-	-
Current		
Advances from customers	44.28	-
Unclaimed dividend	14.34	10.49
Statutory dues	139.74	63.65
Total	198.36	74.14

14. Revenue from Operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of Products		
Income from Sale of Shrimp	57,327.24	57,253.41
(A)	57,327.24	57,253.41
Other Operating Revenue	-	-
Export Benefits	4,273.45	4,111.25
(B)	4,273.45	4,111.25
Revenue from Operations	61,600.69	61,364.66
(A+B)		

15. Other Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Gain on Foreign Exchange Fluctuations	25.90	31.61
Credit balances written back	17.78	74.46
Profit on sale of fixed assets	-	0.57
Agriculture Income	9.56	8.17
Lease rental income	40.21	30.28
Interest Income	230.71	155.73
Other Income	229.05	2.00
Refund of Anti Dumping Duty	1,016.44	-
Subsidy received from Central Government on P.F	29.45	3.75
Processing charges	15.43	76.88
Total	1,614.53	383.45

16. Cost of Materials Consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Materials Consumed	-	-
Opening stock at the beginning of the year	-	66.17
Add : Purchases	48,767.33	49,036.43
Less : Sale of materials	-	-
	48,767.33	49,102.60
Less : Closing stock at the end of the year	155.11	-
(A)	48,612.22	49,102.60
Procurement Expenses	22.13	20.84
Cold Storage Charges	104.38	102.09
Peeling wages	898.18	764.12
Plant Electricity Charges	718.42	706.82
Processing wages	1,187.23	1,074.17
Plant Maintenance	345.34	308.11
Plant Other Expenses	491.47	759.76
Agriculture Market Cess	171.47	69.11
Antidumping Fee	746.90	603.27
Chemicals	389.56	418.19
Commission	263.01	113.48
ECGC Fees	89.50	66.06
Freight Charges	1,549.89	1,231.10
Ice Purchases	74.14	69.92
Monitoring Fee	71.66	44.71
Packing & Stocking	1,639.26	1,301.43
Shipment Expenses	298.74	100.29
Stock Insurance	121.55	119.37
Testing charges	85.19	89.78
Truck Repair & Maintenance	348.45	274.48
Transportation Expenses	313.22	281.63
Plant lease rental	198.35	-
(B)	10,128.04	8,518.72
Total (A+B)	58,740.26	57,621.32

17. (Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening stock of inventories		
Finished goods of Shrimp	7,571.02	4,670.56
Stock of Oil	-	1.34
Work-in-Progress of API and Intermediates		-
	7,571.02	4,671.90
Closing stock of inventories		
Finished goods of Shrimp	10,978.17	7,569.68
Stock of Oil	-	1.34
Work-in-Progress of API and Intermediates		
	10,978.17	7,571.02
Increase in inventories of finished goods and work-in-progress	(3,407.15)	(2,899.12)
Increase in Finished goods of API and Intermediates	(3,407.15)	(2,899.12)
Decrease/(Increase) in Work-in-Progress of API and Intermediates		-
Increase in inventories of finished goods and work-in-progress	(3,407.15)	(2,899.12)

18. Employee Benefits Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, allowances and wages	1,139.95	1,035.39
Contribution to provident fund and other funds	104.12	88.27
Gratuity expense (Note 30)	27.14	129.25
Share based payment expense	-	-
Managerial remuneration	-	-
Leave salary	16.43	16.35
Staff welfare expenses	26.42	27.70
Total	1,314.06	1,296.96

19. Finance Cost

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expenses	876.28	937.35
Bank charges	100.65	97.23
Total	976.93	1,034.58

20. Other Expenses

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit Fee *	4.70	4.83
Directors Travelling Expenses	35.19	32.21
Insurance	12.74	46.44
Rent ,Rate & Taxes	3.33	22.34
Stock Exchange Listing Fee	2.04	2.67
Telex & telephone	4.86	10.28
Travelling Expenses	18.83	52.09
Loss on sale of fixed assets	-	15.84
Miscellaneous Expenses (Refer Note 38)	160.81	85.68
Professional Charges	40.50	58.98
Electricity Charges	4.04	2.91
Postage	5.25	4.57
C.S.R.Expenses	-	-
Directors Remuneration	314.33	206.82
Net (Gain)/Loss on Foreign Exchange Fluctuations	3.17	-
Service Tax	177.44	23.00
Impairment Loss	-	37.63
Total	787.23	606.29

* **Note:** Audit fees comprises of:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Audit fee	3.90	3.54
Tax Audit fee	0.50	0.35
Other Matters	0.30	0.24
Total	4.70	4.13

21. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:
During the year ended March 31, 2019

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Remeasurement costs on net defined benefit liability	(16.88)	56.19
Deferred tax effect on remeasurement costs	-	-
Cashflow hedge on forward contracts	-	-
Deferred tax effect on cashflow hedge on forward contracts	-	-
Reclassified to statement of profit or loss	-	-
Re-measurement on unrealised gain/loss on forward contracts	-	(64.82)
Total	(16.88)	(8.63)

22. Earnings per share (EPS)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit for the year attributable to shareholders	3,775.17	2,380.01
Less: Preference dividend and tax thereon		-
Profit available for equity shareholders	3,775.17	2,380.01
Weighted average number of equity shares in computing basic EPS *	101.69	101.69
Add: Effect of dilution *	-	-
Convertible preference shares	-	-
Stock options granted under ESOP	-	-
Weighted Average number of Equity Shares in computing diluted earnings per share *	101.69	101.69
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	37.13	23.40
- Diluted (Rs.)	37.13	23.40
* Adjusted for bonus issue		

During the year ended March 31, 2019, the Company on May 25, 2018, has allotted 76,26,600 equity shares of Rs. 10/- each to the then existing shareholders of the Company as Bonus shares in the ratio of 1.3 Accordingly, the earnings per share has been adjusted for bonus issue for previous periods presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

23. Details of CSR expenditure

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Gross amount required to be spent by the Company during the year:	48.71	33.21
(b) Amount spent during the year	0.83	-
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	-

Note: The amount unspent as at March 31, 2019 is Rs. 109.34 lakhs , as at March 31, 2018 Rs. 61.46 lakhs

24. Deferred tax liability/(asset) (Net)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liability		
Impact of difference between the aggregate book written down value and tax written down value of property, plant and equipment	221.35	197.53
Total (A)	221.35	197.53
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
- Gratuity	20.72	19.34
Total (B)	20.72	19.34
Deferred tax liability/(asset) (Net) (A-B)	200.63	178.19

25. (a) The details of Indian rupee Vehicle loans from banks are as under:

Name of the Bank	Outstanding as on March 31, 2019	Outstanding as on March 31, 2018	No. of Instalments	Commencement of instalments	Effective interest rate	Effective interest rate
a) Secured loan from Canara Bank of India - car- innova	25.68	45.99	36 monthly instalments ranging from Rs.2.09 to Rs.2.29	May 2017	MCLR Plus 1.90% p.a. (March 31, 2016: Base rate plus 2.50% - 3.20 % p.a., April 01, 2015 : Base rate plus 3.20 % p.a.)	MCLR Plus 1.90% p.a. (March 31, 2016: Base rate plus 3.45 % p.a., April 01, 2015: Nil).
b) Secured loan from Canara Bank of India - car- swift	3.12	5.12	36 equal monthly instalments of Rs.0.20	August 2017	MCLR Plus 1.90% p.a. (March 31, 2016: Base rate plus 2.00% - 2.50 % p.a., April 01, 2015 : Base rate plus 2.00 % p.a.)	MCLR Plus 1.90% p.a. (March 31, 2016: Base rate plus 2.50% - 3.20 % p.a., April 01, 2015 : Base rate plus 3.20 % p.a.)
c) Secured loan from Bank of India - Car - shift dezire)	1.51	2.71	36 equal monthly instalments of Rs.0.12	July 2015	Base rate plus 2.00% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 2.00 % p.a.)	MCLR Plus 1.90% p.a. (March 31, 2016: Base rate plus 2.00% - 2.50 % p.a., April 01, 2015 : Base rate plus 2.00 % p.a.)
d) Secured loan from ICICI Bank - Tata- Ace-2	3.74	6.36	35 equal monthly instalments of Rs.0.27	August 2017	Base rate plus 2.25% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 1.75% p.a.)	Base rate plus 2.00% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 2.00 % p.a.)
e) Secured loan from ICICI Bank - car- swift	2.88	4.85	36 equal monthly instalments of Rs.0.19	August 2017	MCLR plus 2.75% p.a. (March 31, 2016 : Base rate plus 2.50% p.a., April 01, 2015 : Base rate plus 2.50% p.a.)	Base rate plus 2.25% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 1.75% p.a.)
f) Secured loan from Bank of India - car- Innova	17.00	19.17	72 equal monthly instalments of Rs.0.32	November 2017	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)	MCLR plus 2.75% p.a. (March 31, 2016 : Base rate plus 2.50% p.a., April 01, 2015 : Base rate plus 2.50% p.a.)
g) Secured loan from Bank of India - car- Tiago	3.15	3.54	72 equal monthly instalments of Rs.0.06	February 2017	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)
h) Secured loan from HDFC Bank Ltd - Buses	37.23	-	18 equal monthly instalments of Rs.4.28	June 2018	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)
i) Secured loan from Kotak Mahindra - Trucks	-	63.61	23 equal monthly instalments of Rs.7.37	Feb-2017	Flat Rate of interest 9.12%	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)
j) Unsecured loan from Bajaj Finance	-	6.90	24 monthly instalments of Rs.2.06 To 0.51	Jan-2017	Flat Rate of interest 8.18%	Flat Rate of interest 9.12%
k) Unsecured loan from Magma Fincorp Ltd.	-	15.53	24 monthly instalments of Rs.5.82 To 1.45	Jan-2017	Flat Rate of interest 8.18%	Flat Rate of interest 8.18%
l) Unsecured loan from Tata Capital Financial Services	-	11.52	24 monthly instalments of Rs.2.59 To 0.96	Jan-2017	Flat Rate of interest 8.18%	Flat Rate of interest 8.18%
Total	94.31	185.30				

26 Contingent liabilities/claims not provided for

Particulars	As at March 31, 2019	As at March 31, 2018
Unexpired Bank Guarantee issued in favour of:		
Against letters of credit(SBLC)	470.92	271.78
M/s Continental Fisheries India Pvt Ltd	400.00	-

27. Estimated amount of contracts remaining

Particulars	As at March 31, 2019	As at March 31, 2018
	75.50	-

28. Details of Remuneration to Whole-time Directors

Particulars	As at March 31, 2019	As at March 31, 2018
a) Sri T. Valsaraj, Managing Director	206.55	134.89
b) Sri G.V.V.Satyanarayana	107.77	71.94
Total	314.32	206.83

29. Related Party Disclosures
(i) Names of related parties and description of relationship
Key Management Personnel

Name of the Related Party	Relationship
(a) Sri T. Valsaraj	KMP (Managing Director)
(b) Sri.G.V.V.Satyanarayana	KMP (Whole-time Director)
(c) Smt. Swaroopa Meruva	KMP (Company Secretary)
(d) Smt. Jeeja Valsaraj	Relative of KMP
(e) Smt. Vijeta Valsaraj	Relative of KMP

(ii) Transactions during the year with related parties

Sl.No.	Name of the Party	Relationship	Nature of transaction	For the year ended March 31, 2019	For the year ended March 31, 2018
1)	Sri T. Valsaraj	KMP (MD)	Remuneration Amount paid Amount received	206.55 - -	134.89 85.00 85.00
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration Amount paid Amount received	107.77 - -	71.94 120.00 120.00
3)	Smt. Jeeja Valsaraj	Relative of KMP	Sitting fees	1.30	0.36
4)	Smt. Vijeta Valsaraj	Relative of KMP	Salary Amount paid	- -	- 0.09
5)	Smt. Vineesha Valsaraj	Relative of KMP	Salary Amount paid	- 2.56	- -
6)	Sri T. Vishwanath	Relative of KMP	Labour charges Amount paid	- 110.12	- -

(iii) Balance outstanding

Sl.No.	Name of the Party	Relationship	Nature of transaction	For the year ended March 31, 2019	As at March 31, 2018
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	109.98 Cr	71.84 Cr
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	46.4 Cr	14.63 Cr
3)	Smt. Vijeta Valsaraj	Relative of KMP	Salary	0.14 Cr	0.14 Cr
4)	Smt. Vineesha Valsaraj	Relative of KMP	Salary	0.18 Cr	-
5)	Sri T. Vishwanath	Relative of KMP	Labour charges	5.81 Cr	-

30. **Employee Benefits**
 I. **Provident Fund**

Particulars	For the year ended March 31, 2019	As at March 31, 2018
Contribution	51.30	69.36

II. **Gratuity**
 A) **Change in Defined Benefit Obligation**

Particulars	For the year ended March 31, 2019	As at March 31, 2018
Defined Benefit Obligation at the beginning	97.32	-
Current Service Cost	20.18	20.22
Past Service Cost	6.00	102.34
(Gain)/Loss on settlements	-	-
Interest Expense	7.79	-
Benefit Payments from Plan Assets	-	(1.70)
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	(8.65)	1.70
Defined Benefit Obligation at the end	122.64	122.55
Discount Rate	8.00%	8.00%
Salary Escalation Rate	10.00%	10.00%

B) **Change in Fair Value of Plan Assets**

Particulars	For the year ended March 31, 2019	As at March 31, 2018
Fair Value of Plan Assets at the beginning	66.68	-
Interest Income	5.92	0.34
Employer Contributions	14.62	10.15
Employer Direct Benefit Payments	-	-
Employer Direct Settlement Payments	-	-
Benefit Payments from Plan Assets	-	(1.70)
Benefit Payments from Employer	-	-
Settlement Payments from Plan Assets	-	-
Settlement Payments from Employer	-	-
Other (Employee Contribution, Taxes, Expenses)	-	-
Increase / (Decrease) due to effect of any business combination / divestiture / transfer)	-	-
Increase / (Decrease) due to Plan combination	-	-
Remeasurements - Return on Assets (Excluding Interest Income)	(0.97)	55.89
Fair Value of Plan Assets at the end	86.25	64.68

C) Components of Defined Benefit Cost

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current Service Cost	20.18	20.22
Past Service Cost	6.00	102.34
(Gain) / Loss on Settlements	-	-
Reimbursement Service Cost	-	-
Total Service Cost	26.18	122.55
Interest Expense on DBO	7.79	-
Interest (Income) on Plan Assets	(5.92)	(0.34)
Interest (Income) on Reimbursement Rights	-	-
Interest Expense on (Asset Ceiling) / Onerous Liability	-	-
Total Net Interest Cost	1.87	(0.34)
Reimbursement of Other Long Term Benefits	-	-
Defined Benefit Cost included in P & L	28.05	122.22
Remeasurements - Due to Demographic Assumptions	-	-
Remeasurements - Due to Financial Assumptions	-	-
Remeasurements - Due to Experience Adjustments	(8.65)	1.70
(Return) on Plan Assets (Excluding Interest Income)	0.97	(57.89)
(Return) on Reimbursement Rights	-	-
Changes in Asset Ceiling / Onerous Liability	-	-
Total Remeasurements in OCI	(7.68)	(56.19)
Total Defined Benefit Cost recognized in P&L and OCI	20.37	66.03
Discount Rate	8.00%	8.00%
Salary Escalation Rate	10.00%	10.00%

31. Balances Outstanding

Loans and Advances, Trade Receivables and Trade Payables are subject to confirmation.

32. Dividend

The Board of Directors at its meeting held on May 21, 2019 had recommended a dividend of 15% (Rs. 1.50 per equity share of par value of Rs. 10 each) which is subject to approval in Annual General Meeting

33. Fair Value Measurement Hierarchy

Quantitative Disclosures of Fair Value Measurement Hierarchy for financial assets and liabilities as at 31 March 2019

Particulars	Fair Value Measurement using		
	Date of Valuation	Total	Significant unobservable Inputs(Level 3)
Financial assets measured at Fair Value :			
Investments (Refer Note 4A)	3/31/2019	141.00	141.00

Quantitative Disclosures of Fair Value Measurement Hierarchy for financial assets and liabilities as at 31 March 2018

Particulars	Fair Value Measurement using		
	Date of Valuation	Total	Significant unobservable Inputs(Level 3)
Financial assets measured at Fair Value :			
Investments (Refer Note 4A)	3/31/2018	141.00	141.00

34. **Income Tax**
Income Tax Expense in statement of profit and loss

Particulars	For the year ended	
	31 March 2019	31 March 2018
Current income tax:		
In respect of the current year	2,321.00	1,385.00
Tax relating to earlier years	14.85	-
Deferred tax:		
In respect of the current year	22.44	3.48
Income tax expense recognised in the statement of profit or loss	2,358.29	1,388.48

Reconciliation between provision of Income Tax of the company and amounts computed by applying the Indian Statutory Income tax rate to profit before taxes :

Particulars	For the year ended	
	31 March 2019	31 March 2018
Profit before Tax	6,642.30	3,893.52
Enacted Income Tax Rate in India	34.94%	34.61%
Computed Tax Expense	(2,320.82)	(1,347.55)
Effect of :		
Income tax pertaining to earlier years	(14.85)	-
Income Taxed in earlier yaers		
Expenses not deductible in determining taxable profit	(11.79)	(12.87)
Exempt Income	3.34	8.17
Deduction of bad debts of NPA related to prior years debited through provisions		
Others	(14.17)	(36.24)
Deductible - Transferred to Special reserves		
Income tax expense recognised in the statement of profit and loss	(2,358.29)	(1,388.48)

The tax rates under Indian Income Tax Act, for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61% respectively.

35. **Deferred Tax assets/(liabilities) as at 31 March 2019 in relation to :**

Particulars	As at01 April 2018	Recognised in profit and loss	Recognised in OCI	As at31 March 2019
Property,plant and Equipment	(197.53)	(23.82)		(221.35)
Gratuity	19.34	1.38		20.72
Total (178.19)	(22.44)	-	(200.63)	

Deferred Tax assets/(liabilities) as at 31 March 2018 in relation to :

Particulars	As at01 April 2018	Recognised in profit and loss	Recognised in OCI	As at31 March 2019
Deferred Tax Assets				
Property,plant and Equipment	(174.71)	(22.82)		(197.53)
Gratuity	-	19.34		19.34
Total(173.06)	(3.48)	-	(178.19)	

36. Micro and small enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 have been determined based on the information available with the Company and the required disclosures are given below:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Principal amount remaining unpaid	369.45	-
(b) Interest due thereon	-	-
(c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of Interest due and payable for the year	-	-
(e) The amount of Interest accrued and remaining unpaid	-	-
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-

37. The Capital Structure is as follows

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Company monitors the return on capital as well as the level of dividends on its equity shares. The Company's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Principal amount remaining unpaid	369.45	-
(b) Interest due thereon	-	-
(c) The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(d) The amount of Interest due and payable for the year	-	-
(e) The amount of Interest accrued and remaining unpaid	-	-
(f) The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid	-	-

38. During the period under review, in respect of the consent applications filed by the listed entity & its Promoters voluntarily, with Securities and Exchange Board of India (SEBI) pursuant to the provisions of the SEBI (Settlement Proceedings) Regulations, 2018, with regard to certain delayed compliances of disclosure requirements by the listed entity & its Promoters under Regulations 6(2), 6(4) 7(1), 7(2) & 8(3) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and Regulation 30(2) read with Regulation 30 (3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the SEBI has passed the Settlement Orders on Application No's. 3838/2019(Company) vide its Order No. **SO/EFD-2/SD/277/MAR/2019** (Company) - the Company remitted a sum of Rs. 27,95,000/- towards settlement charges.

39. Foreign currency sensitivity

The Company's currency exposures in respect of monetary items at March 31, 2019, that result in net currency gains and losses in the income statement and equity arise principally from movement in US Dollar exchange rates. The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The Company's exposure to foreign currency changes for all other currencies is not material. The other currencies includes Australian Dollar, Great Britain Pound, Danish Kroner etc.



Currency	% change in Currency Rate	Effect on profit before tax
March 31, 2019		
USD	+ 5%	119.88
USD	-5%	(119.88)

40. Liquidity Risk

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2019, March 31, 2018

Particulars	As at March 31, 2019			Above 5 Years	Total
	< 1 year	1-3 years	3-5 years		
Debt Securities	-	-	-	-	-
Borrowings	8,756.42	37.17	-	1.69	8,795.28
Other Financial Liabilities	76.57	48.41	-	-	124.98
Trade Payable	4,396.53	2.07	185.66	-	4,584.26

Particulars	As at March 31, 2018			Above 5 Years	Total
	< 1 year	1-3 years	3-5 years		
Debt Securities	-	-	-	-	-
Borrowings	8,857.09	188.52	-	2.34	9,047.95
Other Financial Liabilities	107.97	51.75	-	-	159.72
Trade Payable	4,301.18	-	287.46	-	4,588.64

- 41.** Ind AS 115 was issued in February 2016 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard came into force from accounting period commencing on or after 1st April 2018. The effect on adoption of Ind AS 115 did not have impact on the Company's financial statements.

42. Ind AS 116 Leases

On 30th March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116-Leases which is applicable from 1st April 2019. Ind AS 116 changes the method of accounting for leases. Excluding short-term and small ticket leases, the lessee would have to account for all other leases as a right-to-use asset in their financial statements and recognise a corresponding liability to pay the lessor. In accordance with the transition provisions of Ind AS 116, differences on adoption would be adjusted to retained earnings as on 1st April 2019. However the standard will not have material impact on company's financial statements.

As per our report of even date
for, **K. P. Rao & Co.,**
Chartered Accountants
Firm Reg No. 0031355

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Sd/-
Swaroop Meruva
Company Secretary

1. COMPANY OVERVIEW

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.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 ('Act') read with the Companies (Indian Accounting standards) Rules, 2015 and other relevant provisions of the Act. The accounting policies are applied consistently to all the periods presented in the financial statements. The financial statements of the Group has been consolidated using uniform accounting policies.

2.2 Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control exists when the parent has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of subsidiaries are consolidated on a line-by-line basis and intra-group balances and transactions including unrealised gain/ loss from such transactions are eliminated upon consolidation. The financial statements are prepared by applying uniform policies in use at the Group.

2.3 Summary of significant accounting policies

(i) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

Fair value measurement

The Company measures financial instruments, such as forward contracts at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ❖ In the principal market for the asset or liability, or
- ❖ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value for measurement and /or disclosure purpose in these financial statements is determined on such basis, except for share based payment transactions that are within the scope of Ind AS 102, leasing transactions that are

within the scope of Ind AS 17, and measurements that have some similarities to fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(ii) Functional and presentation currency

These Ind AS Financial Statements are prepared in Indian Rupees which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs with two decimals.

Revenue Recognition

Revenue from the sale of goods is recognised when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of such recognition in case of sale of goods is when the control over the same is transferred to the customer, which is upon delivery in case of export sales made to USA and in other cases upon shipment of goods.

Dividend income is recognised when the right to receive payment is established. Interest income is recognised using effective rate of interest method.

(iii) Property, Plant and Equipment

(a) Property, plant and equipment

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statement of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income/other expenses in statement of profit and loss.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Government Grants

Government Grants are recognised when the Company has a reasonable assurance that the entity will comply with all the conditions and the grants will be received. Grants related to depreciable assets are deducted while calculating the carrying value of the asset. All other grants are recognised as Income over the grant period.

Other Government grants: A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

(b) Capital work in progress

Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Revenue generated from production during the trial period is credited to capital work in progress.

(c) Depreciation

Assets in the course of development or construction and freehold land are not depreciated.

Other property, plant and equipment are stated at cost less accumulated depreciation and any provision for impairment. Depreciation commences when the assets are ready for their intended use.

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. 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.

Major inspection and overhaul costs are depreciated over the estimated life of the economic benefit derived from such costs. The carrying amount of the remaining previous overhaul cost is charged to the statement of profit and loss if the next overhaul is undertaken earlier than the previously estimated life of the economic benefit. When significant spare parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Depreciation methods, useful lives and residual values are reviewed at each financial year end and changes in estimates, if any, are accounted for prospectively.

(iv) Intangible assets

Intangible assets acquired are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not have any intangible assets with indefinite useful life. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

(v) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Financial Assets - Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- ❖ The rights to receive cash flows from the asset have expired, or
- ❖ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement~ and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

The Trade Receivables of the company are discounted with a bank and historically there have been no reported instances of non-payments of Trade Receivables. Hence, the Company considers the expected credit loss for its Trade Receivables to be Nil.

Financial liabilities – Recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through statement of profit and loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

- ❖ Financial liabilities at fair value through statement of profit and loss

Financial liabilities at fair value through statement of profit and loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through statement of profit and loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

- ❖ Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through statement of profit and loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk is recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through statement of profit and loss.

❖ **Loans and Borrowings**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (hereinafter referred as EIR) method. Gains and losses are recognised in statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(vi) Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank.

Financial assets or financial liabilities, at fair value through statement of profit or loss

All forward contracts are categorized as a financial asset or financial liability, at fair value through statement of profit and loss.

Derivatives not designated as hedges are recognized initially at fair value. Attributable transaction costs are recognized in the statement of profit and loss as and when incurred. Any gains or losses arising from changes in the fair value of derivatives are taken directly to statement of profit and loss:

(vii) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

(viii) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur.

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(ix) Impairment of Non-financial assets**Tangible and intangible assets**

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

(x) Inventories

- i. Raw Materials, Packing Materials and Stores & Spares are stated at weighted average cost.
- ii. Finished goods are stated at lower of cost or net realizable value.

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. Cost of raw materials, components and stores and spares is determined on a weighted average basis. Stock-in-transit and finished goods are valued at lower of cost and net realizable value.

Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(xi) Taxation**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(xii) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company transfers it immediately to retained earnings.

(xiii) Provision for liabilities and charges, Contingent liabilities and contingent assets

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting obligations under a contract exceed the economic benefits expected to be received, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

(xiv) Foreign currency transactions

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the statement of profit and loss.

The Company's financial statements are presented in INR. The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates.

(xv) Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

(xvi) Cash Flow Statement

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(xvii) Research and development

Revenue expenditure towards research and development is charged to the statement of profit and loss in the year it is incurred. Capital expenditure on research and development related to property, plant and equipments is included in the cost of related property, plant and equipments.

(xviii) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

(xix) Use of Estimates, assumptions and Judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgements and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the standalone financial statements and the reported amounts of revenues and expenses for the year reported. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and future periods are affected.

2.4 Recent Accounting Pronouncements

Issued but not yet effective

Applicable from 1 April 2019

New Accounting Standards

On 30th March 2019, the Ministry of Corporate Affairs (MCA) notified Ind AS 116-Leases which is applicable from 1st April 2019. Ind AS 116 changes the method of accounting for leases. Excluding short-term and small ticket leases, the lessee would have to account for all other leases as a right-to-use asset in their financial statements and recognise a corresponding liability to pay the lessor. THE COMPANY would be implementing Ind AS 116 with effect from Q1 2020. In accordance with the transition provisions of Ind AS 116, differences on adoption would be adjusted to retained earnings as on 1st April 2019.

Amendments to Accounting Standards

On 30th March 2019, the MCA made the following amendments to accounting standards:

Ind AS 12 – Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. THE COMPANY does not expect any impact from this pronouncement.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. THE COMPANY does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. THE COMPANY does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Employee Benefits Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. THE COMPANY does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. THE COMPANY does not expect any impact from this amendment.

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the

equity method is not applied. THE COMPANY does not currently have any long-term interests in associates and joint ventures.

Ind AS 103 – Business Combinations

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business.

Ind AS 111 - Joint Arrangements

The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. THE COMPANY will apply the pronouncement if and when it obtains control / joint control of a business that is a joint operation

As per our report of even date
for, K. P. Rao & Co.,
Chartered Accountants
Firm Reg No 0031355

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: 21st May, 2019

for, and on behalf of the Board

Sd/-
T.Valsaraj
Managing Director
(DIN: 0000057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 0000187006)

Sd/-
Swaroop Meruva
Company Secretary

COASTAL CORPORATION LIMITED

(CIN: L63040AP1981PLC003047)

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

Form No. MGT-11

Proxy Form

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

Name of the Member(s) : _____

Registered Address : _____

E-mail Id : _____ Folio No /Client ID : _____ DP ID : _____

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

Name : _____ E-mail Id: _____

Address: _____

Signature , or failing him _____

Name : _____ E-mail Id: _____

Address: _____

Signature , or failing him _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the company, to be held on Saturday, the 31st August, 2019 at 10.30 AM at Vedika, Hotel Daspalla, Suryabagh, Jagadamba Junction, Visakhapatnam - 530020, 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 Financial Statements for the Financial Year ended 31 st March 2019		
2.	Declaration of Dividend @15%		
3.	Reappointment of Mrs. Jeeja Valsaraj as a Director who is liable to retire by rotation		
4.	Appointment of Statutory Auditors of the Company		
5.	Re-appointment of Mr. K. Venkateshwara Rao, as an Independent Director		
6.	Approval for entering into Related Party Transactions		
7.	Alteration of Memorandum of Association of the Company		
8.	Approval u/s. 180(1)(a) of the Companies Act 2013		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 20__

Signature of Shareholder

Signature of Proxy holder

Signature the of shareholder

Note:

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

COASTAL CORPORATION LIMITED

(CIN: L63040AP1981PLC003047)

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

ATTENDANCE SLIP

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

Thirty Eighth Annual General Meeting on the Saturday 31st August, 2019 at 10.30 A.M.

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of the member _____ Address _____

Name of Proxy _____ Address _____

I hereby record my presence at the 38th Annual General Meeting of the Coastal Corporation Limited on Saturday, the 31st August, 2019 at 10.30 a.m. at Vedika, Hotel Daspalla, Suryabagh, Jagadamba Junction, Visakhapatnam - 530020, Andhra Pradesh, India.

(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.



**The Federation of Telangana Chambers
of Commerce and Industry**

(formerly known as FTAPCCI)

Empowering Industry, Commerce & Trade

FTCCI EXCELLENCE AWARD

EXCELLENCE IN EXPORT PERFORMANCE

(Silver Rolling Trophy – Instituted by Surana Group of Industries, Secunderabad)

Citation

Presented to

**Coastal Corporation Ltd.
Visakhapatnam**

In recognition of their outstanding performance
in export of marine products.

by

Justice Sri Raghvendra Singh Chauhan

Hon'ble Chief Justice of High Court for the State of Telangana

12th July, 2019 at Hotel Marigold by Green Park, Hyderabad.

Anil Reddy Vennam

Chairman

FTCCI Excellence Awards Committee

CA. Arun Luharuka

President

38TH
ANNUAL REPORT
2018-2019

To

If undelivered please return to :



COASTAL CORPORATION LIMITED

Regd. Office : 15-1-37/3, Nowroji Road,
Maharanipeta, Visakhapatnam - 530002.
Andhra Pradesh, India.

E-mail : cclinvestors@gmail.com

Website : www.coastalcorp.co.in