COASTAL CORPORATION LIMITED

39TH ANNUAL REPORT
2019-2020

सत्यमेव जयते

भारत सरकार

GOVERNMENT OF INDIA

वाणिज्य एवं उद्योग मंत्रालय

MINISTRY OF COMMERCE & INDUSTRY

विदेश व्यापार महानिदेशालय

DIRECTORATE GENERAL OF FOREIGN TRADE

मान्यता प्रमाण पत्र

Certificate of Recognition

तीन सितारा निर्यात सदन

THREE STAR EXPORT HOUSE

मैसर्स..

....

(आई ई सी ....और आयकर पैन ....)

को विदेश व्यापार नीति, 2015–2020 के प्रावधानों के अनुसार तीन सितारा निर्यात सदन का स्तर प्रदान किया जाता है। यह प्रमाण पत्र, प्रक्रिया पुस्तक (2015 –2020) के पैरा 3.20 (बी) में दी गयी शर्तों के निहित..............वर्षों की अवधि के लिए दिनांक ....से ....तक वैध होगा।

M/s COASTAL CORPORATION LTD.,

No.15-1-37/3,NOWROJI ROAD, MAHARANIPETA,VISAKHAPATNAM -AP-530002

(IEC 2690000458 and Income Tax PAN AACCC6045J)

are hereby accorded the status of Three Star Export House in accordance with the provisions of the Foreign Trade Policy, 2015-2020. This Certificate is valid for a period of 05 years effective from 29.05.2020 to 28.05.2025 subject to the conditions prescribed in Para 3.20(b) of the Hand Book of Procedures (2015-2020).

सं./No. C/ 1688

तारीख/Date : 21.07.2020

स्थान/Place : VISAKHAPATNAM

JT.D.G.F.T. VISAKHAPATNAM

23.07.2020

(DR.RAMESH DN)

अपर / संयुक्त / उप महानिदेशक

विदेश व्यापार / विकास आयुक्त (एस.ई.झेड.)

Additional/ Joint/ Deputy Director General of Foreign Trade/ Development Commissioner (SEZ)

(फाइल सं./File No.) 26/21/058/50003/AM21 तारीख/Date : 29.05.2020

39th Annual General Meeting

on Tuesday, 29th September, 2020 at 10.00 A.M.
through Video Conferencing / Other Audio Visual Means

Contents	Page No.

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. Brahmayya & Co.
Chartered Accountants
Visakhapatnam.

SECRETARIAL AUDITORS:

M/s. Sambhu Prasad M & Associates
Company Secretaries
Visakhapatnam

INTERNAL AUDITORS:

Jaya & Lakshmi
Chartered Accountants
Visakhapatnam

BANKERS:

Bank of India
Main Branch
Visakhapatnam
Andhra Pradesh

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 NINTH** Annual General Meeting of the Members of **COASTAL CORPORATION LIMITED** will be held on Tuesday, the 29th day of September, 2020 at 10.00 A.M. through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), to transact the following business. The venue of the meeting shall deemed to be the Registered Office of the Company at 15-1-37/3, Jayapradha Apartments, Nowroji Road, Maharanipeta, Visakhapatnam - 530002, Andhra Pradesh, India.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2020 including audited Balance Sheet as at 31st March, 2020 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 confirm the interim dividend of Rs. 1.50/- per Equity Share of Rs. 10/- each (i.e., 15%) for the financial year 2019-20 as final dividend and pass the following resolution:

   "**RESOLVED THAT** the interim dividend of Rs. 1.50/- per Equity Share of Rs. 10/- each (i.e., 15%) declared by the Board of Directors of the Company on 24th February, 2020 on 1,01,68,800 Equity Shares of Rs. 10/- each paid to the shareholders is be and hereby approved and confirmed as the Final Dividend for the Financial Year 2019-20."

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.

<u>SPECIAL BUSINESS</u>:

4. **Appointment of Mr. Venkata Suryanarayana Malakapalli 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. Venkata Suryanarayana Malakapalli (holding DIN: 0372812), who was appointed as an Independent Director of the Company by the Members at their Meeting held on 14th September,2015, 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 commencing from the this 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 05.04.2021, for the remaining term of his Directorship as Independent Director of the Company."

5. **Re-appointment of Mr. Valsaraj Thottoli as a Managing Director of the Company**

   To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the 'Act') read along with Schedule V to the Act (including any amendment thereto or re-enactment thereof for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination & Remuneration Committee and subject to such sanctions as may be necessary, the consent of the members be and is hereby accorded to the re-appointment of Mr. Valsaraj Thottoli (DIN 0057558) as the Managing Director ('MD') of the Company for a five year term w.e.f. 29th September, 2020 not liable to retire by rotation, upon the terms and conditions as to the payment of remuneration as hereunder:

Salary: Rs. 2,75,000/- per month

In addition to the salary, he shall be provided with the following perquisites:

(i)	Medical Reimbursement:	Actual Expenses incurred for the MD and his family Explanation: 'Family' means the spouse, dependent parents and dependent children
(ii)	Gratuity:	Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act, 1972
(iii)	As % of Net Profits	at the rate of 2.5% of the net profits

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during his said tenure, the remuneration be paid within the overall limits of Section 197 of the Act with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and MD.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to revise the remuneration of MD from time to time to the extent the Board of Directors may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and MD be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required and delegate all or any of its powers herein conferred to any committee of director(s) to give effect to the above resolution."

6. **Approval to deliver document through a particular mode as may be sought by the member**

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

"RESOLVED THAT pursuant to the provisions of Section 20 of the Companies Act, 2013 and relevant rules framed thereunder and other applicable provisions, if any, whereby, a document may be served on any member by the Company by sending it to him/her by post, by registered post, by speed post, by electronic mode, or any other modes as may be prescribed, consent of the members be and is hereby accorded to charge from the member such fees in advance equivalent to estimated actual expenses of delivery of the documents delivered through registered post or speed post or by courier service or such other mode of delivery of documents pursuant to any request by the shareholder for delivery of documents, through a particular mode of service mentioned above provided such request along with requisite fees has been duly received by the Company at least 10 days in advance of dispatch of documents by the Company to the shareholder;

RESOLVED FURTHER THAT upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/ or charge such fees which shall not be more than the amount charged to the Company by the Department of Post or the Service Provider(s) including related handling charges, if any, to deliver the documents in a particular mode.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution."

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 2020-21, 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 is 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 is 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."

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

For and on behalf of the Board
For COASTAL CORPORATION LIMITED

Sd/-
T. Valsaraj
Managing Director

Place : Visakhapatnam
Date : 01.09.2020

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 23rd June 2020, read with circulars dated 5 May 2020, 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM, hereinafter called as 'e-AGM'.

2. The deemed venue for thirty-ninth e-AGM shall be the registered office of the Company.

3. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this e-AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Statement pursuant to section 102 of the Act forms part of this Notice. The Board of Directors at its meeting held on 1st September, 2020 has decided that the special businesses set out under item no. 4 to 7, being considered 'unavoidable', be transacted at the thirty-ninth e-AGM of the Company.

5. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the Listing Regulations and as per provisions of the Act.

6. The facility of joining the e-AGM through VC/OAVM will be opened 15 minutes before and will be open upto 15 minutes after the scheduled start time of the e-AGM, i.e. from 9.45am to 10.15am and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.

7. An interim dividend at the rate of Rs. 1.50/- per equity share of Rs. 10/- each declared by the Board at its meeting held on 24 February, 2020 has been paid to all the eligible members as on 5th March 2020, being the record date for the purpose of dividend. The directors recommend for consideration of the shareholders the above referred interim dividend as final dividend for the financial year ended 31st March 2020.

8. As per the Listing Regulations and pursuant to SEBI Circular dated 20 April 2018, the Company shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, the interim dividend, which was declared on 24th February 2020 was paid through electronic mode, where the bank account details of the shareholders were available. In case where the dividend could not be paid through electronic mode, payment has been made through Dividend Warrants in the name such shareholders.

9. To ensure timely credit of dividend through electronic mode or dividend warrants members are requested to notify change of address or particulars of their bank account, if changed, to Share transfer agent M/s. Bigshare Services Pvt. Ltd, 06, 3rd Floor, Right Wing, Amrutha Ville Opp: Yashoda Hospital, Raj Bhavan Road Somajiguda, Hyderabad – 500082 and to their respective depository participants.

10. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the share transfer agent of the Company. Members are requested to keep the same updated.

11. The Register of Members and Share Transfer Books of the Company will remain closed from 23.09.2020 to 29.09.2020 (both days inclusive).

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. Institutional / Corporate Shareholders (i.e., other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF / JPG Format) of its Board or governing body Resolution / Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through e-voting. The said Resolution / Authorization shall be sent to the Scrutinizer by email through its registered email address to pcs.acs@gmail.com with a copy marked to cclinvestors@gmail.com.

18. The Registers required to be maintained under the Companies Act, 2013 and all documents referred to in the Notice will be available for inspection by the members at the Registered Office of the Company on all working

days, between 11.00am to 1.00pm upto the date of the meeting. Members seeking to inspect such documents can send an email to cclinvestors@gmail.com.

19. 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.

20. 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.

21. 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.

22. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations,2015("SEBI Listing Regulations"),with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, the Director have furnished the requisite declarations for their appointment/ re-appointment.

23. In compliance with the MCA Circulars and SEBI Circular dated 12th May, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.coastalcorp.co.in , website of the Stock Exchange,i.e., BSE Limited at www.bseindia.com and on the website of Company's Registrar and Transfer Agents, M/s Big share Services Pvt. Ltd ("www.bigshareonline.com").

24. For receiving all communication (including Annual Report) from the Company electronically:

a) Members holding shares in physical mode and who have not registered / updated their email address with the Company are requested to register / update the same by writing to the RTA / Company with details of folio number and attaching a self-attested copy of PAN card to Big Share Services Private Ltd at bsshyd1@bigshareonline.com and bsshyd@bigshareonline.com or to the Company at cclinvestors@gmail.com.

b) Members holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participant.

c) Shareholders who have not registered their e-mail address or registered an incorrect email address and in consequence the Annual Report, Notice of AGM and e-voting notice could not be serviced, may send signed copy of the request letter providing the e-mail address, mobile number, self-attested PAN copy along with client master copy (in case of electronic folio) / copy of share certificate (in case of physical folio) via e-mail at the e-mail id cclinvestors@gmail.com. for obtaining the Annual Report and Notice of e-AGM.

25. In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date for e-voting, i.e., Tuesday 22nd September, 2020, such person may obtain the User ID and Password from the Company's RTA by sending an email request on the above mentioned mail ids.

26. 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

27. 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 CDSL, 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.

28. **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.

29. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **72 hours before the date of AGM** mentioning their name, demat account number/folio number, email id, mobile number at RTA email id: agmparticipant@bigshareonline.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at company email id:cclinvestors@gmail.com. These queries will be replied to by the company at the meeting/ suitably by email.

30. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Sec.103 of the Act

31. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.

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 39th 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 22nd September, 2020 (cut-off date), are entitled to vote on the resolutions set forth in this Notice. The e-voting period will commence on Saturday, 26th September, 2020 (09:00 hrs) and will end on Monday, 28th September, 2020 (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

THE INSTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i)

E-Voting Start Time	E-Voting End Time
26.09.2020 at 9.00 AM	28.09.2020 at 5.00PM

(ii) ** Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (22.09.2020) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(iii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.

(iv) The shareholders should log on to the e-voting website www.evotingindia.com.

(v) Click on "Shareholders" module.

(vi) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL's **EASI/EASIEST** e-services, you can log-in at https://www.cdslindia.com from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's **EASI/EASIEST** e-services, click on **e-Voting** option and proceed directly to cast your vote electronically.

(vii) Next enter the Image Verification as displayed and Click on Login.

(viii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(ix) 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.

(x) After entering these details appropriately, click on "SUBMIT" tab.

(xi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

(xii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xiv) 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.

(xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xvi) 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.

(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xx) Shareholders can also cast their vote using CDSL's mobile app "**m-Voting".** The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id** : cclinvestors@gmail.com / bsshyd@bigshareonline.com

2. For Demat shareholders -, please provide Demat account detials (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to **Company/RTA email id**.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at https://www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.

2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.

3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **72 hours before the date of AGM** mentioning their name, demat account number/folio number, email id, mobile number at (RTA email id: agmparticipant@bigshareonline.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **7 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at (company email id:cclinvestors@gmail.com). These queries will be replied to by the company at the meeting/ suitably by email.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.

2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.

3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.

- 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 linked in the login 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, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; cclinvestors@gmail.com (designated email address by company) , if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

  If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

General Instructions:

i. The Board of Directors has appointed M. Sambhu Prasad, Practising Company Secretary (FCS No. 8795 CP No. 11723) as the Scrutinizer to the e-voting process and voting at the e-AGM in a fair and transparent manner.

ii. The Chairman shall formally propose to the members participating through VC/OAVM facility to vote on the resolutions as set out in the Notice of the thirty-ninth e-AGM and announce the start of the casting of vote through the e-voting system.

iii. The Scrutinizer shall, immediately after the conclusion of voting at the e-AGM, first count the votes cast at the meeting, thereafter unblock the votes through e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company, who shall countersign the same.

iv. The Scrutinizer shall submit his report to the Chairman or in his absence Managing Director of the Company, who shall declare the result of the voting. The results declared along with the scrutinizer's report shall be placed on the Company's website www.coastalcorp.co.in and shall also be communicated to the stock exchanges. The resolutions shall be deemed to be passed at the AGM of the Company.

Annexure to the Notice:

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 4

RE-APPOINTMENT OF MR. VENKATA SURYANARAYANA MALAKAPALLI (DIN: 0372812), AS INDEPENDENT DIRECTOR OF THE COMPANY:

Mr. M.V. Suryanarayana has been a Director on the board of the Company with effect from 14.09.2015. In terms of section 149 of the Companies Act, 2013, the members at the Annual General Meeting held on 14th September, 2015 appointed Mr. M.V. Suryanarayana as an Independent Director of the Company to hold office for a term of Five (5) consecutive years with effect from 14.09.2015. Accordingly the current term of Mr. M.V. Suryanarayana expires at this Annual General Meeting. In terms of Section 149 of the Companies Act, 2013, Mr. M.V. Suryanarayana 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 11th July, 2020, approved, subject to the approval of the members at the ensuing Annual General Meeting, re-appointment of Mr. M.V. Suryanarayana as an Independent Director for another term of Five (5) consecutive years commencing from ensuing Annual General Meeting. Mr. M.V. Suryanarayana Rao will not be eligible to retire by rotation.

Mr. M.V. Suryanarayana has given his consent for the said re-appointment and has also submitted the declaration of independence, as required pursuant to section 149(7) of the Act, stating that he meets the criteria of independence as provided in section 149(6) and regulation 16 of the Listing Regulations and is not disqualified from being appointed as a director in terms of section 164 of the Act.

The terms and conditions of appointment of independent directors shall be available for inspection through electronic mode and the same shall also be available at the Company's website www.coastalcorp.co.in.

The Board is of the opinion that Mr. M.V. Suryanarayana possesses requisite skills, experience and knowledge relevant to the Company's business and it would be of immense benefit to the Company to continue to have his association with the Company as an independent director of the Company.

According to section 152 of the Act, read with Schedule IV to the Act, in the opinion of the Board, the proposed re-appointment fulfils the conditions specified in the Act and the rules made thereunder as also the applicable provisions of Listing Regulations and is independent of the Management.

Information about the Appointee

Brief Resume:

Mr. Venkata Suryanarayana Malakapalli, aged 74 years is a Non Executive Independent Director of our Company. He is a Fellow Member of the Institute of Chartered Accountants of India and has work experience of 39 years in a renowned Insurance Company in Accounts, Marketing, Administration, Banking and Finance.

Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. M.V. Suryanarayana is re-appointed as an Independent Director of the Company.

Major Directorships : NIL

Shareholding in the Company: Nil

Nature of expertise in specific functional areas:, Finance, Legal compliance and Administration, CSR, Sustainability & NGO matters.

He will be eligible for payment of sitting fee as payable to other non-executive directors of the Company.

He is not related to any key managerial personnel of the Company.

None of the directors or key managerial personnel or their relatives are directly or indirectly concerned or interested, financially or otherwise, except to the extent of his respective shareholding, if any, in the Company, in the resolution set out in item no. 4 of the Notice.

Copy of the draft letter for appointment of Mr. M.V. Suryanarayana 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. M.V. Suryanarayana will attain the age of 75 years on 5th April 2021. 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. M.V. Suryanarayana, 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. M.V. Suryanarayana, 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. 4.

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. 5

RE-APPOINTMENT OF MR. VALSARAJ THOTTOLI AS A MANAGING DIRECTOR

At the Annual General Meeting held on 14th September 2015, Mr. Valsaraj Thottoli was appointed as the Managing Director of the company for five years w.e.f. 25th January 2016. It is proposed to re-appointment him as the Managing Director of the Company for a period of five years w.e.f. 29th September 2020 subject to the approval of Members through Special Resolution on the terms and conditions of remuneration as stated below:

Salary: Rs. 2,75,000/- per month

In addition to the salary, he shall be provided with the following perquisites:

(i)	Medical Reimbursement:	Actual Expenses incurred for the MD and his family
	Explanation:	'Family' means the spouse, dependent parents and dependent children
(ii)	Gratuity:	Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act, 1972
(iii)	As % of Net Profits	at the rate of 2.5% of the net profits

Minimum remuneration

In the event of loss or inadequacy of profits in any financial year during the tenure of the appointment, the MD shall be paid remuneration as stated above, as minimum remuneration, subject to restrictions, if any, set out in Schedule V to the Act, from time to time.

Information about the Appointee:

Mr. Valsaraj Thottoli, aged 66 years is the Managing Director of the Company. He has been in the Company since incorporation and is associated since then. He holds the degree of Bachelor of Technology in Chemical Engineering and Chemical Technology from Andhra University. He has over 38 years of experience in export business of marine products and other merchandise. He is responsible for strategic business planning, growth and management of the Company. He looks after overall management and operations of the Company and is instrumental in preparing our growth strategies. He has been devoting his entire time, efforts and energy to develop the Company in all aspects including business planning and analysis of future competition and threats at Global level as the business of the company is export oriented of marine products. His extensive involvement in wealth maximization and net worth build-up is clearly evident from the present financial structure of the Company.

Other Directorships

Coastal Developers Private Limited

Continental Fisheries India Private Limited

Committee chairmanships and memberships: Nil

Shareholding in the Company: He currently holds 5,24,152 equity shares of Rs. 10/- each in the Company.

Nature of expertise in specific functional areas: Overall management of business strategy, product development, manufacturing & sales operations and such other areas.

He has been associated with the Company as a director since 1981 and his last drawn remuneration during the financial year 2019-20 was Rs. 1,47,35,000/-

More details about the remuneration are available in the Annual Report.

Mr. T. Valsaraj is not disqualified from being re-appointed as a Director in terms of section 164 of the Act.

This resolution is being proposed as a special resolution in view of the relevant provisions of Schedule V to the Act requiring a special resolution for payment of minimum remuneration in the event of loss or inadequacy of profits.

The terms of remuneration referred to above and the powers and authorities delegated to him would be available for inspection by the members through electronic mode upto the date of the meeting.

Disclosures of his relationship inter-se with other directors and on the number of Board meetings attended by him are given in the Corporate Governance Report – *Annexure 6.*

None of the directors or key managerial personnel or their relatives except Mrs. Jeeja Valsaraj, being the wife of Mr. T. Valsaraj is concerned or interested financially or otherwise, except to the extent of his respective shareholding, if any, in the Company, in the resolution set out in item no. 5 of the Notice.

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

The Board recommends the special resolution set out in Item No. 5 for approval by shareholders.

Item No. 6

APPROVAL TO DELIVER DOCUMENT THROUGH A PARTICULAR MODE AS MAY BE SOUGHT BY THE MEMBER

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further a member may request the delivery of document through any other mode by paying such fees as may be determined by the members in the Annual General Meeting.

Accordingly, the Board recommends the passing of the Special Resolution at *Item No. 6* of the accompanying Notice for members approval.

None of the Directors and the Key Managerial Personnel of the Company and their respective relatives are concerned or interested in the passing of the above 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 Company 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 of 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 Member/s of the Company being a Related Party or having any interest in the Resolution as set out at Item No. 7 shall be entitled to vote on this special Resolution.

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

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

Regd. Office:
15-1-37/3,
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: 01.09.2020

DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Thirty-Ninth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2020 and the report of the Auditors thereon.

1. FINANCIAL SUMMARY

(Rs. in lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019	Year Ended 31.03.2020	Year Ended 31.03.2019
	(STANDALONE)		(CONSOLIDATED)	
Revenue from Operations	51295.48	46827.01	60427.75	60075.03
Other Income	1426.19	1558.31	1481.08	1614.53
Total Income	52721.67	48385.32	61908.83	61689.56
Profit before Taxation	4536.92	6642.30	4463.29	6150.34
Current Tax	1130.00	2321.00	1130.00	2321.00
Tax relating to earlier years	(32.29)	14.85	(32.29)	14.85
Deferred Tax Credit/(Charge)	(43.14)	30.68	(42.43)	30.68
Profit After Tax(PAT)	3482.35	4275.77	3408.01	3783.80
Total Other Comprehensive Income/Loss net of tax	(159.95)	(10.98)	(70.47)	(30.22)
Total Other Comprehensive Income for the year net of tax	**3322.40**	**4264.79**	**3337.54**	**3753.58**

2. SUMMARY OF OPERATIONS & STATE OF COMPANY'S AFFAIRS

The Net Profit for the year under consideration i.e., FY 2019-20 is Rs. 3322.40 Lakhs as compared to a Profit of Rs. 4264.79 Lakhs in the previous financial year is inclusive of one time imcome of Rs.1000 Lakhs which was the differential anti dumping duty (Net of expenses) on final determination by the Dept. of Commerce, USA on the exports made by the Company during the earlier years.

Your Company reported a total income of Rs. 52721.67 Lakhs during 2019-20 as compared to the income of Rs. 48385.32 lakhs in the immediately preceding financial year 2018-19.

During the year under review, there is no change in nature of the business of the Company. The affairs of the Company are conducted in accordance with the accepted business practices and within the purview of the applicable legislations.

3. THE IMPACT OF COVID-19 ON THE BUSINESS AND GOING CONCERN ASSUMPTIONS OF THE COMPANY AND ITS SUBSIDIARY CONTINENTAL FISHERIES INDIA PVT. LTD.

The year 2019-20 ended on a rather serious note with the outbreak of the Covid-19 pandemic. It is one of the most significant public health, social and economic phenomena and its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. In many countries, including India, there has been severe disruption to regular business operations due to lock down restrictions and other emergency measures imposed by the Government.

The Shrimp Feed manufacturing and Shrimp Processing and Exports have been declared as "Essential Services" and exempted from restrictions of lockdown. However, due to low manpower turnout coupled with difficulties in transportation of raw materials and finished goods, the production and sales/exports reduced during last quarter of FY 2019-20 and in the months of April and May of FY 2020-21. The situation is gradually improving with increase in employee turnout and streamlining transportation and other related services.

The Company is strictly implementing the measures stipulated by the Government for safety of the workers in the production facilities and other establishments of the Company.

The impact of COVID-19 is not significant on the financial performance of the Company in the quarter ended 31st March, 2020 and the Company opines that assessment of impact of COVID-19 on future is premature since the virus is still aggressive in India, not subsided elsewhere in the world and there is already effect of recession on global economy.

4. SHARE CAPITAL

During the year under review, there is no change in share capital of the Company. As on 31st March, 2020 the authorized capital of the Company is Rs. 15,00,00,000/- (Rupees fifteen crores only) divided into 1,50,00,000 (one crores fifty lakhs) equity shares of 10/-each and paid-up capital is Rs. 10,16,88,000/- (Rupees ten crores sixteen lakhs eighty eight thousand only) divided into 1,01,68,800 (One crore one lakh sixty eight thousand and eight hundred) equity shares of 10/- each.

5. DIVIDEND

The interim dividend of Rs.1.50/- per share declared by the Board of Directors of the Company on 24th February, 2020, on 1,01,68,800 equity shares of Rs.10/- each paid to the shareholders, be and is hereby approved as final dividend for the year ended 31st March, 2020.

6. AWARDS AND RECOGNITIONS

Your Company is consistently working towards its goal. The hard work of the management was truly appreciated when the company was recognized by "The Financial Times and Statista" as FT High Growth Companies Asia Pacific - 2020 and also recognized by Ministry of Commerce & Industry, Government of India as a Three Star Export House on 21st July, 2020.

7. SUBSIDIARIES/ASSOCIATES AND JOINT VENTURES

The Company has the following two wholly owned subsidiaries:

I) Continental Fisheries India Private Limited

The operational performance of the Company is as below: (Rs. in Lakhs)

Particulars	2019-20	2018-19
Revenue from operations	4492.43	5896.34
Profit Before Tax	9.87	8.09
Less:Deferred Tax	0.70	(2.34)
Net Profit After Tax	9.17	10.43

II) Seacrest Seafoods Inc.

The operational performance of the Company is as below: (Rs. in Lakhs)

Particulars	2019-20	2018-19
Revenue from operations	5452.84	9290.58
Gross Profit	349.87	94.09
Less:Operating expenses	433.35	594.16
Net Loss	(83.48)	(500.64)

Pursuant to Section 129(3) of the Companies Act, 2013, a separate statement containing salient features of the financial statement of both the subsidiaries of the Company is annexed in the format of AOC-1 as **Annexure - 1** to the Financial Statements of the Company.

The accounts of the above subsidiaries have been considered in the consolidated financial results of the Company.

The Annual Audited Financial Statements of each of the subsidiary companies are placed on the Company's website. The same will also be made open for inspection.

8. NUMBER OF MEETINGS OF THE BOARD

Six (6) 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.

9. 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.

10. DEPOSITS

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount of principal or interest was outstanding as of the Balance Sheet date.

11. STATUTORY AUDITORS & AUDITOR'S REPORT

At the 38th Annual General Meeting held on August 31, 2019, the Members approved the appointment of M/s. Bramhmayya & Co., Chartered Accountants, Visakhapatnam (Registration No.000513S) to hold office from the conclusion of the 38th Annual General Meeting until the conclusion of the 43rd Annual General Meeting of the Company to be held in the year 2024. Consequent to amendment to the Companies Act, 2013, ratification of Statutory Auditor's appointment is not required at every Annual General Meeting.

There are no qualifications, reservations or adverse remarks or disclaimers made by the Statutory Auditors in their report on the Financial Statements of the Company for the Financial Year ended March 31, 2020.

12. 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. The same does not contain any adverse remarks.

13. INTERNAL AUDITORS

The Board of Directors based on the recommendations of the Audit Committee have appointed M/s. Jaya & Lakshmi, Chartered Accountants, Visakhapatnam for the financial year 2020-21, 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.

14. ANNUAL SECRETARIAL COMPLIANCE REPORT

A Secretarial Compliance Report for the financial year ended 31st March, 2020 on compliance of all applicable SEBI Regulations and circulars/ guidelines, issued by M/s. Sambhu Prasad M & Associates., Secretarial Auditors was submitted to Bombay Stock Exchange (BSE).

15. CREDIT & GUARANTEE FACILITIES

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

16. 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.

17. 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.

18. 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 along with Annexures for the year 2019-20 forms part of this Annual Report as **Annexure-6, 7 & 8.**

19. 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, enhancing livelihood, contribution to health centres 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.

20. EXTRACT OF ANNUAL RETURN

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with the Rule 12(1) of the Companies (Management & Administration) Rules, 2014, the extract of the Annual Return for the Financial Year ended on March 31, 2020 in the form MGT-9 is annexed as **Annexure-10** to this Report. The same is available on the website of the Company and can be accessed at www.coastalcorp.co.in.

21. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

The below mentioned Directors were appointed/re-appointed in terms of applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 at the 38th Annual General Meeting which was held on August 31st, 2019:

(i) Mr. K. Venkateswara Rao was reappointed as an Independent Director of the Company for five years

(ii) Mrs. Jeeja Valsaraj who was liable to retire by rotation was re-appointed

Appointments/Re-appointments at this Annual General Meeting

(i) Regularisation of Ms. Jeeja Valsaraj: 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.

As per the requirements of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Clause 1.2.5 of the Secretarial Standard 2 (Revised) as issued by the Institute of Company

Secretaries of India, a statement containing the requisite details of Ms. Jeeja Valsaraj's re-appointment is given below:

Particulars	Details
Name	Ms. Jeeja Valsaraj
Date of Birth	01-02-1964
Age	56 yrs
Relationships with Directors inter-se	She is the wife of the Managing Director, Mr. Valsaraj Thottoli
Profile	Mrs. Jeeja Valsaraj, aged 56 years is the Non Executive Director of the Company. She is the wife of the Managing Director, Mr. Valsaraj Thottoli. She has completed her post graduate diploma in Management and Fashion Technology. She is associated with the Company for 16 years. She has interest and experience in the varied areas of Administration, Social responsibility service, Fashion Technology, etc.
Qualification	Post Graduate in Management & Fashion Technology
Experience & Expertise in specific function area	16 years
Remuneration last drawn by such person	She is receiving the sitting fees from the Company
Date of first appointment on the Board	01/10/2004
Membership/Chairmanship of committees of the Board of Directors of the Company	She is the Member of Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Nomination & Remuneration Committee of the Company.She is the chairperson of Stakeholders Relationship Committee
Other Directorships and Membership of other Boards	Director of Coastal Developers Private Limited
Shareholding	199200 Equity Shares

(ii) Re-appointment of Mr. M.V. Suryanarayana as an Independent Director of the Company

The members at the Annual General Meeting held on 30th September, 2015 appointed Mr. M.V. Suryanarayana as an Independent Director of the Company to hold office for a term of Five (5) consecutive years with effect from 14.09.2014. Accordingly, the current term of Mr. M.V. Suryanarayana expires at this Annual General Meeting.

The Board based on the recommendation of Nomination and Remuneration Committee considered the re-appointment of Mr. M.V. Suryanarayana 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.4 of the Notice convening the Annual General Meeting.

Requisite Disclosures pertaining to his re-appointment are disclosed in Explanatory Statement annexed to the Notice.

(iii) Re-appointment of Mr. Valsaraj Thottoli as the Managing Director of the Company

At the Annual General Meeting held on 14th September 2015, Mr. Valsaraj Thottoli was appointed as the Managing Director of the company for five years w.e.f. 25th January 2016. It is proposed to re-appointment him as the Managing Director of the Company for a further period of five years commencing from this AGM subject to the approval of Members through Special Resolution.

Requisite Disclosures pertaining to his re-appointment are disclosed in Explanatory Statement annexed to the Notice.

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.

22. DECLARATION BY INDEPENDENT DIRECTORS

Mr. Kamireddi Venkateswara Rao, Mr. M.V.Suryanarayana and Mr. Kalyanaraman P.R, the Independent Directors of the Company are independent in terms of Section 149(6) of the Companies Act, 2013 and Regulation 16 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The Company has received requisite annual declarations/confirmations from all the aforesaid Independent Directors confirming their independence.

The Board of Directors of the Company is of the view that Independent Directors fulfill the criteria of independence and they are independent from the management of the Company.

All Independent Directors of the Company have confirmed that they have registered themselves with Independent Directors' Database of IICA and will appear for the online proficiency test of IICA, if applicable.

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

The requisite details under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of **Annexure-12** to this Report. The requisite details relating to the remuneration of the specified employees under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 form part of this Report.

24. DIRECTORS' RESPONSIBILITY STATEMENT AS REQUIRED UNDER SECTION 134 (5) 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 2019-20 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.

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

During the Financial Year 2019-20, the Company filed an application with the Regional Director, Hyderabad for the merger/amalgamation with its wholly-owned subsidiary, Continental Fisheries India Private Limited.

The application was rejected by the Regional Director on the ground that it is not maintainable under Section 233 of the Companies Act, 2013 ("Scheme")

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.

26. 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 to which the financial statements relate and the date of this report unless otherwise stated in the report.

27. 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).

28. RISK MANAGEMENT

The Board oversees Company's processes for determining risk tolerance and review management's action and comparison of overall risk tolerance to established levels. The framework is designed to enable risks to beidentified, assessed and mitigated appropriately. Major risks identified by the businesses and functions are systematically addressed through appropriate actions on a continuous basis.

29. 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 % on Net Profits of the Company 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.

30. 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.

31. 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.

The performance of the Audit Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee, the Stakeholders Relationship Committee was evaluated by the Board having regard to various criteria such as committee composition, committee processes and committee dynamics. The Board was of the unanimous view that all the committees were performing their functions satisfactorily and according to the mandate prescribed by the Board under the regulatory requirements including the provisions of the Companies Act, 2013, the Rules framed thereunder and the Listing Agreement/SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

32. 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.

33. 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.

34. 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.

The Company has in place an adequate system of internal controls. The internal financial controls with reference to the Financial Statements for the year ended 31st March, 2020 commensurate with the size and nature of business of the Company. The measures implemented for internal financial controls include multiple authority levels for approval of expenditures, budgetary controls, internal audit etc.

35. 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.

The Directors also wish to place on record their appreciation of the devoted services of the employees, who have largely contributed to the efficient management of your Company.

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: 01.09.2020

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	01.04.2019 to 31.03.2020	01.04.2019 to 31.03.2020
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	(29.54)	(1167.55)
6.	Total assets	1887.32	2217.61
7.	Total Liabilities	1887.32	2217.61
8.	Investments	NIL	NIL
9.	Turnover	4492.43	5452.84
10.	Profit before taxation	9.87	(83.48)
11.	Provision for taxation	0.70	NIL
12.	Profit/Loss after taxation	9.17	(83.48)
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, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visakhapatnam
Date: 11.07.2020

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

Disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including arms length transactions under fourth (4th) provision there to:

1. During the year 2019-20 there are no arrangements or transactions with related parties which were not at arm's length basis.

2. Following are the 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	147.35
Shri. G.V.V. Satyanarayana	Director – Finance & CFO	Ongoing	Remuneration	78.17
M/s. Continental Fisheries India Private Limited	Wholly Owned Subsidiary	Ongoing	Investment in Equity	-
			Advance	287.99
M/s. Seacrest Seafoods Inc.	Wholly Owned Subsidiary	Ongoing	Investment in Equity	-
			Sale of Shrimp	407.71
			Amount received against sales	150.23
Jeeja Valsaraj	Director	—	Sitting Fees	1.20
Vineesha Valsaraj	Relative of Director	Ongoing	Salary	3.00
T. Viswanath	Relative of Director	Ongoing	Labour Charges Amount Paid	158.63

As per our report of even date
for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visakhapatnam
Date: 11.07.2020

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, 2020

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).** Subject to limitation of physical interaction and verification of records caused by COVID-19 pandemic lock down while taking review after completion of financial year, the Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of 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, 2020, 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, 2020 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 Sexual Harassment of Women at the Work Place (Prevention, Prohibition and Redressal) Act, 2013

(o) The Water (Prevention and Control of Pollution)Act, 1974

(p) The Air (Prevention and Control of Pollution) Act, 1981

(q) Prevention of Food Adulteration Act, 1954

(r) Export (Quality and Inspection) Act, 1963

(s) Food Safety and Standards Act, 2006 and Food Safety Standards Regulations (FSSR), 2011

(t) AP Fire Safety Act, 1999 and Rules 2006

(u) Hazardous Waste (Management and Handling and transboundary Movement) Rules, 2008

We have relied on the representations made by the Company, its officers and reports of Internal Auditors for systems and mechanism framed by the Company for compliances under other acts, Laws and regulations applicable to the Company as mentioned above.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The SEBI (LODR) Regulations, 2015 and the Listing Agreements entered into by the Company with the Stock Exchanges.

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

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

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 including a Woman Director. 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.

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

The Company has complied with COVID- 19 guidelines issued by MCA.

We further report that during the audit period, the following specific event / action took place in pursuance of the above referred Laws, Rules, Regulations and Guidelines, Standards, etc.

1. The Company has filed an application with Regional Director, Hyderabad for approval of scheme of merger by absorption of Continental Fisheries India Private Limited, a wholly owned subsidiary with the Company. The scheme was rejected by Regional Director, Hyderabad vide letter dated 11th August, 2020 on the ground that the scheme is not maintainable u/s. 233 of the Companies Act 2013.

We further report that, the compliance by the Company of applicable financial laws like direct and indirect tax laws and maintenance of financial records and books of accounts has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals.

For Sambhu Prasad M & Associates
Company Secretaries
Sd/-
Sambhu Prasad M
Partner
FCS No.: 8795
C P No.: 11723

Place: Visakhapatnam
Date: 01.09.2020

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
Company Secretaries
Sd/-
Sambhu Prasad M
Partner
FCS No.: 8795
C P No.: 11723

Place: Visakhapatnam
Date: 01.09.2020

Annexure 4

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

(A) CONSERVATION OF ENERGY

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

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

(A) POWER AND FUEL CONSUMPTION	Current Year 31.03.2020	Previous year 31.03.2019
Electricity :		
a) Purchase		
Units	79,02,436	81,07,412
Total Amount (in Rs.)	6,34,37,462	5,37,32,268
Rate/Unit (in Rs.)	8.02	6.63
b) Own Generation :		
Through D.G. Units	1,94,444.30	1,90,961.20
Total Amount (in Rs.)	44,00,996.30	46,35,122.65
Unit/Lt. of Diesel Oil	3.11	3.05
Cost/Unit (in Rs.)	**22.63**	**24.27**

(B) TECHNOLOGY ABSORPTION:

Not Applicable.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the period under review, the Foreign Exchange Earnings and Outgo is as follows: (Amount in Rs.)

Particulars	2019-20	2018-19
Foreign Exchange Earnings(FOB)	456,95,26,273	415,39,31,363
Foreign Exchange Outgo	15,84,74,554	14,27,81,014

Sd/-

Date : 11.07.2020
Place: Visakhapatnam

G.V.V.SATYANARAYANA
Director (Finance)

Annexure 5

MANAGEMENT DISCUSSION ANALYSIS

COMPANY OVERVIEW:

Your Company is a Visakhapatnam based 100% EOU engaged in the business of processing and export of shrimps. It is one of the leading shrimp exporters from India to the US markets. The company offers shrimps in various forms – raw frozen blocks and in IQF, cooked in frozen blocks and cooked in IQF form as per customers specifications. It exports its products across globe markets – US, Europe, Canada, UAE, China and Hong Kong. The company is having substantial share of its revenue from exports of value-added products like headless shell on, butterfly, skewers, cooked, etc. The company has chalked down expansion plans for a pre-processing unit and a greenfield processing unit with an estimated capex of around INR 600 million at KSEZ, Kakinada.

COMPANY'S OUTLOOK AND OPERATIONAL PERFORMANCE:

FY2019-20 has been a relatively stable year for the shrimp industry whereby demand from US and other major markets remained firm. Pricing environment too remained favourable for the Indian shrimp players. India continued to remain one of the leading exporters in the global shrimp trade. Demand from China surged significantly during the year, but was impacted in the last quarter of FY2019-20 on account of outbreak of Covid-19 pandemic. Q4 FY2019-20 shipments posed some logistics challenges on account of Covid-19 pandemic. Post pandemic, Japan has also lifted inspection orders for the Indian Black Tiger shrimps, which can open up a major export market for the company next to US markets.

Covid-19 impacted the company for few weeks on account of the imposed complete lock-down as per orders of Government of India. However, as the company is falling under food processing segment and as such considered as essential services, it got relaxation in restarting the plant operations in the month of April 2020 itself.

Though the current prevailing scenario remains uncertain, demand environment seems to be stable and the operations are expected to return to normalcy soon. Further, the recent depreciation in the currency is likely to benefit the company substantially as entire revenues are by way of exports in US Dollar. Further, on account of operational challenges, raw material prices were favourable for the company, whilst realizations were relatively stable. All these factors, would help the company in terms of its performance in the coming year. Overall, your Company had a good performance from operations during 2019-20, details of which are given in this Annual Report.

INDIAN OVERVIEW

The shrimp production in the country during 2019 was about 7,50,000 MTs. During 2020, it is estimated that the production of shrimps in the country will be at the same level with a variance of 5% either way. With long coast line, India is ideally suited for development of seafood industry. A planned development would provide abundant opportunities for seafood industry.

The Covid-19 broke out in India during February 2020 leading to imposition of country vide lockdown from 24th March, 2020 bringing all the activities to a standstill. The Marine Products Export Development Authority has reported that in the initial period of lockdown, there was 30-35% reduced stocking of shrimps by farmers. However, now the situation is improving. This year we expect a reduction in Indian Shrimp production by 30-35%.

According to the government data, seafood exports during 2019-20 are seen at Rs 47,618 crore in value terms, a decline of 0.1% Y-o-Y. In dollar terms, the decline is 1.2% at $6,722 million in 2019-20, against $6,802 million in 2018-19.

GLOBAL OVERVIEW

- The global outbreak of Corona virus, COVID-19, consequential lockdown and restrictions imposed by the countries affected had severe impact in the initial stages i.e., from the end of 2019 and almost till April and May'20. However, though there was a fall in the short term consumption, the situation gradually improved with stabilization of consumption in global demand for Fish and Fishery products. It is envisaged that though the COVID-19 impacted negatively during short period, in the long run, it is expected to stabilize with global demand, price stabilization and return of normalcy in Production and Supply Chain. Unlike, some of the industries like Travel & Tourism, Hospitality which are likely to have a long term impact, the aquaculture industry has shown relatively fast resilience assuring sustainability of the industry. Under these circumstances, the estimated global production of Shrimp of 4.5 million MTs, as projected during GOAL 2019, appears achievable.

In Asia, the early season's farming activities slowed down considerably with lower density of stocks and delayed stockings of ponds in most producing countries. As of early May 2020, pond stocking in India's largest Vannamei producing state Andhra, declined by 60 percent compared to the same period of last year. The situation has led to a general forecast of a 30-35 percent fall in global shrimp production during 2020.

The situation is also grim in the export processing sector. In addition to raw material shortages in the producing countries, social distancing rules and other control measures adopted to combat the COVID-19 pandemic continue to hamper processing and shipments of the existing orders.

The COVID-19 pandemic has already severely affected shrimp demand in the international and domestic trade since the beginning of 2020. During the first quarter of 2020, most celebrations and public gatherings were cancelled in shrimp consuming countries worldwide. In particular, the impacts of COVID-19 are severe in the restaurant and hospitality industries following the lockdown measures.

Although there have been significant increases in retail grocery sales and takeout delivery as the majority of the population prefers staying at home, over all consumption in the markets has declined because of the almost total shut down of restaurant and catering trade worldwide. This trend is likely to continue for the rest of the year. Considering the forecast of a global recession, rising unemployment and subsequent fall in consumer disposable income, 2020 demand for shrimp will likely weaken significantly both in developed and developing 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.

It produces shrimp products that include sea tiger, whites, pink brown, vannamei and black tiger. The company offers its products in both raw and cooked forms. Its product categories include headless shell on, peeled deveined tail on, peeled deveined tail off (PD), pulled vein tail on, peeled un-deveined (PUD), shrimp skewers, cooked head on, cooked headless shrimp, and cooked PD shrimp. The Company exports its products across The United States, Europe, Canada, United Arab Emirates, Hong Kong, Korea, China, and Russia.

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.

WEAKNESS

Less number of EIA approved labs for Testing ,high unit cost of production, Price uncertainties resulting in addition cost of storage & delay in shipment, Increase in labour cost and demand, lack of hygienic auctioning platform, quality ice & packaging, absence of quality control at primary production centres, power supply to aquaculture farms, lack of adequate cold store chain available for farmers to store their produce, affordable financial support to the farmers etc are the major weakness of aqua industry.

OPPORTUNITIES

Growth of aquaculture compensating the decline in the sea catch, Wide spread international acceptance of Indian quality, new market opportunities in UAE, China & East Asian countries, ISO/EU/ BAP/BRC certified factories, shipment connectivity to most of the destinations from India are the major opportunity for Indian seafood trade. India is well positioned to take advantage of an increase in global seafood consumption because of its long coast line.

THREATS

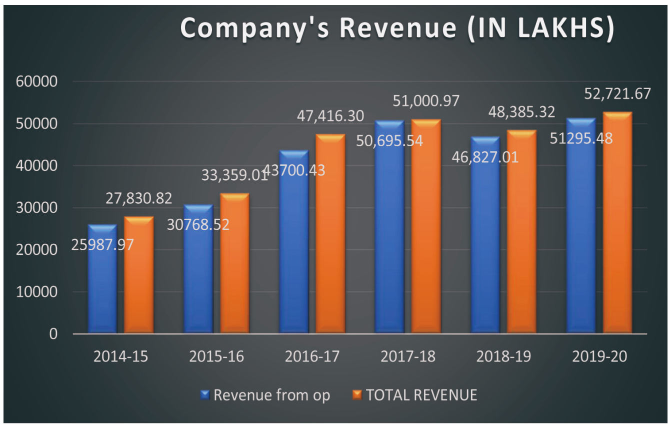
The Coronavirus outbreak is another blow to the marine industry that also suffered immensely last year when natural cyclones and the climate crisis hampered fishing at sea. It might also impact supply chains since the process from production to consumption is a highly globalised one and currently not within the policy scope of one nation alone. The shrimps are mostly used in hotels and restaurants across the globe but this sector has taken a big hit. Volatility of international prices of shrimps, fluctuating foreign exchange rates, US Anti-Dumping Duty continues to be the major areas of threat for the industry.

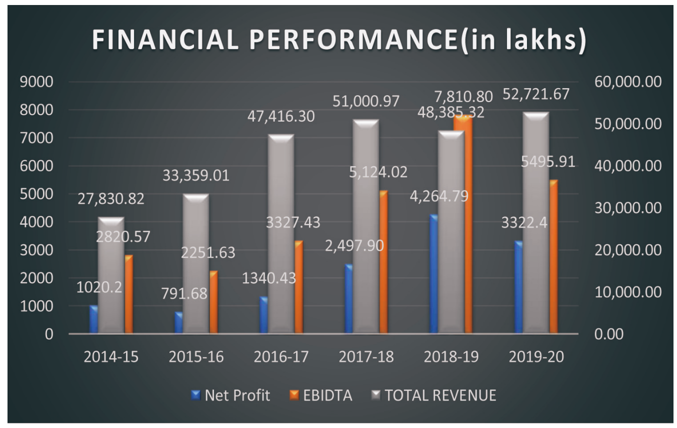
DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

OPERATIONAL PERFORMANCE

The financial statements have been prepared in compliance with the requirement of the Companies Act, 2013 and Indian Accounting Standards in India. During the year under review, the company reported profit of Rs. 4536.92 Lakhs before tax adjustments as compared to profit of Rs. 6642.30 Lakhs in the previous year.

On standalone basis, the company's revenue grew by 12.2% to INR 5,272 Mn during FY2019-20 from INR 4,699 Mn for the same period ending FY 2018-19. The growth was attributed by higher volumes and better pricing scenario. EBIDTA stood at INR 550 Mn with margins of 10.4% versus 13.6% on y-on-y basis. Profit after tax (PAT) registered an impressive growth of 21.1% to INR 348 Mn from INR 288 Mn. The company does not have any other segments.





KEY FINANCIAL RATIOS

[Pursuant to Schedule V (B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]:

Financial Ratio	FY 2019-20	FY 2018-19	% change	Reason for Change
Debtors Turnover	12.2	9.6	27.11	Due to Covid-19 transit period increased
Inventory Turnover	5.4	5.7	(5.6)	Due to Covid-19 Jan-Mar inventory levels has come down.
Interest Coverage Ratio	7.8	9.8	(20.9)	Owing to less number of Foreign bills negotiated.
Current Ratio	1.38	1.2	15.6	Due to cash surplus.
Debt Equity Ratio	0.71	0.98	(27.64)	Due to repayment of loans
Operating Profit Margin (%)	14%	20%	(29)	Due to refund of duties in 2018-19
Net Profit Margin %	6.4	9.1	(29)	Due to refund of duties in 2018-19
Return on Net worth	21%	34%	(38)	Due to refund of duties in 2018-19

GOVERNMENT INITIATIVES

The governments of major producing countries have acknowledged the seafood sector as a high priority industry and are currently promoting it with several fiscal reliefs and incentives. For instance, government bodies in India, such as MPEDA (Marine Products Exports Development Authority), are supporting shrimp culture through cluster farming approach and recent Government's Policy of "Economic Revolution through Blue Revolution" is giving shape to the scheme "Pradhan Mantri Matsya Sampada Yojana" (PMMSY) for fisheries in May 2020 with an investment of over ` 20,000 Crores in next 5 years. This scheme aims at increasing fish and shrimp production in India at an annual growth rate of 9% from 137.58 Lakh MT in 2018-19 to 220 Lakh MT by 2024-25. Hopefully, if this scheme is implemented in right earnest, it will go a long way in the growth of Seafood Industry.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's robust and intricate internal control systems ensure there is efficient use and protection of resources and compliance with policies, procedures and statutory requirements. There are well-documented guidelines, procedures and processes, integral to the overall governance, laws and regulations. All the Company's major business processes are well integrated. The Internal control systems of the Company are effective and adequate, commensurate with the size and complexities of its operations. These are regularly tested for their effectiveness by the statutory as well as the internal auditors. An independent firm of Chartered Accountants carries out the internal audit across the organization. A well-established internal audit frame work is in place which extensively covers all aspects of financial and operational controls, covering all units, functions and departments. The internal auditors review the adequacy, integrity and reliability of control systems and suggest improvements. The internal audit team conducts extensive reviews and process improvements identified during the reviews, are communicated to the management on an on-going basis. Significant observations made by the internal auditors and the follow up actions thereon are reported periodically to the Audit Committee of the Board of Directors. The Audit Committee monitors the implementation of the audit recommendations.

HUMAN RESOURCE MANAGEMENT

Human resource management plays a critical role in the Company's growth. The process of shrimp feed production involves specialization in procurement of suitable raw materials which needs qualified and trained staff for these operations. The Company undertook regular training programs to create awareness and enhance the skills of the employees. The Company believes in periodical trainings, incentives, increments and other welfare measures to ensure healthy industrial relations.

The Company had 638 employees as on March 31, 2020.

For **COASTAL CORPORATION LIMITED**

Sd/-	Sd/-
T.Valsaraj	**G.V.V.Satyanarayana**
Managing Director	Chief Financial Officer

Place: Visakhapatnam
Date: 01.09.2020

Annexure 6

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2019-2020

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

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate governance is the system of rules, practices, and processes by which a company is directed and controlled. Corporate governance essentially involves balancing the interests of a company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. It is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct.

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.

The prime focus of Companies Act, 2013, is on shareholders' democracy, higher transparency and more disclosures, E-Governance, investor protection and on Professionals' enhanced role & accountability. The current annual report of your Company contains all the information and disclosures which are required to be given under Companies Act, 2013 / Listing Regulations.

This Report, therefore, states compliance as per requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') and SEBI Listing Regulations, as applicable to the Company. In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (hereinafter referred to as 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Coastal Corporation Ltd. for the year 2019-20.

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, 2020 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, 2020, 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, 6 (Six) meetings of the Board of Directors were held on:

21/05/2019	29/07/2019	08/11/2019	07/01/2020	11/02/2020	24/02/2020

Every Director has personally attended at least one Board/Committee of Directors' Meeting in the financial year 2019-20.

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		Attend-ance at last AGM	No. of Directorship in other Public Companies as on 31.03.2020	No. of Committee Membership in other public Companies as on 31.03.2020	
		Held	Attended			Member	Chairman
Sri T. Valsaraj (DIN No. 00057558)	Managing Director	6	6	Present	—	—	—
Sri G.V.V.Satyanarayana (DIN No. 00187006)	Whole time Director	6	5	Present	—	—	—
Smt Jeeja Valsaraj (DIN No. 01064411)	Non- Executive Women Director	6	5	Present	—	—	—
Sri. Kalyanaraman P.R (DIN No.01993027)	Independent Director	6	6	Present	3	4	3
Sri K. Venkateswara Rao (DIN No. 01678973)	Independent Director	6	6	Present	—	—	—
Sri M.V.Suryanarayana (DIN No. 00372812)	Independent Director	6	6	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.

The Company has not issued any convertible instruments to any Directors. None of the existing independent Directors resigned from their office during the year under review.

Disclosure of Shareholding of Non-Executive Directors:

Shareholding of the Directors as on 31.03.2020
(Own or held by/for other persons on a beneficial basis)

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

All the relevant information such as production, sales, exports, financial results, capital expenditure proposals and statutory dues, among others, are as a matter of routine, placed before the Board for its approval/information.

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, 2020. 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:

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.

The following table summarizes the key skills, expertise and competence as mentioned above that the Board thinks are necessary for proper functioning in the context of the Company's business and industry and the Directors who possess the same:

Name of the Director	Sales & Marketing	International Business Experience	General Management/ Governance	Financial Skills	Technical Skills
Sri T. Valsaraj (DIN No. 00057558)	✓	✓	✓	✓	✓
Sri G.V.V.Satyanarayana (DIN No. 00187006)	✓	✓	✓	✓	✓
Smt Jeeja Valsaraj (DIN No. 01064411)	✓	✓	✓	-	-
Sri. Kalyanaraman P.R (DIN No.01993027)	-	✓	✓	✓	✓
Sri K. Venkateswara Rao (DIN No. 01678973)	-	✓	✓	-	✓
Sri M.V.Suryanarayana (DIN No. 00372812)	-	✓	✓	✓	✓

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, 2020.

(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 terms of reference of the Audit Committee are :

The terms of reference of the Audit Committee are as outlined in the Act, and the Listing Regulations. 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 **21.05.2019,29.07.2019,08.11.2019,11.02.2020,24.02.2020,** 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	5
02.	Mr. M.V. Suryanarayana	Member	Independent Director	5
03.	Mrs. Jeeja Valsaraj	Member	Director	4

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 11.07.2020 at which meeting the Audited Annual Accounts for the year ended 31st March, 2020, 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.

(i) 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:

i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees,

ii. formulation of criteria for evaluation of Independent Directors and the Board,

iii. devising a policy on Board diversity,

iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.

All the members of the Nomination and Remuneration Committee are Non-ExecutiveDirectors.

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 31st August, 2019.

During the year 2019-20, one meeting of the Nomination & Remuneration Committee was held on **29.07.2019.**

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	1

PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:

Each Independent Director's performance was evaluated as required by Schedule IV of the Companies Act, 2013 having regard to the following criteria of evaluation viz. (i) qualification, (ii) experience, (iii) availability and attendance, (iv) integrity, (v) commitment, (vi) governance, (vii) independence, (viii) communication, (ix) preparedness, (x) participation and (xi) value addition.

In the opinion of the Board, the Independent Directors fulfill the conditions of independence as specified in Regulation 16 of the Listing Regulations along with Section 149(6) of the Companies Act, 2013; and are independent of the management of the Company.

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 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 2019-20.

Pursuant to Reg.34(3) and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the details of the remuneration paid to Executive Directors, Company Secretary and Non-Executive Directors (including Independent Directors) are indicated in the Extract of Annual Return (MGT-9) enclosed to the Board's Report.

The details of remuneration (including perquisites and allowances) as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, for FY 2019-20 are as follows:

Name of Director	Designation	Remuneration Rs.
Sri T.Valsaraj	Managing Director	Rs. 2,75,000/- P.M from 01.04.2019 to 31.03.2020+2.5% as a % of Net Profits
Sri G.V.V.Satyanarayana	Whole-time Director	Rs. 1,75,000/- P.M from 01.04.2019 to 31.03.2020+1.25% as a % of Net Profits

(iii) STAKEHOLDER RELATIONSHIP COMMITTEE:

As required under Section 178(5) of the Act and Regulation 20 of the Listing Regulations, the Company has constituted Stakeholders 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-à-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, 2020, 91,56,163 Equity Shares of Rs. 10/- each representing 90.04% of the total no. of shares are in dematerialized form. During the period 7 (Seven) meetings of the committee were held on **03.05.2019, 03.06.2019, 13.07.2019, 29.07.2019, 08.11.2019, 07.01.2020, 11.02.2020** 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	Chairperson	Non-Executive Director	7
02.	Mr. K. Venkateswara Rao.	Member	Independent Director	5
03.	Mr. G.V.V.Satyanarayana	Member	Whole Time Director designated as Director – Finance Cum CFO	7

The Stakeholders Relationship Committee received and reviewed the Complaints received from the investors of the Company during the period 2019-20.

Independent Directors' Meeting

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

Separate meeting of Independent Directors:

Schedule IV to the Act, inter alia, prescribes that the Independent Directors of the Company shall hold at least one meeting in a year, without the attendance of Non-Independent Directors and members of management. Pursuant to the Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV of the Act, during the year, one meeting of Independent Directors was held on February 11, 2020. All the Independent Directors attended the Meeting.

At the meeting of Independent Directors, the following items were discussed:

- 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.

Name, Designation and Address of Compliance Officer:

Ms. Swaroopa Meruva
Company Secretary & Compliance Officer
15-1-37/3, Jayaprada Apartments, Nowroji Road
Maharanipeta, Visakhapatnam – 530 002
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 **28.07.2019** and **24.02.2020.**

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

As required under Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company regularly familiarizes Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.

The Board members are provided with necessary documents, reports, internal policies and site visits to enable them to familiarize with the Company's operations, its procedures and practices. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company business, strategy and risks involved. During the financial year 2019-20, there has been no change in the independent directors of the Company.

The Company's Policy of conducting the Familiarization Program, is placed on its website viz., www.coastalcorp.co.in.

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 other 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
2018-2019	31.08.2019	3 Special Resolutions Passed	10.30AM	Hotel Daspalla "Vedika" Jagadamba, Visakhapatnam
2017-2018	11.09.2018	Not Passed	10.30AM	D.No.6-42, Marikavalasa, Besides Toyota Showroom, Visakhapatnam-530 041, Andhra Pradesh, India
2016-2017	29.09.2017	Not Passed		

During the year 2019-2020, no resolution was passed through Postal Ballot. None of the business proposed to be transacted at the ensuing AGM requires passing of special resolution through postal ballot

EXTRA-ORDINARY GENERAL MEETING DURING THE PERIOD (2019-20):

During the year under review, EGM was conducted for the purpose of Merger/Amalgamation of the Company with its Wholly Owned Subsidiary (M/s. Continental Fisheries India Private Limited) on 11th February 2020.

(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 44 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) The Company has complied with the requirements of the Stock Exchanges, SEBI and statutory authorities on all matters related to the capital markets during the last three years. No penalty or strictures were imposed on the Company by these authorities during the year under review.

c) In accordance with the requirements of the Act, read with Listing Regulations, the Company has a Whistle Blower Policy approved by the Board of Directors. The objectives of the policy are:

i) To provide a mechanism for employees and directors of the Company and other persons dealing with the Company to report to the Audit Committee, any instances of unethical behavior, actual or suspected fraud or violation of the Company's Ethics Policy;

ii) To safeguard the confidentiality and interest of such employees / directors / other persons dealing with the Company against victimization, who notice and report any unethical or improper practices; and

iii) To appropriately communicate the existence of such mechanism, within the organization and to outsiders.

Whistle Blower Policy is available on website of the Company at www.coastalcorp.co.in

The Company confirms that no personnel has been denied access to the Audit Committee pursuant to the whistle blower mechanism.

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, 2020.

f) The Company does not have any Material Subsidiary as defined under Explanation to Regulation 24(1) 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 ‘CARE CRISIL BBB/Stable’, indicating moderate degree of safety with respect to timely servicing of financial obligations and moderate credit risk, for borrowings.

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 confirms that during the year, it has accepted all recommendations received from its mandatory committees.

o) During 2019-2020, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditors, – Rs. 3,90,000/- (Rupees Three Lakhs Ninety Thousand Only)

p) In terms of the amendments made to the SEBI Listing Regulations, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory committees.

q) The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations.

(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 (Business Standard & Andhra Prabha) 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:

i) Thirty Ninth Annual General Meeting of the Company:

Date & Time	29.09.2020 & 10.00 AM
Venue	AGM through VC / OAVM

i)	Financial Year	1st April to 31st March.	
ii)	Financial Calendar(Tentative)	Period	Approval of Quarterly Results
		1st Quarter ending 30.06.2020	1st week of September, 2020
		2nd Quarter and half year ending 30.09.2020	2nd week of November, 2020
		3rd Quarter ending 31.12. 2020	2nd week of February, 2021
		4th Quarter ending 31.03. 2021	Last week of May, 2021
iii)	Date of Book Closure	23.09.2020 to 29.09.2020	
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 2020	High - 373.9 Low - 125.5	
viii)	Stock CodeBSEISIN (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, 2020	11th July,2020	
xi)	Credit Rating	CRISIL Rating - "BBB/Stable"	

The Listing fees for the year 2020-21 has been paid to Bombay Stock Exchange

(xi) Share Transfer System:

Pursuant to relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company was disallowed to accept requests for transfer of shares which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares of listed companies in physical form even after this date, cannot lodge the shares with company / its RTA for further transfer. Therefore the shareholders are requested to compulsorily dematerialize their shares if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the Company / RTA.

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	Registered Office :15-1-37/3, Jayaprada Apartments, Nowroji Road, Maharanipeta, Visakhapatnam – 530 002 Andhra Pradesh, India.

Plant Locations:

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

(a) Marikavalasa(V), Paradesipalem Panchayat, Visakhapatnam Dist.

(b) P. Dharmavaram Village, S.Rayavaram Mandal, Visakhapatnam Dist

Shareholding Pattern:

S.No	Category	As at 31st March'2020	
		No. of Shares	% of Total No. of Shares
1	Promoters	3347125	32.92
2	Body Corporates	154813	1.52
3	NRIs	2871974	28.24
4	Indian Public	3782033	37.19
5	Clearing Members	12855	0.13
	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 and 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:**

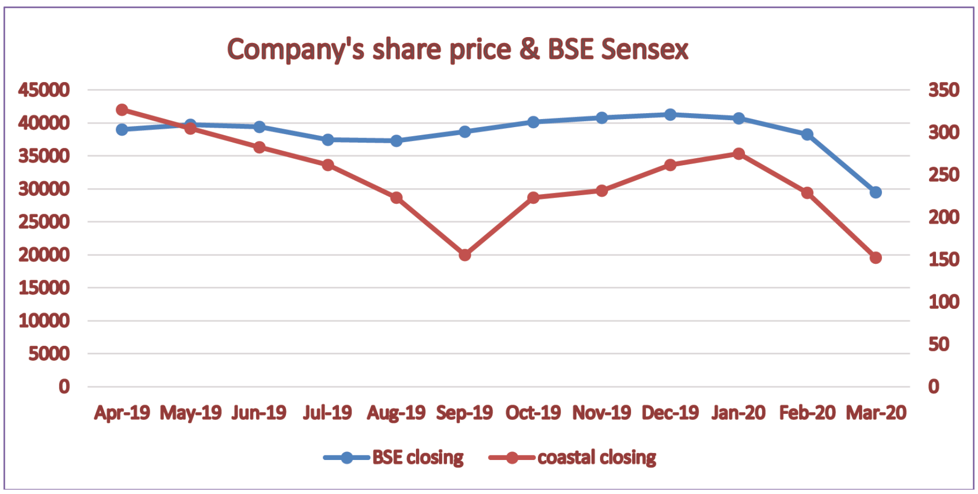
Dividends, other than interim dividend(s), are to be declared at the annual general meeting of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, 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 2019	373.90	313.10	39,487.45	38,460.25	2774
May 2019	348.00	275.10	40,124.96	36,956.10	2703
Jun 2019	338.00	250.00	40,312.07	38,870.96	1970
Jul 2019	292.00	230.00	40,032.41	37,128.26	4165
Aug 2019	266.90	185.00	37,807.55	36,102.35	2489
Sep 2019	229.00	151.10	39,441.12	35,987.80	3953
Oct 2019	243.50	125.50	40,392.22	37,415.83	5726
Nov 2019	305.90	207.00	41,163.79	40,014.23	3322
Dec 2019	288.50	218.30	41,809.96	40,135.37	1536
Jan 2020	334.90	262.05	42,273.87	40,476.55	2735
Feb 2020	287.90	228.35	41,709.30	38,219.97	1672
Mar 2020	239.95	137	39,083.17	25,638.90	777

Comparison of the Company's share price with BSE Sensex in FY 2019-20:



(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 31.03.2020:

Shareholding	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 to 5000	1217	53.3304	1065600	1.0479
5001 to 10000	598	26.2051	4724310	4.6459
10001 to 20000	215	9.4216	3428800	3.3719
20001 to 30000	73	3.1989	1805280	1.7753
30001 to 40000	68	2.9798	2616710	2.5733
40001 to 50000	19	0.8326	874490	0.8600
50001 to 100000	29	1.2708	2187650	2.1513
100001 to 999999999	63	2.7607	84985160	83.5744
Total:	**2282**	**100.00**	**101688000**	**100**

(xix) CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT:

The Board of Directors, has laid down the Code of Conduct for all the Board Members and members of the senior management. A certificate from the Managing Director, affirming compliance of the said Code by all the Board Members and members of the senior management to whom the Code is applicable, is annexed separately to this Report.

(xx) CEO / CFO CERTIFICATION:

The Managing Director and the Chief Financial Officer of the Company give annual certification on Financial reporting and internal controls and certification on Financial Results to the Board in terms of Listing Regulations.

For COASTAL CORPORATION LIMITED

Sd/-
(T. Valsaraj)
Managing Director

Date: 01.09.2020
Place: Visakhapatnam

(xxi) DECLARATION REGARDING AFFIRMATION OF CODE OF CONDUCT

In terms of the requirement of Part D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with Code of Conduct for the year ended March 31, 2020.

For COASTAL CORPORATION LIMITED

Sd/-
(T. Valsaraj)
Managing Director

Date: 01.09.2020
Place: Visakhapatnam

COMPLIANCE CERTIFICATE

MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER 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, 2020 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

Sd/-	Sd/-
T.Valsaraj	**G.V.V.Satyanarayana**
Managing Director	Chief Financial Officer

Place: Visakhapatnam
Date: 01.09.2020

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 31.03.2020, 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.	Ganta Satyanarayana Veeravenkata	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
FCS No. 8795
C.P. No. 11723

Place: Visakhapatnam
Date: 01.09.2020

Annexure 8

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, 2020, 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.

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 the SEBI Listing Regulations 2015 during the year ended March 31, 2020.

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 Sambhu Prasad M & Associates
Practicing Company Secretaries

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

Place: Visakhapatnam
Date: 01.09.2020

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 (FY2016-17,2017-18 & 2018-19)	Rs.4236.61 Lakhs
4	Prescribed CSR expenditure(2 % on the amount mentioned in item 3 above)	Rs. 84.47 Lakhs
5	Details of CSR spent during Financial year 2019-20 :	Rs.11.18 Lakhs
6	Total Amount to be spent for the FY 2018-19	Rs. 84.47 Lakhs
7	Amount unspent, if any	Rs.192.33 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 2019-20 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: Coastal Charitable Foundation & Coastal Corp. Ltd.
1	Contribution to Natural Calamities – Victims of Fani Cyclone	Disaster Management	Orissa	Rs. 2,50,000/- (One Time Contribution)	Rs.2,50,000/-	Rs.2,50,000/-	Rs.2,50,000/-
2	Contribution to health Centres	Health Care	Local Visakhapatnam Dist.	Rs. 5,38,337/-	Rs. 5,38,337/-	Rs. 5,38,337/-	Rs. 4,46,337/-
3	Supply of Benches for development of School infrastructure	Enhancing Livelihood	P. Dharmavaram Visakhapatnam Dist.	Rs. 3,17,620/-	Rs. 3,17,620/-	Rs. 3,17,620/-	Rs. 3,17,620/-
4	Others	Others	Visakhapatnam	Rs. 11,900/-	Rs. 11,900/-	Rs. 11,900/-	Rs. 11,900/-
						TOTAL	**Rs. 10,25,857**

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.

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

Annexure 10

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2020

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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:15-1-37/2, Nowroji Road, Maharanipeta, Andhra Pradesh, India - 530002	U05000AP2014PTC094907	Wholly Owned Subsidiary	100%	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-2019]				No. of Shares held at the end of the year[As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	—	—	—	—					—
a) Individual/ HUF	2647752	—	2647752	26.03	2667837	—	2667837	26.24	0.21
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	679288	—	679288	6.68	679288	—	679288	6.68	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A)	3327040	—	3327040	32.71	3347125	—	3347125	32.92	0.21
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) FIIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	—	—	—	—	—	—	—	—	—
2. Non-Institutions	—	—	—	—	—	—	—	—	—
a) Bodies Corp.	—	—	—	—	—	—	—	—	—
i) Indian	173884	1000	174884	1.72	153813	1000	154813	1.52	-0.20
ii) Overseas	—	—	—	—		—	—	—	—
b) Individuals	—	—	—	—		—	—	—	—
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	968621	440737	1409358	13.86	637785	748337	1386122	13.63	-0.23
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2290486	43200	2333686	22.95	2344711	51200	2395911	23.56	0.61

c) Others (specify)									
Non Resident Indians	2260586	618100	2878686	28.30	2659874	212100	2871974	28.24	-0.06
Overseas Corporate Bodies	—-	—-	——	—-	—-	—-	——	—-	—-
Foreign Nationals	—-	—-	—-	—-	—-	—-	—-	—-	—-
Clearing Members	42635	—-	42635	0.42	12855	Nil	12855	0.13	-0.29
Trusts	—-	—-	—-	—-	—-	—-	—-	—-	—-
Foreign Bodies - D R	—-	——	——	—-	—-	——	——	—-	—-
Sub-total (B)(2):-	**5738723**	**1103037**	**6841760**	**67.28**	**5803038**	**1012637**	**6821675**	**67.08**	**-0.2**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**5738723**	**1103037**	**6841760**	**67.28**	**5803038**	**1012637**	**6821675**	**67.08**	**-0.2**
C. Shares held by Custodian for GDRs & ADRs	**—-**	**—-**	**—-**	**—-**		**—-**	**—-**	**—-**	**—-**
Grand Total (A+B+C)	**9065763**	**1103037**	**10168800**	**100**	**9156163**	**1012637**	**10168800**	**100**	**—**

B) Shareholding of Promoter & Promoter Group

SN	Shareholder's Name	Shareholding at the beginning of the year 01-04-2019			Shareholding at the end of the year 31-03-2020			% 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	504152	4.95	Nil	524152	5.15	Nil	0.02
2	Jeeja Valsaraj	199200	1.95	Nil	199200	1.95	Nil	Nil
3	Viswanadh Thottoli	48000	0.47	Nil	48000	0.47	Nil	Nil
4	Vijeta Valsaraj	430400	4.23	Nil	430400	4.23	Nil	Nil
5	Vineesha Valsaraj	430400	4.23	Nil	430400	4.23	Nil	Nil
6	TVR Estates & Resorts (P) Ltd	679288	6.68	Nil	679288	6.68	Nil	Nil
7	K. Hari Babu(HUF)	781600	7.69	Nil	781600	7.69	Nil	Nil
8	K.Jayasree	34400	0.34	Nil	34400	0.34	Nil	Nil
9	Chandana Kambhampati	11200	0.11	Nil	11200	0.11	Nil	Nil
10	Chetna Kambhampati	11200	0.11	Nil	11200	0.11	Nil	Nil
11	Venkatesh Kambhampati	191200	1.88	Nil	191200	1.88	Nil	Nil
12	K.Hari Babu	6000	0.05	Nil	6085	0.059	Nil	Nil
	TOTAL	**3327040**	**32.71**	**Nil**	**3347125**	**32.92**	**Nil**	**0.21**

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

SN	Particulars		Shareholding at the beginning of the year01-04-2019		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		3327040	32.71	3327040	32.71
2.	Date wise Increase / Decrease in Promoters Shareholding during the year:		—	—	—	—
	T. Valsaraj	Increase -Purchase Dt. 27.12.2019	3327040 —	— —	33,27,040 20,000	32.71% 0.20%
	K. Hari Babu	Increase -Purchase Dt. 20.09.2019 -Sale Dt. 20.12.2019 - Purchase Dt. 27.03.2020	 — — —	 — — —	 30 (30) 85	 — — 0.01
3.	At the end of the year		33,27,040	32.71%	33,47,125	32.92%

** 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 01.04.2019		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	1289800	12.68	1289800	12.68
	At the end of the year	**1289800**	**12.68**	**1289800**	**12.68**
2	Satyasree Achanta				
	At the beginning of the year	954146	9.38	954146	9.38
	At the end of the year	**954146**	**9.38**	**954146**	**9.38**
3	Deepak Murali				
	At the beginning of the year	406000	3.99	406000	3.99
	At the end of the year	**406000**	**3.99**	**406000**	**3.99**
4	Pinakin Chimanlal Shah				
	At the beginning of the year	307792	3.03	307792	3.03
	At the end of the year	**307792**	**3.03**	**307792**	**3.03**
5	Dharmesh Bipin Badani				
	At the beginning of the year	195341	1.92	195341	1.92
	Sale Dt: 05/04/2019	-5000	-0.0491	190341	1.87
	Purchase Dt. 06/09/2019	1	—	190342	1.87
	At the end of the year	**190342**	**1.87**	**190342**	**1.87**
6	Sheetal Dharmesh Badani				
	At the beginning of the year	195700	2	195700	2
	Sale Dt: 12/04/2019	-5000	-0.0491	190700	1.95
	At the end of the year	**190700**	**1.95**	**190700**	**1.95**

7	Ganta Sricharan				
	At the beginning of the year	203200	1.99	203200	1.99
	Sale Dt. 20/12/2019	-3980	-0.0391	199220	1.96
	Sale Dt. 27/12/2019	-159	-0.0015	199061	1.95
	At the end of the year	**203200**	**1.95**	**199061**	**1.95**
8	Ganta Lakshmi Anusha				
	At the beginning of the year	191200	1.88	191200	1.88
	At the end of the year	**191200**	**1.88**	**191200**	**1.88**
9	Vittu Bajrang Agarwal				
	At the beginning of the year	143888	1.41	143888	1.41
	Sale Dt. 15/11/2019	-1000	-0.0098	142888	1.4
	Purchase Dt. 22/11/2019	1000	0.0098	143888	1.41
	At the end of the year	**143888**	**1.41**	**143888**	**1.41**
10	D. Siva Nageswara Rao				
	At the beginning of the year	96000	0.94	96000	0.94
	Purchase Dt. 07/06/2019	282	0.0027	96282	0.94
	Purchase Dt. 21/06/2019	600	0.0059	96882	0.94
	Purchase Dt. 28/06/2019	381	0.0037	97263	0.95
	Purchase Dt. 02/08/2019	200	0.0019	97463	0.95
	At the end of the year	**97463**	**0.94**	**97463**	**0.94**

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	01.04.2019	Beginning of the year	504152	4.96	504152	4.96
		02.11.2018	Transfer/Purchase	20000	0.20	524152	5.15
		31.03.2020	**At the end of the year**	**524152**	**5.15**	**524152**	**5.15**
2.	G.V.V.Satyanarayana	01.04.2018	Beginning of the year	130200	1.28	130200	1.28
		31.03.2019	**At the end of the year**	**130200**	**1.28**	**130200**	**1.28**
3.	Jeeja Valsaraj	01.04.2019	Beginning of the year	49,800	1.95	49,800	1.95
		31.03.2020	**At the end of the year**	**199200**	**1.95%**	**199200**	**1.95%**
4.	K. Venkateswara Rao	01.04.2019	Beginning of the year	—	—	—	—
		31.03.2020	**At the end of the year**	**—**	**—**	**—**	**—**
5.	Kalyanaraman P.R	01.04.2019	Beginning of the year	—	—	—	—
		31.03.2020	**At the end of the year**	**—**	**—**	**—**	**—**

6.	M.V.Suryanarayana	01.04.2019	Beginning of the year	—-	—-	—-	—-
		31.03.2020	**At the end of the year**	**—-**	**—-**	**—-**	**—-**
7.	Swaroopa Meruva	01.04.2019	Beginning of the year	—-	—-	—-	—-
		31.03.2020	**At the end of the year**	**—-**	**—-**	**—-**	**—-**

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

(Amount in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12400.57	—	—	12400.57
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	12400.57	—	—	12400.57
Change in Indebtedness during the financial year			—	
* Addition	—	—	—	—
* Reduction	-1211.00	—	—	-1211.00
Net Change	-1211.00	—	—	-1211.00
Indebtedness at the end of the financial year			—	
i) Principal Amount	11189.57	—	—	11189.57
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	11189.57	—	—	11189.57

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	As a % of Net profit	1,14,35,000	57,17,500	1,71,52,500
5	Others, please specify	—	—	—
	Total (A)	1,47,35,000	78,17,500	2,25,52,500
	Ceiling as per the Act(10% of Net Profits)	—-	—-	3,48,23,500

B. Remuneration to other Directors

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		K. Venkateswara 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	95,000	90,000	90,000	—-	2,75,000
	Commission	—-	—-	—-	—-	—-
	Others, please specify	—-	—-	—-	—-	—-
	Total (1)	95,000	90,000	90,000	—-	2,75,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	—-	—-	—-	1,20,000	1,20,000
	Commission	—-	—-	—-	–	–
	Others, please specify	—-	—-	—-	–	–
	Total (2)			—-	1,20,000	1,20,000
	Total (B)=(1+2)	—-	—-	—-	—-	3,95,000
	Total ManagerialRemuneration	95,000	90,000	90,000	1,20,000	3,95,000
	Overall Ceiling as per the Act(10% of the Net Profits)	—-	—-	—-	—-	3,48,23,500

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
1	Gross salary	—-	9,24,000	—-	9,24,000
	(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	—-	1,05,000	—-	1,05,000
	Total	—-	10,29,000	—-	10,29,000

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					

There were no penalties, punishments, compounding of offences for the year ended March 31, 2020.

Annexure 11

DIRECTORS' PROFILE

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

He holds a Bachelors Degree of Technology. He is results driven, self-motivated and resourceful Managing Director with a proven ability to develop and strengthen management teams in order to maximize company profitability and efficiency. He is experienced in leading and growing all sectors of a business to make it a dynamic and progressive organization. He possesses excellent communication skills to establish sustainable and profitable relationships with customers, suppliers and stakeholders across the world.

He has been devoting his entire time, efforts and energy to develop this Company in all aspects including strategic business planning and analysis of future competition and threats at Global level as the business of the company is export oriented in all kinds of marine products.

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

He has vast experience of leading financial strategies to facilitate a company's ambitious growth plans. A proven ability to constantly challenge and improve existing processes and systems. Possessing excellent communication skills and having the ability to communicate professionally with clients and colleagues on detailed financial issues. He is a Post Graduate (M.Com) from Andhra University and serving the Company since 1988. He is also efficient in co-ordination with all the departments of the Company as well as Government and other Statutory Authorities in the day to day related affairs of the Company since 1988. He provides directions for planning and accounting staff and he is well versed with Knowledge of Balance Sheets, profit measurement, Cash Flow statements, carrying out investment appraisal, trend analysis & financial modeling to help respond to dynamic market conditions ensuring compliance and statutory reporting, able to provide a high standard of financial control, proven ability to manage and develop a financial team, ensuring legal & regulatory compliance relating to tax & others is adhered to.

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

She is a Post Graduate Diploma in Management and Fashion Technology and has been associated with the Company for the last 16 years and well experienced in the varied areas of Administration, Social Service, Fashion Technology, etc.,

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

He is a Post Graduate (M.Tech) in Chemical Engineering and has been associated with the Company for the last 15 years and has a lot of experience in the administration.

Sri M.V Suryanarayana (DIN: 00372812): Independent Director

He is a Fellow Member of the Institute of Chartered Accountants of India and had a distinguished career spanning 39 years in Life Insurance Corporation of India in Accounts, Marketing, Administration, Banking and Finance. He is on the Board of UTI and also serving as Members of various Committees.

Sri. Kalyanaraman P.R (DIN: 01064411): Independent Director

Sri. Kalyanaraman P.R is a well rounded commercial banker, having an impeccable career record spanning over 47 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

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.

INFORMATION AS PER RULE 5(1) OF CHAPTER XIII, COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) **Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year ended 31 March, 2020.**

S.No.	Name of Director	Remuneration of Director (in Lakhs)	Median Remuneration (in Lakhs)	Ratio
1.	Mr. T. Valsaraj	147.35	1.25	117.88
2.	Mr.G.V.V. Satyanarayana	78.175	1.25	62.54
3.	Ms. Jeeja Valsaraj	1.20	1.25	0.96
4.	Mr. K. Venkateswara Rao	0.95	1.25	0.76
5.	Mr. Kalyanaraman P.R.	0.90	1.25	0.72
6.	Mr. M.V. Suryanarayana	0.90	1.25	0.72

(ii) **The Percentage increase in remuneration of each Director/CFO in the financial year: Nil**

(iii) **The Percentage increase in remuneration of Company Secretary in the financial year :**

Name	% increase
Ms. Swaroopa Meruvva	8.31

(iv) **In the financial year, there was an increase in 6.3% in the median remuneration of employees.**

(v) **There were 638 permanent employees on the rolls of the Company as on 31st March, 2020.**

(vi) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

Average percentile increase already made in the salaries of employees in the last year was 8.5%. Normal yearly increments were given to staff based on their performance. Average percentile decrease in the managerial personnel in the last financial year was 28%. The decrease is due to decrease in the amounts paid to Executive Directors which is based on net profits of the Company.

(vii) **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.

INFORMATION AS PER RULE 5(2) OF CHAPTER XIII, THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(i) Names of top ten employees of the company in terms of remuneration drawn:

S.No.	Name	Age	Qualification	Designation	Date of Commencement of Employment	Experience (Years)	Gross Remuneration	Previous employment & Designation
1.	Mr. T. Valsaraj	66	B.E	Managing Director	1981	39	1,47,35,000	NA as associated with Coastal since inception
2.	Mr.G.V.V. Satyanarayana	59	M.Com	Director Finance Cum CFO	1988	32	78,17,500	NA as associated with Coastal since inception
3.	K.V. Mohan Krishna	58	MFSc	General Manager	01.05.2003	18	32,40,000	Nil
4.	R. Vasudeva Rao	43	BSc.	Factory II - Manager	01.07.2003	20	16,79,250	Asst. Manager
5.	M. Arivazhagan	45	B.Fsc	Factory II - Manager	01.11.2014	6	15,18,750	Asst. Manager
6.	S.V.Jagga Rao	48	M.Com	Manager - Accounts	11.02.1999	21	12,00,000	Nil
7.	D. Titus Fernando	57	B.A	Manager - Business Development	10.05.1990	31	11,35,500	Operations Manager
8.	Saif Ali	43	Fisheries Grade G Diploma	Manager - Quality Control	01.08.2013	9	11,11,500	QC Manager
9.	B Anand	47	Engineer	Civil Engineer	01.04.2014	6	10,68,900	Project Manager - Sprint Exports Private Limited
10.	M.Swaroopa	33	Company Secretary	Company Secretary	07.02.2015	6	10,29,000	Shri Shakti Alternative Energy Limited Company Secretary

(i) Particulars of employees drawing remuneration aggregating to not less than Rs.1.02 crores per annum employed during the year 2019-20 and employees drawing remuneration up to Rs. 8.5 lakhs per month employed for the part of financial year.

S.No.	Name of the Employee	Designation	Remuneration per annum
1.	T. Valsaraj	Managing Director	1,47,35,000

(ii) There was no employee either throughout the financial year or part thereof who was in receipt of remuneration which, in the aggregate, was in excess of that drawn by the Managing Director or Whole-time Director and who held by himself or along with his spouse or dependent children, not less than two percent of the equity shares of the Company.

(iii) Particulars of employees posted and working in a country outside India, not being Directors or their relatives, drawing more than sixty lakh rupees per year or five lakh rupees per month, as the case may be, as may be decided by the Board, need not be circulated to the members in the Report, but such particulars shall be filed with the Registrar of Companies while filing the financial statement and the Report.

Not Applicable as no employee was posted in a Country outside India for working on behalf of the Company.

For COASTAL CORPORATION LIMITED

Sd/-	Sd/-
T.Valsaraj	**G.V.V.Satyanarayana**
Managing Director	Chief Financial Officer

Place: Visakhapatnam
Date: 01.09.2020

Independent Auditors' Report

TO

THE MEMBERS OF
COASTAL CORPORATION LIMITED,
VISAKHAPATNAM

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 March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash flows for the year ended on that date, 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 accompanying standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the 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 March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th>SL. No.</th><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>1</td><td colspan="2">Adoption of Ind AS 116 “Leases”</td></tr>
<tr><td></td><td>Accuracy of identification, classification, measurement, presentation and disclosures of lease transactions in view of adoption of Ind AS 116 “Leases”

The application of the above new accounting standard involves certain key judgements relating to identification of contracts which contains lease, classification of leases, the appropriateness of the basis used to measure the right of use asset and lease liability at the date of initial application.

Refer: Note 4 to the Standalone Ind AS financial statements</td><td>We assessed the various Company’s process and contracts entered with various property owners to identify the impact of adoption of the new accounting standard.

Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
• Evaluated the design of internal controls relating to implementation of the new accounting standard.
• We have gone through the terms of the lease contracts of continuing and new contracts and tested the operating effectiveness of the internal controls relating to identification, classification and measurement of lease contracts.
• We evaluated the methodology and assumptions used by management, including reasonableness of the lease term, lease rentals, discount rate applied by comparing it with the incremental borrowing rate for a similar period.
• We tested the calculation of the right of use assets and lease obligations based on the assumptions applied.

Conclusion: Based on the work performed, we found management’s assessment to be reasonable based on available evidence.</td></tr>
<tr><td>2</td><td colspan="2">Valuation of Investments in Unquoted Equity Shares of M/s Coastal Developers Pvt Ltd and M/s Seagold Aqua Farms India Pvt Ltd</td></tr>
<tr><td></td><td>The valuation of the investments involves judgement and continues to be an area of inherent risk because quoted prices are not readily available.

Refer: Note 49.2 to the Standalone Ind AS financial statements</td><td>We assessed the managements’ approach to valuation for these investments by performing the following procedures:
• Understood and evaluated the procedure followed by the management to gather the data inputs used in the valuation models.
• We assessed the appropriateness of the methodology applied in determining the fair value of the investments.
• We evaluated the methodology and assumptions used by management, including reasonableness of the market value considered for immovable properties by comparing it with the guideline values determined by the State Government for similar properties.
• We tested the calculation of the fair value based on the assumptions applied.
• We found the disclosures in the standalone Ind AS financial statements to be appropriate.Conclusion: Based on the work performed and the evidence obtained, we consider the methodology and assumptions used by management to be appropriate.</td></tr>
</table>

SL. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
3	Purchase cost of Raw Shrimps	
	Company procures its principle raw materials from the agents and farmers of aquaculture and the price of the same is highly volatile to the market conditions. The tentative prices of the raw shrimps are published by the local farmers of aquaculture through online app. acqubrahma.in. Based upon the production requirements, export commitments of the company and after considering the tentative prices, the management decides the price at which the raw materials have to be procured.	Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • We have evaluated the design and tested the implementation of internal controls relating to procurement of raw materials and payments made to the agents and suppliers of the raw materials with source documentation. • We have performed the test of controls over procurement procedure to evaluate the operating effectiveness of the controls placed in recognition of the purchase costs. • We have performed test of details through correlating the raw materials procured with that of the material processed based on the production reports. • We tested the payments made to the suppliers based on the credit terms of payments.*Conclusion:* Based on the work performed, we found the raw material costs recorded to be correct based on available evidence.

Information Other than the Standalone Ind AS financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this "other information", we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 Ind AS 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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 financial 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 Company 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 Company'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 Ind AS financial statements or, if such disclosures 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS 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 standalone Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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 Ind AS 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

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

2. As required by Section 143(3) of the Act, based on our audit 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.

   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, as amended 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 that would impact its financial position.

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There is no amount which is required to be transferred to the Investor Education and Protection Fund by the company.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Reg. No. 000513S

Sd/-

(**C V RAMANA RAO**)
Partner
Membership No.018545
UDIN: **20018545AAAACB9839**

Place: Visakhapatnam.
Date: 11th July, 2020.

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The **Annexure A** referred to in our Independent Auditor's report of even date, to the members of COASTAL CORPORATION LIMITED, VISAKHAPATNAM, for the year ended 31 March 2020. We report that:

i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The fixed assets have been physically verified by the management during the year. According to the information furnished to us, no material discrepancies have been noticed on such verification.

c) The title deeds in respect of all immovable properties are held in the name of the company.

ii) Physical verification of inventory has been conducted during the year by the management at reasonable intervals. The discrepancies noticed on such verification between the physical stocks and the book records were not material.

iii) The Company has granted an unsecured loan in an earlier year 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 31.03.2020 is Rs. 1594.27 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. No interest has been recovered during the financial year as the company has initiated the process of the merger of the said subsidiary w. e. f. 01st April, 2019. The terms of repayment of loan has not been scheduled as the same was advanced to its wholly owned subsidiary company. Accordingly, clause 3(iii)(c) of the Order is not applicable to the company in respect of repayment of the principal amount.

iv) The company has provided guarantee in an earlier year in connection with a term loan taken by its wholly owned subsidiary company. According to the information and explanations given to us and on the basis of examination of the records of the company, the provisions of section 185 of the Companies Act, 2013 have been complied with. The investments made by the company in earlier years do not exceed the limits prescribed under section 186 of the Companies Act, 2013.

v) The Company has not accepted any deposits from the public. Consequently, the clause 3(v) of the order is not applicable to the Company.

vi) To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records for the company under sub-section (1) of section 148 of the Companies Act, 2013.

vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

b) As at 31st March 2020, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess, except the following:

Name of the Statute	Nature of Dues	Amount in Lakhs	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	5.02	AY 2017-18	Commissioner of Income Tax (Appeals), Visakhapatnam
Income Tax Act, 1961	Income Tax	0.95	AY 2018-19	Asst. Commissioner, Circle 1(1), Visakhapatnam

viii) The Company has not defaulted in repayment of any loan installments in respect of term loans taken from financial institutions and banks.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments), whereas term loans raised during the financial year under report have been applied for the purposes for which they were raised.

x) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii) In our opinion, the company is not a Nidhi Company. Consequently, the clause 3(xii) of the order is not applicable.

xiii) According to the information and explanations given to us and on overall examination of the records of the Company, we report that all transactions with related parties are in compliance with the provisions of sections 177 and 188 of the Companies Act, 2013 and the related party disclosures as required by relevant Indian Accounting Standards are disclosed in the standalone Ind AS financial statements.

xiv) The Company has not made any preferential allotment or private placement of shares or fully/partly convertible debentures during the year under review. Consequently, the clause 3(xiv) of the order is not applicable.

xv) The Company has not entered into any noncash transactions with the directors or persons connected with them during the year under report. Consequently, the clause 3(xv) of the order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Consequently, the clause 3(xvi) of the order is not applicable.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Reg. No. 000513S

Sd/-
(**C V RAMANA RAO**)
Partner
Membership No.018545
UDIN: **20018545AAAACB9839**

Place: Visakhapatnam.
Date: 11th July, 2020.

Annexure "B" to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **COASTAL CORPORATION LIMITED** ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 standalone Ind AS 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 Ind AS standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

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

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, 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 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Reg. No. 000513S

Sd/-
(**C V RAMANA RAO**)
Partner
Membership No.018545
UDIN: **20018545AAAACB9839**

Place: Visakhapatnam.
Date: 11th July, 2020.

Standalone Balance Sheet as at March 31, 2020

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

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
(1) Non Current Assets			
(a) Property, plant and equipment	2	3,478.72	3,246.65
(b) Capital work in progress	3	203.97	237.43
(c) Right of Use asset	4	7.36	-
(d) Investment Property	5	1,095.29	1,104.34
(e) Financial assets			
(i) Investments	6	2,692.56	2,491.26
(ii) Loans	7	1,705.72	1,978.20
(iii) Other financial assets	8	1,217.80	812.93
(h) Other non current assets	9	560.00	206.52
		10,961.43	**10,077.33**
(2) Current Assets			
(a) Inventories	10	7,767.06	8,261.00
(b) Financial assets:			
(i) Trade receivables	11	3,847.95	4,464.65
(ii) Cash & cash equivalents	12	1,270.91	737.33
(iii) Bank balances other than above	13	3,041.96	2,030.10
(c) Current Tax Assets (Net)	14	275.46	6.77
(d) Other current assets	15	1,567.84	1,624.26
		17,771.18	**17,124.11**
Total Assets		**28,732.61**	**27,201.44**
II. EQUITY and LIABILITIES			
(1) Equity			
(a) Equity share capital	16	1,016.88	1,016.88
(b) Other equity	17	14,615.37	11,459.46
Total Equity		**15,632.25**	**12,476.34**
(2) Non Current Liabilities			
(a) Financial liabilities:			
(i) Borrowings	18	20.89	18.02
(ii) Trade payables	19	-	185.66
(iii) Lease liabilities	4	5.43	-
(iv) Other financial liabilities	20	13.00	11.76
(b) Provisions	21	113.46	48.41
(c) Deferred Tax Liability (Net)	22	146.42	199.83
		299.26	**463.68**
(3) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	23	11,152.48	12,306.26
(ii) Trade payables	24	890.66	1,105.43
(iii) Lease liabilities	4	3.19	
(iv) Other financial liabilities	25	403.85	333.86
(b) Provisions	26	5.88	10.88
(c) Other Current Liabilities	27	345.10	504.99
		12,801.16	**14,261.42**
Total Equity and Liabilities		**28,732.61**	**27,201.44**
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date

for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545

Place: Visahakapatnam
Date:11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary

Place: Visahakapatnam
Date:11.07.2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020

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

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I. INCOME			
Revenue from Operations	28	51,295.48	46,827.02
Other Income	29	1,426.19	1,558.31
Total Revenue (I)		**52,721.67**	**48,385.33**
II. EXPENSES			
Cost of Materials Consumed	30	36,557.26	33,891.43
(Increase)/Decrease in Inventories of Finished Goods	31	321.23	(3,503.13)
Operating expenses	32	5463.87	5400.65
Employee Benefits Expenses	33	1,150.63	1,088.26
Finance cost	34	638.98	847.92
Depreciation and Amortisation	35	320.01	320.58
Other Expenses	36	3,732.77	3,697.32
Total Expenses (II)		**48,184.75**	**41,743.03**
III. Profit Before Tax (I - II)		**4,536.92**	**6,642.30**
IV. Tax Expense	37		
Current tax		1130.00	2,321.00
Tax relating to earlier years		(32.29)	14.85
Deferred tax charge/ (credit)		(43.14)	30.68
		1,054.57	**2,366.53**
V. Profit for the year (III - IV)		3,482.35	4,275.77
VI. OTHER COMPREHENSIVE INCOME (OCI)			
A. Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Remeasurement gains/(losses) on the defined benefit plans		(40.82)	16.88
Income tax effect on the above		10.27	-5.90
(ii) Gains/(losses) on restatement of Equity Instruments measured at FVTOCI			
Income tax effect on the above			
B. Items that will be reclassified to profit or loss in subsequent periods:			
(i) Remeasurement gain/(loss) on the cash flow hedging instrument		(129.41)	-
Income tax effect on the above		-	
Total other comprehensive income for the year, net of tax		**(159.95)**	**10.98**
Total comprehensive income for the year, net of tax (V + VI)	38	**3,322.40**	**4,264.79**
Earnings Per Equity Share			
Basic (Rs.)		34.25	42.05
Diluted (Rs.)		34.25	42.05
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date
for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visahakapatnam
Date:11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visahakapatnam
Date:11.07.2020

Standalone Statement of Cash Flows for year ended March 31, 2020

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

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		4,536.92	6,642.30
Adjustments for :			
Depreciation of property, plant and equipment		309.12	311.36
Depreciation on investment property		9.05	9.05
Amortisation of intangible assets		-	0.17
Amortisation of right of-use asset		1.84	-
Profit on sale of fixed assets (net)		(0.55)	-
Interest income		(218.97)	(229.44)
Interest expense		580.20	747.27
Interest expense on lease liabilities		0.41	-
Gratuity and compensated absences		100.87	(32.15)
Operating profit before working capital changes		**5,318.89**	**7,448.56**
Movement in working capital:			
(increase)/decrease in inventories		493.94	(3,682.70)
(increase)/decrease in trade receivables		616.70	4,343.52
(increase)/decrease in other receivables		(352.14)	(2,379.46)
increase/(decrease) in trade payables		(400.43)	(1,278.25)
increase/(decrease) in other payables		(157.98)	(37.92)
Cash generated from operations		**5,518.98**	**4,413.75**
Income tax paid		(1,404.11)	(1,399.85)
Net cash flows from operating activities (A)		**4,114.87**	**3,013.90**
(B) CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment, including intangible assets		(544.64)	(623.60)
Increase in Capital work in progress		33.46	-
Proceeds from sale of property, plant and equipment		4.00	17.06
Government Grant Received		-	105.90
Proceeds from sale of investments in deposits		-	-
Net cash outflow on acquisition of subsidiary (Refer Note 1)		-	(753.30)
Net cash inflow on disposal of subsidiary (Refer Note 1)		-	-
Interest received		218.97	229.44
Net cash flows used in investing activities (B)		**(288.21)**	**(1,024.50)**
(C) CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long - term borrowings (net)		(57.22)	(65.50)
Repayment from short - term borrowings (net)		(1,153.78)	(101.50)
Payment towards lease rentals		(1.00)	-
Dividend paid		(305.06)	(38.13)
Tax on dividend		(62.72)	(7.84)
Interest paid		(580.20)	(747.27)
Net cash flows from financing activities (C)		**(2,159.97)**	**(960.24)**
Net decrease in cash and cash equivalents (A+B+C)		1,666.68	1,029.16
Cash and cash equivalents at the beginning of the year		2,666.04	1,636.88
Cash and cash equivalents at the year end		**4332.72**	**2,666.04**

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	For the year ended March 31, 2020	For the year ended March 31, 2019
Components of cash and cash equivalents:		
Cash on hand	1.07	3.97
Balances with banks		
-On current accounts	1,269.84	733.36
-On deposits accounts	2,980.17	1,928.71
Total cash and cash Equivalents	**4,251.08**	**2,666.04**

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consideration paid in cash on acquisition of subsidiary	-	(753.30)
Total	-	(753.30)
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
for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visahakapatnam
Date:11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visahakapatnam
Date:11.07.2020

Standalone Statement of Changes in Equity for the year ended March 31, 2020

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

a. Equity Share Capital

Particulars	No.	Amount
Equity Shares of Rs.10 each fully paid up		
Balance at the beginning of the reporting period	1,01,68,800	1,016.88
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,01,68,800	1,016.88

b. Other Equity

Particulars		Balance as on 01.04.2019	Total comprehensive income for the year	Dividends	Transfer to retained earnings	Any other change (to be specified)*	Balance as on 31.03.2020
Reserves & Surplus	Securities Premium Reserve	46.95	-	-	-	-	46.95
	General Reserve	108.61	-	-	-	-	108.61
	Retained Earnings	11,242.51	3,482.35	(367.78)	-	-	14,357.08
Cash Flow Hedging Reserve		-	-129.41	-	-	-	-129.41
Foreign Currency Translation Reserve		72.38	-	-	-	201.30	273.68
Remeasurement gains/(losses) on the defined benefit obligations		(10.98)	(30.55)	-	-	-	(41.53)
Total		**11,459.46**	**3,322.40**	**(367.78)**	**-**	**201.30**	**14,615.37**

* Represents the restatement of company's investment in its wholly owned forgien subsidiary company upto 31.03.2020

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

As per our report of even date
for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visahakapatnam
Date:11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visahakapatnam
Date:11.07.2020

2. Property, Plant and Equipment

Fixed Assets	Gross Block				Depreciation				Net Block	
	Balance as at 01.04.2019	Additions	(Disposals)	Balance as at 31.03.2020	Upto 01.04.2019	For the year	On disposals	Total upto 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
Freehold land	275.45	-	-	275.45	-	-		-	275.45	275.45
Buildings	1,758.83	164.96		1,923.79	345.14	56.20		401.34	1,522.45	1,413.69
Plant and equipment	2,102.79	312.84		2,415.63	847.90	168.09		1,015.99	1,399.64	1,254.89
Furniture and Fixtures	104.24			104.24	63.26	5.44		68.70	35.54	40.98
Computers	25.34	0.64		25.98	20.67	1.91		22.58	3.40	4.67
Vehicles	648.52	57.98	9.85	696.65	401.76	72.46	6.40	467.82	228.83	246.76
Office Equipment	63.92	8.22		72.14	53.71	5.02		58.73	13.41	10.21
Roads	4.06	-		4.06	4.06	-		4.06	-	-
Total	**4,983.15**	**544.64**	**9.85**	**5,517.94**	**1,736.50**	**309.12**	**6.40**	**2,039.22**	**3,478.72**	**3,246.65**
Previous year	**4,706.52**	**382.53**	**105.90**	**4,983.15**	**1,425.14**	**311.36**	**-**	**1,736.50**	**3,246.65**	**3,281.38**

5. Investment properties

Particulars	Gross Block				Depreciation				Net Block	
	Balance as at 01.04.2019	Additions	(Disposals)	Balance as at 31.03.2020	Upto 01.04.2019	For the year	On disposals	Total upto 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
Freehold land*	733.39	-	-	733.39	-	-		-	733.39	733.39
Buildings	392.06	-	-	392.06	21.11	9.05		30.16	361.90	370.95
Total	**1,125.45**	**-**	**-**	**1,125.45**	**21.11**	**9.05**	**-**	**30.16**	**1,095.29**	**1,104.34**
Previous year	**1,138.87**	**3.64**	**17.06**	**1,125.45**	**12.06**	**9.05**	**-**	**21.11**	**1,104.34**	**1,126.81**

*Freehold land includes land of 28.49 acres situated in survey no: 206-4E1 in Tenerala village, procured in the year 2017-18. The cost of said land includes the cost of coconut trees procured along with the land and the same has to be recognised as plant, property and equipment as per Ind AS 16. As the cost of bearer plants are not reliably measured, the same has not been recognised as PPE in the books of account.

5a Information regarding income and expenditure of Investment properties

Particulars	2019-20	2018-19
Rental income derived from investment properties	49.15	40.21
Direct operating expenses (including repairs and maintainance) generating rental income	2.29	1.62
Direct operating expenses (including repairs and maintainance) that did not generating rental income	0.00	0.00
Profit arising from Investment properties before depreciation and indirect expenses	46.86	38.59
Less: Depreciation	9.05	9.05
Profit arising from Investment Properties before indirect expenses	37.81	29.54

5b Disclosure of Fair values of the Investment properties

Particulars	31st March 2020	31st March 2019
Freehold Land	1,234.35	1,234.35
Buildings	369.87	369.87

5c Estimation of fair value

The company obtains valuations for its investment properties at least once in a three years from a Independent Valuer. The fair values of investment properties have been determined by V J R Associates, Govt. Registered Valuers & Chartered Engineers.The best evidence of fair value is current prices in an active market for similar properties. The valuer has considered the current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect the differences with regard to availability of the infrastructure facilities, locality of the property and market demand for those properties. All resulting fair value estimates for investment properties are included in level 3.

4 Right of Use assets

Particulars	Leasehold Land	Total
Balance as at March 31, 2019	-	-
Additions	9.21	9.21
Disposals	-	-
Amortisation	1.84	1.84
Balance as at March 31, 2020	7.36	7.36

4a. Leases

(i) Change in Accounting Policy

The company has consistently applied the accounting policies to all periods presented in this financial statement. The company has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the company has changed its accounting policy for lease contracts as detailed below:

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Particulars	Amount in Lakhs
Increase in lease liability by	9.21
Increase in rights of use by	9.21
Increase in Interest expense by	0.41
Increase in amortisation by	1.84

(ii) As Lessee

A Movement in lease liabilities

Particulars	Lease Liabilities
Balance as at 01-04-2019	-
Additional lease obligations recognised	9.21
Unused amounts reversed	0
Interest expense on lease liabilities	0.41
Amounts paid during the year	1.00
Balance as at 31-03-2020	8.62

B Maturity analysis of lease liabilities

Particulars	Leasehold Land
Less than 1 year	3.19
1 to 5 years	8.38
More than 5 years	0.00
Total undiscounted lease liabilities at 31st March 2020	11.56
Lease liabilities included in the statement of financial position at 31st March 2020	8.62
Current	3.19
Non Current	5.43

C Amounts recognised in profit or loss

Particulars	Amount in Lakhs
Interest on lease liabilities	0.41
Variable lease payments not included in the measurement of lease liabilities	0
Income from sub-leasing right-of-use assets	0
Expenses relating to short-term leases	0
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0

(iii) As Lessor - Operating leases

The Company has entered into operating leases on its commercial buildings. These leases have terms ranging between 5 and 8 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total contingent rents recognised as income during the year is Rs. 49.15 Lakhs (31 March 2019: Rs. 40.21 Lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	49.85	49.15
After one year but not more than five years	72.33	121.87
More than five years	0.37	0.69

3 Capital work in progress

Particulars	As at March 31, 2020	As at March 31, 2019
Capital works in progress:		
a. Civil works under progress	56.27	92.35
b. Capital stock in Stores	147.70	145.08
Total	**203.97**	**237.43**

6 Non Current Financial assets - Investments

Particulars	As at March 31, 2020	As at March 31, 2019
A. Investments in subsidiaries (measured at cost) (unquoted)		
30,27,600 Equity shares of Rs. 10 each in Continental Fisheries India Pvt Ltd (March 31, 2019: 30,27,600)	302.76	302.76
30,00,000 Equity shares of USD 1 each in Seacrest Seafoods Inc. (March 31, 2019: 30,00,000)	2,248.80	2,047.50
B. Other unquoted investments (designated at FVTOCI)		
(i) 7,00,000 (March 31, 2019: 7,00,000) Equity Shares of Rs.10 each of Coastal Developers Pvt Ltd	70.00	70.00
(ii) 7,10,000 (March 31, 2019: 7,10,000) Equity Shares of Rs.10 each of Seagold Aqua Farms India Pvt Ltd	71.00	71.00
Total	**2,692.56**	**2,491.26**

6a Details of Subsidiaries

Name and Principal Place of Business	Proportion of Ownership Interest/ Voting Rights	
	As at March 31, 2020	As at March 31, 2019
Continental Fisheries India Pvt LtdPrincipal Place of Business: 15-1-37/2, Jayaprada Apartments, Nowroji Road, Visakahapatnam-	100.00%	100.00%
Seacrest Seafoods Inc. Principal Place of Business: 7855 NW 12th Street, Suite 221, Miami, Florida	100.00%	100.00%

6b Reasons for Investments in Equity Instruments designated to be measured at Fair Value through Other Comprehensive Income

The Company has elected an irrevocable option of classifying the non current investments under fair value through other comprehensive income as they are not held primarily for trading.

7. Non Current Financial assets - Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated:		
Security Deposits	111.45	95.94
Loan to a subsidiary company	1,594.27	1,882.26
Total	**1,705.72**	**1,978.20**

8 Non Current Financial assets - Others

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
- Deposits with original maturity of more than 12 months	1141.15	772.64
Interest Accrued on Deposits	76.65	40.29
Total	**1,217.80**	**812.93**

9. Other non current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated:		
Capital Advances	560.00	206.52
Total	**560.00**	**206.52**

10. Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
(At lower of cost and net realisable value)		
Raw Materials	-	140.27
Finished Goods	7486.46	7,807.69
Stores, spares and packing materials	280.59	313.04
Total	**7,767.06**	**8,261.00**

11 Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Unsecured, Considered Good and due for less than six months *	3846.32	4,464.65
Doubtful	4.23	2.58
	3,850.55	4,467.23
Less: Allowance for credit losses	2.60	2.58
Total	**3,847.95**	**4,464.65**

* Included due from subsidiaries (refer note 30)

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

12. Cash & cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks:		
- On Current Accounts	1223.86	718.89
- On Earmarked Balances (Unpaid Dividend accounts - less than seven years)	45.98	14.47
Cash on hand	1.07	3.97
Total	**1,270.91**	**737.33**

13 Bank balances other than above

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks:		
- Deposits with original maturity of more than three months but less than 12 months	2980.17	1,928.71
Interest Accrued on Deposits	61.79	101.39
Total	**3,041.96**	**2,030.10**

14 Current Tax Assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax assets		
Advance payment of Direct Taxes	1380.00	2300.00
Income tax deducted at source	25.46	27.77
	1,405.46	2,327.77
Less:		
Current tax liabilities		
Provision for Income Tax	1,130.00	2,321.00
Total	**275.46**	**6.77**

15 Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advances made to suppliers	107.77	96.28
Export and other incentives receivable*	932.21	1223.33
Income tax Refund Receivable	37.71	0.00
Balances with revenue authorities	300.81	269.51
Prepaid expenses	158.65	9.45
Other assets	30.69	25.70
Total	**1,567.84**	**1,624.26**

* Export and other incentives receivable has been recognized in the following manner:

a) Incentives in the form of duty credit scrips 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.

16. Equity share capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
1,50,00,000 (March 31, 2019: 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, 2019: 1,01,68,800) Equity share of Rs.10/- each fully paid up	1,016.88	1,016.88
Total	**1,016.88**	**1,016.88**

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No.	Rs.	No.	Rs.
Outstanding at the beginning of the year	1,01,68,800.00	1,016.88	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	1,01,68,800.00	1,016.88

B. 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 eligiable to receive share in the remaining assets of the company after distribution of all prefarencial amounts in proporation 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.

C. Issue of Bonus Shares

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

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	% Holding	No.	% Holding	No.
Equity Shares of Rs. 10/- each Held By				
Haribabu Kambampati	7.69	7,81,600	7.69	7,81,600
T.V.R.Estates & Resorts Pvt Ltd	6.68	6,79,288	6.68	6,79,288
Satyasree Achanta	9.38	9,54,146	9.38	9,54,146
Aditya Achanta	12.68	12,89,800	12.68	12,89,800
T Valsaraj	5.15	5,24,152	4.96	5,04,152

17 Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
a) Securities Premium	46.95	46.95
b) General Reserve	108.61	108.61
c) Retained Earnings	14,357.08	11242.51
d) Other Comprehensive Income		
Foreign Exchange Translation Reserve	273.68	72.38
Re-measurement of Defined benefit plans	-41.53	-10.98
Cash flows hedging reserve	-129.41	0.00
Total	**14,615.37**	**11,459.46**

Nature of reserves:

a) Securities premium : Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

b) General reserve : The general reserve is created by way of tranfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956.

c) Retained earnings : Retained earnings generally represents the undistributed profit amount of accumulated earnings of the company

d) Other Comprehensive Income:

Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of:

A. Items that will not be reclassified to profit and loss

(i) The Company has made an irrevocable election to present the subsequent fair value changes of investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value including tax effects. The company transfers restated fair value amounts from this reserve to retained earnings when the relevant financial instruments are disposed.

(ii) The actuarial gains and losses along with tax effects arising on defined benefit obligations are recognised in OCI.

B. Items that will be reclassified to profit and loss:

(i) The effective portion of changes in fair value of cash flow hedging instruments are recognised in OCI. The accumulated gains/losses will be reclassified to profit and loss in the periods when the hedged items affects profit or loss.

18 Non Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans		
Term Loans from a bank on hypothecation of Motor Vehicles	20.89	18.02
(Terms of repayment: Refer note no. 39)		
Total	**20.89**	**18.02**

19 Non Current Financial Liabilities -Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding dues to creditors other than micro enterprises and small enterprises	-	185.66
Outstanding dues to micro enterprises and small enterprises	-	-
Total	**-**	**185.66**

20 Non Current Financial Liabilities - Others

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits Refundable	13.00	11.76
Total	**13.00**	**11.76**

21 Non Current Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
- Gratuity (Funded)	113.46	48.41
Total	**113.46**	**48.41**

22 Deferred Tax Liability (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Major components of Deferred Tax Liabilities and Assets arising on account of timing difference are:		
Liability:		
- Difference between tax and book depreciation	176.77	220.55
Asset:		
- Expenditure charged to Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis	30.04	20.72
- Difference between Lease rentals charged to Profit & Loss account and claimed for tax purposes	0.31	-
Deferred Tax Liability (net)	**146.42**	**199.83**

23 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand:		
from Banks	11,152.48	12,306.26
(Secured By hypothecation of raw materials, work in progress, finished goods, and book debts and collaterally secured by the fixed assets, both present and future, of the Company).		
Total	**11,152.48**	**12,306.26**

24 Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding dues to creditors other than micro enterprises and small enterprises	678.93	735.98
Outstanding dues to micro enterprises and small enterprises	211.73	369.45
Total	**890.66**	**1,105.43**

Dues to Small and Medium Enterprises:

(a) Principal amount and interest due thereon remaining unpaid	211.73	369.45
(b) Interest paid in terms of Section 16 of MSMED Act, 2006	-	-
(c) Interest due and payable for the period of delay excluding interest specified under MSMED Act, 2006	-	-
(d) Interest accrued and remaining unpaid at the end of the year	-	-
(e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-

Terms and conditions of the above financial liabilities:

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

25 Current Financial Liabilities - Others

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debts	16.20	76.29
Outstanding dues towards Capital works	0.43	0.28
Cash flows in hedging instruments	129.41	-
Unclaimed dividends	45.89	14.34
Other liabilities	211.93	242.95
Total	**403.85**	**333.86**

26 Current Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
- Gratuity (Funded)	5.88	10.88
Total	**5.88**	**10.88**

27 Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advances received against sales	27.32	31.56
Statutory dues payable	110.34	150.75
Other liabilities	207.45	322.68
Total	**345.10**	**504.99**

28. Revenue from Operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Products		
Income from Sale of Shrimp	47,093.44	42,984.34
Other Operating Revenue		
Export Incentives	4,202.05	3,842.68
Revenue from Operations	**51,295.48**	**46,827.02**

(A) Revenue disaggregation by industry vertical is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fixed price contracts	47,093.44	42,984.34
Total	**47,093.44**	**42,984.34**

(B) Revenue disaggregation by geography is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Domestic	-	-
b. Exports	47,093.44	42,984.34
Total	**47,093.44**	**42,984.34**

(C) Reconciliation of revenue recognized with the contracted price with customers is as follows

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross Revenue	47,223.42	43,005.32
Less: Sales Returns	129.98	-
Less: Amounts adjusted for Discounts, rebates, refunds etc	-	20.98
Revenue recognised in the statement of profit and loss	**47,093.44**	**42,984.34**

(D) Changes in advances received from customers (Contract liability) are as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	-	-
Add: Amounts received during the year	-	-
Less: Revenue recognised during the year	-	-
Balance at the end of the year (Net)	-	-

(E) The details in respect of percentage of revenues generated from top customers are as follows: (In %)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from 1st top customer	10,765.29	8,444.62
Revenue from 2nd top customer	4,006.60	7,148.74
Revenue from 3rd top customer	3,521.22	3,216.21
Revenue from 4th top customer	2,932.60	2,373.22
Total of other customers generating more than 10% revenue	**2,744.63**	**2,147.15**

(F)	Other disclosures:
(i)	The amounts receivable from customers become due after expiry of credit period which on an average is less than 90 days. There is no significant financing component in any transaction with the customers.
(ii)	The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

29. Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of agriculture produce	4.47	9.56
Lease rental income	49.15	40.21
Interest Income from:		
- Financial assets at amortised cost	218.81	229.44
- Others	0.15	-
Net Gain on Foreign Exchange Fluctuations	1,058.82	-
Refund of Anti Dumping Duty	14.53	1,016.44
Unclaimed credit balances written back	4.10	17.78
Net gain on disposal of property, plant and equipment	0.55	-
Grants Received under PMRPY Scheme	25.78	29.45
Grants Received under TMA Scheme for exporters	49.82	-
Refund of GST paid for earlier years	-	215.43
Total	**1,426.19**	**1,558.31**

30. Cost of Materials Consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials Consumed		
Opening stock at the beginning of the year	140.27	-
Add : Purchases	36,416.99	34,031.70
Less : Sale of materials	0.00	-
	36,557.26	34,031.70
Less : Closing stock at the end of the year	0.00	140.27
Total	**36,557.26**	**33,891.43**

(A) Details of Raw Materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Shrimps	36,557.26	33,891.43

31. (Increase)/Decrease in Inventories of Finished Goods

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock of inventories		
Finished goods of Shrimp	7,807.69	4,304.56
Closing stock of inventories		
Finished goods of Shrimp	7,486.46	7,807.69
Decrease/(Increase) in inventories of finished goods	**321.23**	**(3,503.13)**

32 Operating expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores, spares and consumables	1,822.74	1,906.05
Processing charges	1,838.49	1,835.27
Power and Fuel	662.22	542.90
Repairs and maintenance:		
- Plant and Machinery	366.44	337.98
- Vehicles	320.36	328.03
Other operating charges	453.61	450.42
Total	**5,463.87**	**5,400.65**

33 Employee Benefits Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and allowances	753.25	624.60
Contribution to provident fund and other funds	107.60	102.50
Gratuity expense	38.27	27.14
Managerial remuneration	225.53	314.33
Staff welfare expenses	25.99	19.69
Total	**1,150.63**	**1,088.26**

Employee benefit plans:

As per Indian Accounting Standard 19 “Employees’ Benefits” the disclosures of Employee Benefits as defined in the Standard are given hereunder:

Defined Contributions Plans:

Contributions to Defined Contribution plans, recognized as expense for the year, are as under:

Particulars	2019-20	2018-19
Employer’s Contributions to Provident and Pension Funds	82.76	74.24

Defined Benefit Plans:

A. The company provides for gratuity to the employees as per Payment of Gratuity Act,1972. Employees who are in continuos service for a period of 5 years are eligible for gratuity. The amount of gratuity is payable on retirement/ resignation. The gartuity plan is a funded plan and the company makes contributions to recognised funds in India.

B. The employees’ gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the “Projected Unit Credit Method” which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Reconciliation of opening and closing balances of Defined Benefit obligations

Particulars	Gratuity (Funded)	
	This year	Previous year
Defined Benefit obligation at beginning of the year	190.55	142.13
Interest Cost	13.64	9.70
Current Service Cost	35.86	24.30
Benefits paid	(0.89)	(2.52)
Actuarial loss / (gain) on obligation	40.48	16.94
Defined Benefit obligation at year end	279.63	190.55

II. Reconciliation of opening and closing balances of fair value of plan assets

Particulars	Gratuity (Funded)	
	This year	Previous year
Fair value of plan assets at beginning of the year	131.26	66.68
Interest Income	11.23	6.86
Contributions	19.04	40.61
Benefits paid	(0.89)	(2.52)
Remeasurements - Return on Assets (Excluding Interest Income)	(0.35)	19.64
Fair value of plan assets as at the end of the year	160.29	131.26

III. Reconciliation of fair value of assets and obligations as at 31.3.2020

Particulars	Gratuity (Funded)	
	31 March,2020	31 March,2019
Fair value of plan assets	160.29	131.26
Present value of obligation	279.63	190.55
Amount recognized as liability in Balance sheet	-119.34	-59.29

Company is maintaining the planned assets through a group policy with Life Insurance Corporation of India

IV. Expenses recognized during the year in the Statement of Profit & Loss under employee benefit expenses

Particulars	Gratuity (Funded)	
	This year	Previous year
Current Service Cost	35.86	24.30
Interest Cost	13.64	9.70
Expected return on plan assets	(11.23)	(6.86)
Actuarial (gain)/ loss	-	-
Expenses recognized in the statement of Profit & Loss	38.27	27.14

V. Amount to be recognized in statement of other comprehensive income

Particulars	Gratuity (Funded)	
	This year	Previous year
Remeasurements of the net defined benefit liability/ (asset)	40.48	16.94
(Return)/loss on plan assets excluding interest income	0.35	-0.06
Expenses recognized in the statement of Other Comprehensive Income	40.82	16.88

Particulars	Gratuity (Funded)	
	This year	Previous year
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	36.69	-
(Gain)/loss from change in experience adjustments	3.78	16.94

VI. Significant estimates: acturial assumptions

Particulars	31 March,2020	31 March,2019
Discount rate	6.81%	8.00%
Salary escalation rate	10.00%	10.00%
Mortality rate	100.00%	100.00%
Withdrawal rate	3.00%	3.00%

VII. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity	
	This year	Previous year
Expected outflow in year1	5.88	10.88
Expected outflow in year2	12.75	9.08
Expected outflow in year3	12.68	12.82
Expected outflow in year4	17.62	5.95
Expected outflow in year5	8.42	11.25
Expected outflow in year6	15.15	13.43
Expected outflow in year7	14.43	9.72
Expected outflow in year8	13.43	8.46
Expected outflow in year9	12.84	10.89
Expected outflow in year10	19.97	20.60

VIII. Significant estimates : Sensitivity analysis

Discount rate,Salary Escalation Rate and Attrition/Withdrawl rate are significant actuarial assumptions.The change in Present value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Particulars	Change of assumption (+increase/ - decrease)	Effect on gratuity valuation	
		This year	Previous year
Impact on present value of defined benefit obligation if			
- discount rate increase by	+1%	228.67	153.48
- discount rate decrease by	-1%	298.39	191.85
- salary increase by	+1%	292.60	190.57
- salary decrease by	-1%	230.80	154.03
- withdrawl/attrition increase by	+1%	252.47	168.20
- withdrawl/attrition decrease by	-1%	269.00	174.15

IX. Other Disclosures

Particulars	Gratuity	
	This year	Previous year
a) Best Estimate Contribution during the next year	99.77	39.71
b) Discontinuance liability	174.91	131.76

As per the enterprise's accounting policy actuarial gains and losses are recognized immediately during the same year itself.

The above information is certified by the Actuary.

34 Finance cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expense	580.20	747.27
Interest expense on lease liabilities	0.41	0.00
Bank charges	58.38	100.65
Total	**638.98**	**847.92**

35 Depreciation and Amortisation

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on plant, property and equipment	309.12	311.36
Depreciation on investment property	9.05	9.05
Amortisation on right-of-use assets	1.84	-
Amortisation on intangible assets	-	0.17
Total	**320.01**	**320.58**

36 Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rates & Taxes	882.43	914.00
Insurance	181.58	221.31
Directors' Sitting Fees	3.95	3.40
Auditors' Remuneration		
for Audit Fees	3.50	3.50
for Taxation Matters	0.00	0.50
Travelling & Conveyance expenses	64.10	76.17
Donations	31.45	3.95
Legal and Professional fees	188.24	135.52
Commission on Sales	195.54	212.09
Selling and distribution expenses	2,134.56	2,039.53
Net (Gain)/Loss on Foreign Exchange Fluctuations	-	3.17
Miscellaneous Expenses	47.43	84.19
Total	**3,732.77**	**3,697.32**

37 Income Tax Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
- Based on provisions u/s 115BAA of the Income Tax Act, 1961	1,130.00	2,321.00
Deferred tax		
Decrease /(increase) in Deferred Tax Assets	(9.63)	(20.72)
Increase /(decrease) in Deferred Tax Liability	(43.78)	45.50
Total Income Tax Expense	**1,076.59**	**2,345.78**

(A) Deferred Tax Expense/ (Income)

Expense/ (Income) recognised for the year ended	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax (liability)/ Asset recognised in statement of profit or loss	(43.14)	30.68
Deferred tax (liability)/ Asset recognised in Other Comprehensive Income	(10.27)	(5.90)
Deferred tax recognised in Total Comprehensive Income	**(53.41)**	**24.78**

(B) Reconciliation of tax expense and the accounting profit multiplied by tax rate

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit from continuing operation before income tax expense	4,536.93	6,642.30
Profit from discontinuing operation before income tax expense	-	-
Total	**4,536.93**	**6,642.30**
Tax @ 25.168% (31st March, 2019: 34.944%)	1,141.85	2,321.09
Tax effectof amount which are not deductible (taxable) in calculating taxable income:		
Goodwill impairment		
Amortization of other intangibles		
Weighted deduction on research and development expenditure		
Corporate social responsibility expenditure		
Employee share based payment expense		
Contingent consideration		-
Other Items	(8.40)	24.69
Differences in Domestic tax rates	(56.86)	-
Tax losses for which no deferred income tax was recognised	-	-
Previously unrecognised tax losses now recouped to reduce current tax expense		
Previously unrecognised tax losses used to reduce deferred tax expenses		
Income Tax expense	**1,076.59**	**2,345.78**

(C) Components of Tax expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Current tax expense	1,130.00	2,321.00
b) Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences	3.45	24.78
c) Amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes	(56.86)	-
d) Amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense	-	-
e) Amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense	-	-

Persuant to Taxation Law (Amendment) ordinance, 2019 issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (New tax rate) as permitted under section 115BAA of the Income tax Act subject to certain conditions.The company has decided to opt for the new tax rate for the financial year 2019-20 onwards.

38 Particulars of Earnings Per Share

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders:		
Continuing operations	3482.35	4275.77
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	3482.35	4275.77
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	3482.35	4275.77

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of Equity shares for basic EPS*	10168800	10168800
Effect of dilution	-	-
Share options	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution	10168800	10168800

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements

Earnings per equity share (for continuing operations)	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Basic	34.25	42.05
b) Diluted	34.25	42.05

39 **The details of Indian rupee Vehicle loans from banks are as under:**

	Name of the Bank	Outstanding as on March 31, 2020	Outstanding as on March 31, 2019	No. of Instalments	Commencement of instalments	Effective interest rate
a)	Secured loan from Canara Bank of India - car- innova	0.00	25.68	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	0.00	3.12	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)	0.30	1.51	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	0.00	3.74	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	0.00	2.88	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	0.00	17.00	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	0.00	3.15	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	0.00	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)
i)	Secured loan from Bank of India - car- Audi	26.54	0.00	36 equal monthly instalments of Rs.0.95	October-2019	Flat Rate of interest 9.12%
j)	Secured loan from Bank of India - car- Creta	10.25	0.00	36 monthly instalments of Rs.0.39	August-2019	Flat Rate of interest 8.18%
	Total	37.09	94.31			

40 Details of CSR expenditure

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year:	84.47	48.71
(b) Amount spent during the year	1.49	0.83
(i) Construction/acquisition of any asset	0.00	0.00
(ii) On purposes other than (i) above	0.00	0.00

Note: The amount unspent as at March 31, 2020 is Rs. 192.33 lakhs , as at March 31, 2019 Rs. 109.34 lakhs

41 Contingent liabilities/claims not provided for

Particulars	As at March 31, 2020	As at March 31, 2019
a. Unexpired Bank Guarantee issued in favour of:		
Against letters of credit (SBLC)	517.22	470.925
M/s Continental Fisheries India Pvt Ltd	-	400.00
b. Estimated amount of contracts remaining	**206.97**	**75.50**

42 Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

Particulars	Notes	March 31,2020	March 31,2019
Current assets			
Financial assets			
Trade receivables	11	3,847.95	4,464.65
Bank balances other than above (ii)	13	686.34	919.04
Non-financial assets			
Inventories	10	7,767.06	8,261.00
Other Current assets	15	932.21	1,223.33

43 Segment information

The Company operates only in one business segment being the processing of Raw Shrimps and there are no geographical segments to be reported.

44 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, 2020	For the year ended March 31, 2019
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	147.35	206.55
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	78.17	107.77
3)	Smt. Jeeja Valsaraj	Relative of KMP	Sitting fees	1.20	1.30
4)	Smt. Vijeta Valsaraj	Relative of KMP	Salary Amount paid	- -	- -
5)	M/s Continental Fisheries India Pvt Ltd	Wholly owned subsidiary incorporated in India	Investment in Equity Advance Received	- 287.99	- 861.78
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	- 407.71 150.23	753.30 413.23 1,109.25
7)	Smt. Swaroopa Meruva	KMP (Company Secretary)	Salary Amount paid	10.29	9.50
8)	Smt. Vineesha Valsaraj	Relative of KMP	Salary Amount paid	3.00	2.56
9)	Sri T. Vishwanath	Relative of KMP	Labour charges Amount paid	158.63	110.12

(iii) Balance oustanding

Sl. No.	Name of the Party	Relationship	Nature of transaction	For the year ended March 31, 2020	As at March 31, 2019
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	53.13 Cr	109.98 Cr
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	29.05 Cr	46.40Cr
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	302.76 Dr	302.76 Dr
5)	M/s Seacrest Seafoods Inc.	Wholly owned subsidiary	Investment in Equity	2248.80 Dr	2047.5 Dr
6)	Smt. Vineesha Valsaraj	Relative of KMP	Salary	0.25 Cr	0.18 Cr

Note: All the aforesaid related party transactions were carried on arms' length basis

45 Impairment of Assets

According to an internal technical assessment carried out by the Company, there is no impairment in the carrying cost of cash generating units of the Company in terms of Indian Accounting Standard 36 'Impairment Of Assets'

46 Impact of covid 19

The Management has considered the possible effects, if any, that may result from COVID – 19 pandemic on amounts relating to trade receivables & inventories. In assessing the recoverability of receivables, the Company has considered internal and external information upto the date of approval of these financial results including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes and future economic conditions

47 Balances Outstanding

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

48 Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with the current year figures.

As per our report of even date
for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visahakapatnam
Date:11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visahakapatnam
Date:11.07.2020

1. COMPANY OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1 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 Company is a public limited company incorporated and domiciled in India and has its registered office at 15-1-37/3, Nowrji Road, Jayapradha Apartments, Maharanipeta, Visakhapatnam, Andhra Pradesh. The Company has its primary listings on the BSE Limited. The Company is having its processing facilities at Plant Unit 1 : Marikavalasa (V), Paradesipalem Panchayat, Visakhapatnam. Plant Unit 2 : P. Dharmavaram Village, S.Rayavaram Mandal, Visakhapatnam.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on July 11, 2020.

1.2 Basis of preparation of financial statements:

1.2.1 Statement of compliance with Ind AS

These financial statements are the standalone financial statements prepared by the Company complying in all material aspects with the Indian Accounting Standards (Ind AS) notified under the provisions of the Companies Act , 2013 (Act) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016, Companies (Indian Accounting Standards) Amendment Rules, 2017, Companies (Indian Accounting Standards) Amendment Rules, 2018, Companies (Indian Accounting Standards) Second Amendment Rules, 2018, Companies (Indian Accounting Standards) Amendments Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019.

1.2.2 Recent Accounting Pronouncements –Standards issued but not yet effective

Ministry of Corporate Affairs has not issued any notifications for new standards or amendments to the existing standards which will be effective from the reporting periods beginning on or after 1st April 2020.

1.2.3 Basis of preparation

These financial statements are prepared under historical cost convention on accrual basis except for the following –

- Certain financial instruments (including derivative instruments) which are measured at fair values,
- Assets held for sale measured at fair value less cost to be incurred to sell, and
- Defined benefit plans – plan assets measured at fair value.

Accounting policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use.

1.2.4 Functional and presentation currency

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. The financial statements are presented in Indian rupee rounded off to the nearest lakhs with two decimals.

1.3 Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 4. Accounting estimates could change from period to period. Actual results could differ from the estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.4 Current versus Non-current classification:

All assets and liabilities in the balance sheet are presented based on current/ non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

1.5 Revenue Recognition:

Revenue is recognised as and when the entity satisfies a performance obligation by transferring a promised goods or services (i. e an asset) to a customer and recovery of the consideration is probable. An asset is transferred when (or as) the customer obtains control of that asset, which is upon delivery in case of export sales made to USA and in other cases upon shipment of goods. Revenue is measured at the transaction price which is determined based on the terms of contract and entity’s customary practice. Amounts disclosed as revenue are inclusive of duties, but exclusive of Goods and Service tax (GST), which the company pays as principal and net of returns, trade allowances, rebates, and taxes collected on behalf of the government.

1.6 Property, Plant and Equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes all costs directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimation of dismantling and site restoration costs. Subsequent costs relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Property, Plant and Equipment are componentized and are depreciated separately over their estimated useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. 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.

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 derecognition 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.

Capital work in progress

Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection. 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.

1.7 Investment Properties:

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight line method over their estimated useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

1.8 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.

1.9 Bearer plants:

Bearer plants are living plants used in the production or supply of agriculture produce. They are expected to bear produce for more than one period and have a remote likelihood of being sold as agriculture produce, except for incidental scrap sales.

The company's bearer plants comprise coconut trees and the same are presented and accounted for as "Property, Plant & Equipment" if they satisfy the recognition criteria.

Immature bearer plants are accounted for at accumulated cost, which consist mainly of the accumulated cost of land clearing, planting, fertilizing, up-keeping and maintaining the plantations, and allocations of indirect overhead costs up to the time the plants become commercially productive and available for harvest. Costs also include capitalized borrowing costs and other charges incurred in connection with the financing of the development of immature bearer plants. Immature bearer plants are not depreciated.

Immature bearer plants are reclassified to mature bearer plants when they are commercially productive and available for harvest.

Mature bearer plants are stated at cost, and are depreciated using the straight-line method over their estimated useful lives. The useful lives and depreciation method are reviewed at each year end and adjusted prospectively, if necessary. The carrying amounts of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

The carrying amount of an item of bearer plants is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is directly included in profit or loss when the item is derecognized. Upkeep and maintenance costs are recognized in profit or loss when they are incurred. The cost of major renovation and restoration is included in the carrying amount of the related asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company, and is depreciated over the remaining useful life of the related asset.

1.10 Biological assets:

The Company's biological assets comprise agricultural produce of the bearer plants, which primarily comprise coconuts. Biological assets are stated at fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of biological assets and from the change in fair value of biological assets at each reporting date are recognized in profit or loss for the period in which they arise.

The fair value of the biological assets is based on the quoted prices for coconuts in the market at the time of harvest.

The company, in general, does not carry any inventory of agriculture produce at any given time as these are sold as and when harvested. Farming costs are expensed as incurred.

1.11 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.

1.12 Inventories:

Inventories are valued at the lower of the cost (net of eligible input tax credits) or net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials, Packing materials & Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- Finished goods: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on a weighted average basis.

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

1.13 Non-Derivative Financial Instruments:

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

1.13.1 Initial Recognition-

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added/ deducted to/from the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.13.2 Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(i) Debt instruments at amortised cost

A debt instrument is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 amortisation of EIR is included in finance income in the profit or loss. The impairment losses and gain/loss on derecognition are recognised in the profit or loss.

(ii) Debt instruments at fair value through other comprehensive income

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments under this category are measured at fair value at each reporting date. Fair value movements are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit & loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL (residual category).

In addition, the company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The company has not designated any debt instrument as at FVTPL.

All equity instruments in scope of Ind AS 109 are measured at fair value by the Company. Equity investments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrecoverable.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(iv) Equity instruments measured at fair value through other comprehensive income

The Company has made an irrevocable election to present the subsequent fair value changes in 'other comprehensive income' for its investments in equity instruments that are not held for trading. Fair value changes on the instrument, impairment losses & reversals and foreign exchange gain or loss are recognized in the OCI. Dividends are recognised in the Profit &Loss. There is no recycling of the amounts from OCI to Profit & Loss, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Financial liabilities are classified in two measurement categories:

- Financial liability measured at amortised cost
- Financial liability measured at fair value through profit or loss

(i) Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

(ii) Financial liability measured at amortised cost

All other financial liabilities are subsequently carried at amortized cost using effective interest rate (EIR) method, thereby resulting in amortisation of transaction costs and interest expenses through Profit & Loss over the life of the instrument. The EIR amortisation is included as finance costs in the statement of profit and loss.

1.13.3 Reclassification of financial assets-

The company reclassifies its financial assets only when there is a change in entity's business model for managing its financial assets.

1.13.4 Derecognition of financial instruments-

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind. AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

1.13.5 Impairment of financial assets-

The Company applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

a. Trade receivables

b. Financial assets measured at amortized cost (other than trade receivables)

c. Financial assets measured at fair value through other comprehensive income.

In case of trade receivables, the Company follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

1.13.6 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 either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.13.7 Income recognition-

a. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

1.13.8 Fair Value of Financial instruments-

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For trade and other receivables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.14 Derivative financial instruments:

Derivatives are initially recognised at fair value on the date of a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions (cash flow hedges).

The company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges.

(iii) Derivatives that are not designed as hedges

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.

1.15 Employee Benefits include:

(i) Short term employee benefits-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The company recognises a liability and an expense for bonus only when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of obligation can be made.

(ii) Post employment benefits-

The company operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity: and

(b) Defined contribution plans such as provident and pension funds.

Defined Benefit Plans -The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution Plans- The Company pays provident fund contributions to publicly administered provident funds as per local regulations. It has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.16 Leases:

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessors expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

1.17 Non-Current Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

1.18 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.

1.19 Impairment of Non Financial Assets:

The company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.20 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.

1.21 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.

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.

1.22 Income Taxes:

Income tax expense comprises current and deferred income tax. Income- tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income-tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.23 Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects all dilutive potential equity shares.

1.24 Provisions:

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.

Note. 4 Significant accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

4.1 Property, Plant and Equipment & Investment Properties

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

4.2 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4.3 Impairment of Financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.4 Leases

The accounting of leases involves significant management judgement for identification, classification and measurement of lease transactions at the time of lease commencement. The assessment of the lease liability and Right of Use asset under lease arrangements are based on the assumptions and estimates of the discount rate, lease term including judgement for exercise of options to extend or terminate the contract, dismantling and restoration costs, escalation in rentals etc. Further, these will be continuously monitored at each reporting period to reflect the changes in the agreements and management estimates.

4.5 Employee benefits (gratuity)

The cost of the defined benefit plans and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

4.6 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the cost approach model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions that are existing at the end of each reporting period. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.7 Contingencies

Management judgement is required for estimating the possible inflow/ outflow of resources, if any, in respect of contingencies/ claims/ litigations against the Company/ by the Company as it is not possible to predict the outcome of pending matters with accuracy.

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
COASTAL CORPORATION LIMITED,
VISAKHAPATNAM

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") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended on that date, and notes to the Consolidated Ind AS financial statements, including 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 accompanying Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the 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 consolidated state of affairs of the Group as at March 31, 2020, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

SL. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1	Adoption of Ind AS 116 “Leases”	
	Accuracy of identification, classification, measurement, presentation and disclosures of lease transactions in view of adoption of Ind AS 116 “Leases” The application of the above new accounting standard involves certain key judgements relating to identification of contracts which contains lease, classification of leases, the appropriateness of the basis used to measure the right of use asset and lease liability at the date of initial application. Refer: Note 4 to the Consolidated Ind AS financial statements	We assessed the various Group’s process and contracts entered with various property owners to identify the impact of adoption of the new accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the new accounting standard. • We have gone through the terms of the lease contracts of continuing and new contracts and tested the operating effectiveness of the internal controls relating to identification, classification and measurement of lease contracts. • We evaluated the methodology and assumptions used by management, including reasonableness of the lease term, lease rentals, discount rate applied by comparing it with the incremental borrowing rate for a similar period. • We tested the calculation of the right of use assets and lease obligations based on the assumptions applied. Conclusion: Based on the work performed, we found management’s assessment to be reasonable based on available evidence.
2	Valuation of Investments in Unquoted Equity Shares of M/s Coastal Developers Pvt Ltd and M/s Seagold Aqua Farms India Pvt Ltd	
	The valuation of the investments involves judgement and continues to be an area of inherent risk because quoted prices are not readily available. Refer: Note 49.2 to the Consolidated Ind AS financial statements	We assessed the managements’ approach to valuation for these investments by performing the following procedures: • Understood and evaluated the procedure followed by the management to gather the data inputs used in the valuation models. • We assessed the appropriateness of the methodology applied in determining the fair value of the investments. • We evaluated the methodology and assumptions used by management, including reasonableness of the market value considered for immovable properties by comparing it with the guideline values determined by the State Government for similar properties. • We tested the calculation of the fair value based on the assumptions applied. • We found the disclosures in the Consolidated Ind AS financial statements to be appropriate. Conclusion: Based on the work performed and the evidence obtained, we consider the methodology and assumptions used by management to be appropriate.

<table>
<tr><th>SL. No.</th><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>3</td><td colspan="2">Purchase cost of Raw Shrimps</td></tr>
<tr><td></td><td>Company procures its principle raw materials from the agents and farmers of aquaculture and the price of the same is highly volatile to the market conditions.

The tentative prices of the raw shrimps are published by the local farmers of aquaculture through online app. acqubrahma.in. Based upon the production requirements, export commitments of the company and after considering the tentative prices, the management decides the price at which the raw materials have to be procured.</td><td>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:
• We have evaluated the design and tested the implementation of internal controls relating to procurement of raw materials and payments made to the agents and suppliers of the raw materials with source documentation.
• We have performed the test of controls over procurement procedure to evaluate the operating effectiveness of the controls placed in recognition of the purchase costs.
• We have performed test of details through correlating the raw materials procured with that of the material processed based on the production reports.
• We tested the payments made to the suppliers based on the credit terms of payments.
Conclusion: Based on the work performed, we found the raw material costs recorded to be correct based on available evidence.</td></tr>
</table>

Information Other than the Consolidated Ind AS financial statements and Auditor's Report thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/audit report of the other auditor, we conclude that there is a material misstatement of this "other information", we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, , the respective Board of Directors of the companies included in the Group responsible for assessing the Group'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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements 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 Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Ind AS 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 financial 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 Company and its subsidiary companies which are companies incorporated in India, 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 Group'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 Ind AS financial statements or, if such disclosures 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the

consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the Consolidated Ind AS financial statements that, individually or in aggregate, make it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS 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 Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in para (a) of the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control 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 Ind AS 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.

Other Matters

a) We did not audit the financial statements of the wholly owned subsidiary situated outside India, included in the consolidated financial results, whose financial statements reflect total assets of Rs 2217.62 Lakhs as at 31st March 2020, and total revenues of Rs.5452.84 Lakhs for the year ended March 31, 2020 and total net loss of Rs.(83.48)Lakhs for the year ended March 31, 2020 and net cash inflows of Rs.155.38 Lakhs for the year ended March 31, 2020 as considered in the statement. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to the financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Group does not have any pending litigations that would impact its financial position.

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There is no amount which is required to be transferred to the Investor Education and Protection Fund by the company.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Reg. No. 000513S

Sd/-
(C V RAMANA RAO)
Partner
Membership No.018545
UDIN: 20018545AAAACB9839

Place: Visakhapatnam.

Date: 11th July, 2020.

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Coastal Corporation Limited of even date)

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the Internal Financial Controls with reference to the financial statements of COASTAL CORPORATION LIMITED (hereinafter referred to as "Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements 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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Internal Financial Controls with reference to the financial statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to the financial statements 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 with reference to the financial statements included obtaining an understanding of Internal Financial Controls with reference to the financial statements, 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 judgement, 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to the financial statements

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

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

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of Internal Financial Controls with reference to the financial statements, 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 with reference to the financial statements 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls with reference to the financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements issued by the Institute of Chartered Accountants of India.

For BRAHMAYYA & CO.,
Chartered Accountants
Firm Reg. No. 000513S

Sd/-
(C V RAMANA RAO)
Partner
Membership No.018545
UDIN: 20018545AAAACB9839

Place: Visakhapatnam.

Date: 11th July, 2020.

Consolidated Balance Sheet as at March 31, 2020

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

Particulars			Notes	As at March 31, 2020	As at March 31, 2019
I.	**ASSETS**				
(1)	**Non Current Assets**				
	(a)	Property, plant and equipment	2	3,545.27	3,319.69
	(b)	Capital work in progress	3	229.93	237.43
	(c)	Right of Use asset	4	313.25	-
	(d)	Investment Property	5	1,095.29	1,104.34
	(e)	Financial assets			
	(i)	Investments	6	141.00	141.00
	(ii)	Loans	7	111.45	183.44
	(iii)	Other financial assets	8	1,217.80	812.93
	(h)	Other non current assets	9	675.03	309.02
				7,329.02	**6,107.85**
(2)	**Current Assets**				
	(a)	Inventories	10	10,329.94	11,477.15
	(b)	Financial assets:			
	(i)	Trade receivables	11	3,755.29	6,866.43
	(ii)	Cash & cash equivalents	12	1,539.88	835.70
	(iii)	Bank balances other than above	13	3,063.36	2,050.16
	(c)	Current Tax Assets (Net)	14	275.57	8.11
	(d)	Other current assets	15	1,765.97	1,787.53
				20,730.01	**23,025.08**
		Total Assets		**28,059.03**	**29,132.93**
II.	**EQUITY and LIABILITIES**				
(1)	**Equity**				
	(a)	Equity share capital	16	1,016.88	1,016.88
	(b)	Other equity	17	13,301.92	10332.16
		Total Equity		**14,318.80**	**11,349.04**
(2)	**Non Current Liabilities**				
	(a)	Financial liabilities:			
	(i)	Borrowings	18	20.89	37.17
	(ii)	Trade payables	19	-	185.66
	(iii)	Lease liabilities	4	5.43	-
	(iv)	Other financial liabilities	20	13.00	11.76
	(b)	Provisions	21	113.46	48.41
	(c)	Deferred Tax Liability (Net)	22	147.92	200.63
				300.70	**483.63**
(3)	**Current Liabilities**				
	(a)	Financial liabilities			
	(i)	Borrowings	23	11,152.48	12,709.95
	(ii)	Trade payables	24	1,509.50	3,363.87
	(iii)	Lease liabilities	4	3.19	
	(iv)	Other financial liabilities	25	404.20	632.54
	(b)	Provisions	26	5.88	10.88
	(c)	Other Current Liabilities	27	364.28	583.02
				13,439.53	**17,300.26**
	Total Equity and Liabilities			**28,059.03**	**29,132.93**
	Summary of significant accounting policies		1		
	The accompanying notes are an integral part of the standalone financial statements				

As per our report of even date

for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545

Place: Visahakapatnam
Date: 11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary

Place: Visahakapatnam
Date: 11.07.2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020

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

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
I. INCOME			
Revenue from Operations	28	60,427.75	60,075.03
Other Income	29	1,481.08	1,614.53
Total Revenue (I)		**61,908.83**	**61,689.56**
II. EXPENSES			
Cost of Materials Consumed	30	43,792.45	45,556.87
(Increase)/Decrease in Inventories of Finished Goods	31	996.32	(3,604.30)
Operating expenses	32	6080.32	6532.21
Employee Benefits Expenses	33	1,466.74	1,628.39
Finance cost	34	685.00	1,023.77
Depreciation and Amortisation	35	331.96	336.25
Other Expenses	36	4,092.76	4,066.04
Total Expenses (II)		**57,445.54**	**55,539.23**
III. Profit Before Tax (I - II)		4,463.29	6,150.33
IV. Tax Expense	37		
Current tax		1130.00	2,321.00
Tax relating to earlier years		(32.29)	14.85
Deferred tax charge/ (credit)		(42.43)	30.68
		1,055.28	**2,366.53**
V. Profit for the year (III - IV)		3,408.01	3,783.80
VI. OTHER COMPREHENSIVE INCOME (OCI)			
A. Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Remeasurement gains/(losses) on the defined benefit plans		40.82	16.88
Income tax effect on the above		10.27	-5.90
B. Items that will be reclassified to profit or loss in subsequent periods:			
(i) Remeasurement gain/(loss) on the cash flow hedging instrument		(129.41)	-
(ii) Exchange differences on translation of foreign operations		89.48	19.24
Total other comprehensive income for the year, net of tax		**(70.47)**	**30.22**
Total comprehensive income for the year, net of tax (V + VI)		3,337.54	3,753.58
Earnings Per Equity Share	38		
Basic (Rs.)		33.51	37.21
Diluted (Rs.)		33.51	37.21
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the standalone financial statements			

As per our report of even date
for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visahakapatnam
Date: 11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visahakapatnam
Date: 11.07.2020

Consolidated Statement of Cash Flows for year ended March 31, 2020

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

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	4,463.29	6,150.33
Adjustments for :		
Depreciation of property, plant and equipment	317.95	327.03
Depreciation on investment property	9.05	9.05
Amortisation of intangible assets	-	0.17
Amortisation of right of-use asset	4.96	-
Profit on sale of fixed assets (net)	(0.55)	-
Interest income	(220.54)	(230.72)
Interest expense	619.84	976.93
Unrealised foreign exchange gain (foreign subsidiary)	89.48	(19.24)
Interest expense on lease liabilities	0.41	-
Gratuity and compensated absences	19.23	(49.03)
Operating profit before working capital changes	**5,303.11**	**7,164.52**
Movement in working capital:		
(increase)/decrease in inventories	1,147.21	(3,588.29)
(increase)/decrease in trade receivables	3,111.14	1,851.51
(increase)/decrease in other receivables	(600.72)	(1,440.52)
increase/(decrease) in trade payables	(2,040.03)	(4.38)
increase/(decrease) in other payables	(494.15)	28.49
Cash generated from operations	6,426.56	4,011.33
Income tax paid	(1,402.30)	(1,399.85)
Net cash flows from operating activities (A)	**5,024.26**	**2,611.48**
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets	(547.00)	(626.85)
Increase in Capital work in progress	7.50	-
Proceeds from sale of property, plant and equipment	4.00	18.80
Government Grant Received	-	105.90
Proceeds from sale of investments in deposits	-	-
Interest received	220.68	230.62
Net cash flows used in investing activities (B)	**(314.82)**	**(271.53)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long - term borrowings (net)	(97.38)	(152.00)
Repayment from short - term borrowings (net)	(1,557.47)	(100.67)
Payment towards lease rentals	(310.00)	-
Dividend paid	(305.06)	(38.13)
Tax on dividend	(62.72)	(7.86)
Interest paid	(619.84)	(976.93)
Net cash flows from financing activities (C)	**(2,952.47)**	**(1,275.59)**
Net decrease in cash and cash equivalents (A+B+C)	1,756.96	1,064.36
Cash and cash equivalents at the beginning of the year	2,784.47	1,720.11
Cash and cash equivalents at the year end	4,541.45	2,784.47

Components of cash and cash equivalents:

Cash on hand	1.31	4.49
Balances with banks		
-On current accounts	1,538.57	831.21
-On deposits accounts	3,001.57	1,948.77
Total cash and cash Equivalents	**4,541.45**	**2,784.47**

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

As per our report of even date
for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visahakapatnam
Date: 11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visahakapatnam
Date: 11.07.2020

a. Equity Share Capital

Particulars	No.	Amount
Equity Shares of Rs.10 each fully paid up		
Balance at the beginning of the reporting period	1,01,68,800	1,016.88
Changes in equity share capital during the year	-	-
Balance at the end of the reporting period	1,01,68,800	1,016.88

b. Other Equity

Particulars		Balance as on 01.04.2019	Total comprehensive income for the year	Dividends	Transfer to retained earnings	Any other change (to be specified)*	Balance as on 31.03.2020
Reserves & Surplus	Securities Premium Reserve	46.95	-	-	-	-	46.95
	General Reserve	108.61	-	-	-	-	108.61
	Retained Earnings	10,192.10	3,408.01	(367.78)	-	-	13,232.33
Cash Flow Hedging Reserve		-	(129.41)	-	-	-	(129.41)
Foreign Currency Translation Reserve		(4.52)	89.48	-	-	-	84.96
Remeasurement gains/(losses) on the defined benefit obligations		(10.98)	(30.55)	-	-	-	(41.53)
Total		**10,332.16**	**3,337.54**	**(367.78)**	**-**	**-**	**13,301.92**

* Represents the restatement of company's investment in its wholly owned forgien subsidiary company upto 31.03.2020

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

As per our report of even date
for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visahakapatnam
Date: 11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visahakapatnam
Date: 11.07.2020

2. Property, Plant and Equipment

Fixed Assets	Gross Block				Depreciation				Net Block	
	Balance as at 01.04.2019	Additions	(Disposals)	Balance as at 31.03.2020	Upto 01.04.2019	For the year	On disposals	Total upto 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
Freehold land	275.45	-	-	275.45	-	-		-	275.45	275.45
Buildings	1,758.83	164.96		1,923.79	345.14	56.20		401.34	1,522.45	1,413.69
Plant and equipment	2,105.56	312.84		2,418.40	848.13	168.27		1,016.40	1,402.00	1,257.43
Furniture and Fixtures	105.14	-		105.14	63.39	5.53		68.92	36.22	41.75
Computers	28.10	0.64		28.74	21.99	2.79		24.78	3.96	6.11
Vehicles	714.39	58.79	9.85	763.33	418.01	76.29	6.40	487.90	275.43	296.38
Office Equipment	95.45	9.77		105.22	66.57	8.89		75.46	29.76	28.88
Roads	4.06	-		4.06	4.06	-		4.06	-	-
Total	**5,086.98**	**547.00**	**9.85**	**5,624.13**	**1,767.29**	**317.97**	**6.40**	**2,078.86**	**3,545.27**	**3,319.69**
Previous year	**4,808.86**	**385.76**	**107.64**	**5,086.98**	**1,440.28**	**327.19**	**0.18**	**1,767.29**	**3,319.69**	**3,368.58**

5. Investment properties

Particulars	Gross Block				Depreciation				Net Block	
	Balance as at 01.04.2019	Additions	(Disposals)	Balance as at 31.03.2020	Upto 01.04.2019	For the year	On disposals	Total upto 31.03.2020	Balance as at 31.03.2020	Balance as at 31.03.2019
Freehold land*	733.39	-	-	733.39	-	-		-	733.39	733.39
Buildings	392.06	-	-	392.06	21.11	9.05		30.16	361.90	370.95
Total	**1,125.45**	**-**	**-**	**1,125.45**	**21.11**	**9.05**	**-**	**30.16**	**1,095.29**	**1,104.34**
Previous year	**1,138.87**	**3.64**	**17.06**	**1,125.45**	**12.06**	**9.05**	**-**	**21.11**	**1,104.34**	**1,126.81**

*Freehold land includes land of 28.49 acres situated in survey no: 206-4E1 in Tenerala village, procured in the year 2017-18. The cost of said land includes the cost of coconut trees procured along with the land and the same has to be recognised as plant, property and equipment as per Ind AS 16. As the cost of bearer plants are not reliably measured, the same has not been recognised as PPE in the books of account.

5a Information regarding income and expenditure of Investment properties

Particulars	2019-20	2018-19
Rental income derived from investment properties	49.15	40.21
Direct operating expenses (including repairs and maintainance) generating rental income	2.29	1.62
Direct operating expenses (including repairs and maintainance) that did not generating rental income	0.00	0.00
Profit arising from Investment properties before depreciation and indirect expenses	46.86	38.59
Less: Depreciation	9.05	9.05
Profit arising from Investment Properties before indirect expenses	37.81	29.54

5b Disclosure of Fair values of the Investment properties

Particulars	31st March 2020	31st March 2019
Freehold Land	1,234.35	1,234.35
Buildings	369.87	369.87

5c Estimation of fair value

The group obtains valuations for its investment properties at least once in a three years from a Independent Valuer. The fair values of investment properties have been determined by V J R Associates, Govt. Registered Valuers & Chartered Engineers.The best evidence of fair value is current prices in an active market for similar properties. The valuer has considered the current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect the differences with regard to availability of the infrastructure facilities, locality of the property and market demand for those properties. All resulting fair value estimates for investment properties are included in level 3.

4 Right of Use assets

Particulars	Leasehold Land	Total
Balance as at March 31, 2019	-	-
Additions	318.21	318.21
Disposals	-	-
Amortisation	4.96	4.96
Balance as at March 31, 2020	313.25	313.25

4a. Leases

(i) Change in Accounting Policy

The group has consistently applied the accounting policies to all periods presented in this financial statement. The group has applied Ind AS 116 with the date of initial application of 1st April, 2019. As a result, the group has changed its accounting policy for lease contracts as detailed below:

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

Particulars	Amount in Lakhs
Increase in lease liability by	9.21
Increase in rights of use by	318.21
Increase in Interest expense by	0.41
Increase in amortisation by	4.96

(ii) As Lessee

A Movement in lease liabilities

Particulars	Lease Liabilities
Balance as at 01-04-2019	-
Additional lease obligations recognised	9.21
Unused amounts reversed	0
Interest expense on lease liabilities	0.41
Amounts paid during the year	1.00
Balance as at 31-03-2020	8.62

B Maturity analysis of lease liabilities

Particulars	Leasehold Land
Less than 1 year	3.19
1 to 5 years	8.38
More than 5 years	0.00
Total undiscounted lease liabilities at 31st March 2020	11.56
Lease liabilities included in the statement of financial position at 31st March 2020	8.62
Current	3.19
Non Current	5.43

C Amounts recognised in profit or loss

Particulars	Amount in Lakhs
Interest on lease liabilities	0.41
Variable lease payments not included in the measurement of lease liabilities	0
Income from sub-leasing right-of-use assets	0
Expenses relating to short-term leases	0
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0

(iii) As Lessor - Operating leases

The Company has entered into operating leases on its commercial buildings. These leases have terms ranging between 5 and 8 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total contingent rents recognised as income during the year is Rs. 49.15 Lakhs (31 March 2019: Rs. 40.21 Lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Within one year	49.85	49.15
After one year but not more than five years	72.33	121.87
More than five years	0.37	0.69

3 Capital work in progress

Particulars	As at March 31, 2020	As at March 31, 2019
Capital works in progress:		
a. Civil works under progress	82.23	92.35
b. Capital stock in Stores	147.70	145.08
Total	229.93	237.43

6 Non Current Financial assets - Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Other unquoted investments (designated at FVTOCI)		
(i) 7,00,000 (March 31, 2019: 7,00,000) Equity Shares of Rs.10 each of Coastal Developers Pvt Ltd	70.00	70.00
(ii) 7,10,000 (March 31, 2019: 7,10,000) Equity Shares of Rs.10 each of Seagold Aqua Farms India Pvt Ltd	71.00	71.00
Total	**141.00**	**141.00**

6a Details of Material Subsidiaries

Name and Principal Place of Business	Proportion of Ownership Interest/ Voting Rights	
	As at March 31, 2020	As at March 31, 2019
Continental Fisheries India Pvt LtdPrincipal Place of Business: 15-1-37/2, Jayaprada Apartments, Nowroji Road, Visakahapatnam-	100.00%	100.00%
Seacrest Seafoods Inc. Principal Place of Business: 7855 NW 12th Street, Suite 221, Miami, Florida	100.00%	100.00%

6b Reasons for Investments in Equity Instruments designated to be measured at Fair Value through Other Comprehensive Income

The Company has elected an irrevocable option of classifying the non current investments under fair value through other comprehensive income as they are not held primarily for trading.

7. Non Current Financial assets - Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated:		
Security Deposits	111.45	183.44
Total	**111.45**	**183.44**

8 Non Current Financial assets - Others

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks		
- Deposits with original maturity of more than 12 months	1141.15	772.64
Interest Accrued on Deposits	76.65	40.29
Total	**1,217.80**	**812.93**

9. Other non current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good unless otherwise stated:		
Capital Advances	675.03	309.02
Total	**675.03**	**309.02**

10. Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
(At lower of cost and net realisable value)		
Raw Materials	-	155.11
Finished Goods	10046.21	10,993.01
Stores, spares and packing materials	283.73	329.03
Total	**10,329.94**	**11,477.15**

11 Trade Receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables		
Unsecured, Considered Good and due for less than six months	3753.66	6,866.43
Doubtful	4.23	2.58
	3,757.89	6,869.01
Less: Allowance for credit losses	2.60	2.58
Total	**3,755.29**	**6,866.43**

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

12. Cash & cash equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks:		
- On Current Accounts	1492.59	816.73905
- On Earmarked Balances (Unpaid Dividend accounts - less than seven years)	45.98	14.47
Cash on hand	1.31	4.49
Total	**1,539.88**	**835.70**

13 Bank balances other than above

Particulars	As at March 31, 2020	As at March 31, 2019
Balances with Banks:		
- Deposits with original maturity of more than three months but less than 12 months	3001.57	1,948.77
Interest Accrued on Deposits	61.79	101.39
Total	**3,063.36**	**2,050.16**

14 Current Tax Assets (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax assets		
Advance payment of Direct Taxes	1380.00	2300.00
Income tax deducted at source	25.57	29.11
Total	**1,405.57**	**2,329.11**
Less:		
Current tax liabilities		
Provision for Income Tax	1,130.00	2,321.00
Total	**275.57**	**8.11**

15 Other current assets

Particulars	As at March 31, 2020	As at March 31, 2019
Advances made to suppliers	108.98	100.11
Export and other incentives receivable*	993.32	1299.03
Income tax Refund Receivable	39.05	1.79
Balances with revenue authorities	383.70	336.00
Prepaid expenses	159.29	10.00
Other assets	81.63	40.61
Total	**1,765.97**	**1,787.53**

* Export and other incentives receivable has been recognized in the following manner:

a) Incentives in the form of duty credit scrips 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.

16. Equity share capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
1,50,00,000 (March 31, 2019: 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, 2019: 1,01,68,800) Equity share of Rs.10/- each fully paid up	1,016.88	1,016.88
Total	**1,016.88**	**1,016.88**

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	No.	Rs.	No.	Rs.
Outstanding at the beginning of the year	1,01,68,800.00	1,016.88	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	1,01,68,800.00	1,016.88

B. 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 eligiable to receive share in the remaining assets of the company after distribution of all prefarencial amounts in proporation 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.

C. Issue of Bonus Shares

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

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

Particulars	As at March 31, 2020		As at March 31, 2019	
	% Holding	No.	% Holding	No.
Equity Shares of Rs. 10/- each Held By				
Haribabu Kambampati	7.69	7,81,600	7.69	7,81,600
T.V.R.Estates & Resorts Pvt Ltd	6.68	6,79,288	6.68	6,79,288
Satyasree Achanta	9.38	9,54,146	9.38	9,54,146
Aditya Achanta	12.68	12,89,800	12.68	12,89,800
T Valsaraj	5.15	5,24,152	4.96	5,04,152

17 Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
a) Securities Premium	46.95	46.95
b) General Reserve	108.61	108.61
c) Retained Earnings	13,232.33	10192.10
d) Other Comprehensive Income		
Foreign Exchange Translation Reserve	84.96	-4.52
Re-measurement of Defined benefit plans	-41.53	-10.98
Cash flows hedging reserve	-129.41	0.00
Total	**13,301.92**	**10,332.16**

Nature of reserves:

a) Securities premium : Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

b) General reserve : The general reserve is created by way of tranfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956.

c) Retained earnings : Retained earnings generally represents the undistributed profit amount of accumulated earnings of the company

d) Other Comprehensive Income:

Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of:

A. Items that will not be reclassified to profit and loss

(i) The Company has made an irrevocable election to present the subsequent fair value changes of investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value including tax effects. The company transfers restated fair value amounts from this reserve to retained earnings when the relevant financial instruments are disposed.

(ii) The actuarial gains and losses along with tax effects arising on defined benefit obligations are recognised in OCI.

B. Items that will be reclassified to profit and loss:

(i) The effective portion of changes in fair value of cash flow hedging instruments are recognised in OCI. The accumulated gains/losses will be reclassified to profit and loss in the periods when the hedged items affects profit or loss.

18 Non Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Loans		
Term Loans from a bank on hypothecation of Motor Vehicles	20.89	37.17
(Terms of repayment: Refer note no. 39)		
Total	**20.89**	**37.17**

19 Non Current Financial Liabilities -Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding dues to creditors other than micro enterprises and small enterprises	-	185.66
Outstanding dues to micro enterprises and small enterprises	-	-
Total	**-**	**185.66**

20 Non Current Financial Liabilities - Others

Particulars	As at March 31, 2020	As at March 31, 2019
Deposits Refundable	13.00	11.76
Total	**13.00**	**11.76**

21 Non Current Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
- Gratuity (Funded)	113.46	48.41
Total	**113.46**	**48.41**

22 Deferred Tax Liability (Net)

Particulars	As at March 31, 2020	As at March 31, 2019
Major components of Deferred Tax Liabilities and Assets arising on account of timing difference are:		
Liability:		
- Difference between tax and book depreciation	178.28	221.35
Asset:		
- Expenditure charged to Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis	30.04	20.72
- Difference between Lease rentals charged to Profit & Loss account and claimed for tax purposes	0.32	-
Deferred Tax Liability (net)	**147.92**	**200.63**

23 Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Secured		
Loans repayable on demand:		
from Banks	11,152.48	12,709.95
(Secured By hypothecation of raw materials, work in progress, finished goods, and book debts and collaterally secured by the fixed assets, both present and future, of the Company).		
Total	**11,152.48**	**12,709.95**

24 Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Outstanding dues to creditors other than micro enterprises and small enterprises	1297.77	2,994.42
Outstanding dues to micro enterprises and small enterprises	211.73	369.45
Total	**1,509.50**	**3,363.87**

Dues to Small and Medium Enterprises:

(a) Principal amount and interest due thereon remaining unpaid	211.73	369.45
(b) Interest paid in terms of Section 16 of MSMED Act, 2006	-	-
(c) Interest due and payable for the period of delay excluding interest specified under MSMED Act, 2006	-	-
(d) Interest accrued and remaining unpaid at the end of the year	-	-
(e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-

Terms and conditions of the above financial liabilities:

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

25 Current Financial Liabilities - Others

Particulars	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debts	16.20	97.30
Outstanding dues towards Capital works	0.43	0.28
Cash flows in hedging instruments	129.41	-
Unclaimed dividends	45.89	14.34
Other liabilities	212.28	520.62
Total	**404.20**	**632.54**

26 Current Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
- Gratuity (Funded)	5.88	10.88
Total	**5.88**	**10.88**

27 Other Current Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Advances received against sales	39.32	75.83
Statutory dues payable	110.57	172.66
Other liabilities	214.39	334.53
Total	**364.28**	**583.02**

28. Revenue from Operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of Products		
Income from Sale of Shrimp	55,851.78	55,801.57
Other Operating Revenue		
Export Incentives	4,575.98	4,273.46
Revenue from Operations	**60,427.75**	**60,075.03**

(A) Revenue disaggregation by industry vertical is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fixed price contracts	55,851.78	55,801.57
Total	**55,851.78**	**55,801.57**

(B) Revenue disaggregation by geography is as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
a. Domestic	87.84	894.31
b. Exports	55,763.94	54,907.26
Total	**55,851.78**	**55,801.57**

(C) Reconciliation of revenue recognized with the contracted price with customers is as follows

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Gross Revenue	56,117.09	55,892.68
Less: Sales Returns	265.31	70.13
Less: Amounts adjusted for Discounts, rebates, refunds etc	-	20.98
Revenue recognised in the statement of profit and loss	**55,851.78**	**55,801.57**

(D) Changes in advances received from customers (Contract liability) are as follows:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at the beginning of the year	0.99	3.62
Add: Amounts received during the year	0.23	-
Less: Revenue recognised during the year	0.99	2.63
Balance at the end of the year (Net)	**0.23**	**0.99**

(E) The details in respect of percentage of revenues generated from top customers are as follows: (In %)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from 1st top customer	10,765.29	8,444.62
Revenue from 2nd top customer	4,006.60	7,148.74
Revenue from 3rd top customer	3,521.22	3,216.21
Revenue from 4th top customer	2,932.60	2,373.22
Total of other customers generating more than 10% revenue	**2,744.63**	**2,147.15**

(F) Other disclosures:

(i) The amounts receivable from customers become due after expiry of credit period which on an average is less than 90 days. There is no significant financing component in any transaction with the customers.

(ii) The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

29. Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of agriculture produce	4.47	9.56
Lease rental income	49.15	40.21
Interest Income from:		
- Financial assets at amortised cost	220.26	230.70
- Others	0.28	-
Net Gain on Foreign Exchange Fluctuations	1,111.06	25.90
Refund of Anti Dumping Duty	14.53	1,016.44
Unclaimed credit balances written back	4.10	17.78
Net gain on disposal of property, plant and equipment	0.55	-
Grants Received under PMRPY Scheme	25.78	29.45
Grants Received under TMA Scheme for exporters	49.82	-
Refund of GST paid for earlier years	-	215.43
Other Misc Income	1.08	29.06
Total	**1,481.08**	**1,614.53**

30. Cost of Materials Consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Materials Consumed		
Opening stock at the beginning of the year	155.11	-
Add : Purchases	43,637.34	45,711.98
Less : Sale of materials	0.00	-
	43,792.45	45,711.98
Less : Closing stock at the end of the year	0.00	155.11
	43,792.45	**45,556.87**

(A) Details of Raw Materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Raw Shrimps	43,792.45	45,556.87

31. (Increase)/Decrease in Inventories of Finished Goods

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening stock of inventories		
Finished goods of Shrimp	9,448.50	5,844.20
Closing stock of inventories		
Finished goods of Shrimp	8,452.18	9,448.50
Decrease/(Increase) in inventories of finished goods	**996.32**	**(3,604.30)**

32 Operating expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of stores, spares and consumables	1,916.25	2,101.80
Processing charges	2,316.80	2,668.86
Power and Fuel	662.22	542.90
Repairs and maintenance:		
- Plant and Machinery	371.80	363.79
- Vehicles	330.97	368.19
Other operating charges	482.27	486.67
Total	**6,080.32**	**6,532.21**

33 Employee Benefits Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and allowances	1,066.16	1,156.38
Contribution to provident fund and other funds	108.43	104.12
Gratuity expense	38.27	27.14
Managerial remuneration	225.53	314.33
Staff welfare expenses	28.35	26.42
Total	**1,466.74**	**1,628.39**

Employee benefit plans:

As per Indian Accounting Standard 19 "Employees' Benefits" the disclosures of Employee Benefits as defined in the Standard are given hereunder:

Defined Contributions Plans:

Contributions to Defined Contribution plans, recognized as expense for the year, are as under:

Particulars	2019-20	2018-19
Employer's Contributions to Provident and Pension Funds	82.76	74.24

Defined Benefit Plans:

A. The company provides for gratuity to the employees as per Payment of Gratuity Act,1972. Employees who are in continuos service for a period of 5 years are eligible for gratuity. The amount of gratuity is payable on retirement/resignation. The gartuity plan is a funded plan and the company makes contributions to recognised funds in India.

B. The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the "Projected Unit Credit Method" which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Reconciliation of opening and closing balances of Defined Benefit obligations

Particulars	Gratuity (Funded)	
	This year	Previous year
Defined Benefit obligation at beginning of the year	190.55	142.13
Interest Cost	13.64	9.70
Current Service Cost	35.86	24.30
Benefits paid	(0.89)	(2.52)
Actuarial loss / (gain) on obligation	40.48	16.94
Defined Benefit obligation at year end	279.63	190.55

II. Reconciliation of opening and closing balances of fair value of plan assets

Particulars	Gratuity (Funded)	
	This year	Previous year
Fair value of plan assets at beginning of the year	131.26	66.68
Interest Income	11.23	6.86
Contributions	19.04	40.61
Benefits paid	(0.89)	(2.52)
Remeasurements - Return on Assets (Excluding Interest Income)	(0.35)	19.64
Fair value of plan assets as at the end of the year	160.29	131.26

III. Reconciliation of fair value of assets and obligations as at 31.3.2020

Particulars	Gratuity (Funded)	
	31 March,2020	31 March,2019
Fair value of plan assets	160.29	131.26
Present value of obligation	279.63	190.55
Amount recognized as liability in Balance sheet	-119.34	-59.29

Company is maintaining the planned assets through a group policy with Life Insurance Corporation of India

IV. Expenses recognized during the year in the Statement of Profit & Loss under employee benefit expenses

Particulars	Gratuity (Funded)	
	This year	Previous year
Current Service Cost	35.86	24.30
Interest Cost	13.64	9.70
Expected return on plan assets	(11.23)	(6.86)
Actuarial (gain)/ loss	-	-
Expenses recognized in the statement of Profit & Loss	38.27	27.14

V. Amount to be recognized in statement of other comprehensive income

Particulars	Gratuity (Funded)	
	This year	Previous year
Remeasurements of the net defined benefit liability/ (asset)	40.48	16.94
(Return)/loss on plan assets excluding interest income	0.35	-0.06
Expenses recognized in the statement of Other Comprehensive Income	40.82	16.88

Particulars	Gratuity (Funded)	
	This year	Previous year
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	36.69	-
(Gain)/loss from change in experience adjustments	3.78	16.94

VI. Significant estimates: acturial assumptions

Particulars	Gratuity (Funded)	
	31 March,2020	31 March,2019
Discount rate	6.81%	8.00%
Salary escalation rate	10.00%	10.00%
Mortality rate	100.00%	100.00%
Withdrawal rate	3.00%	3.00%

VII. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity (Funded)	
	This year	Previous year
Expected outflow in year1	5.88	10.88
Expected outflow in year2	12.75	9.08
Expected outflow in year3	12.68	12.82
Expected outflow in year4	17.62	5.95
Expected outflow in year5	8.42	11.25
Expected outflow in year6	15.15	13.43
Expected outflow in year7	14.43	9.72
Expected outflow in year8	13.43	8.46
Expected outflow in year9	12.84	10.89
Expected outflow in year10	19.97	20.60

VIII. Significant estimates : Sensitivity analysis

Discount rate,Salary Escalation Rate and Attrition/Withdrawl rate are significant actuarial assumptions.The change in Present value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Particulars	Change of assumption (+increase/ - decrease)	Effect on gratuity valuation	
		This year	Previous year
Impact on present value of defined benefit obligation if			
- discount rate increase by	+1%	228.67	153.48
- discount rate decrease by	-1%	298.39	191.85
- salary increase by	+1%	292.60	190.57
- salary decrease by	-1%	230.80	154.03
- withdrawl/attrition increase by	+1%	252.47	168.20
- withdrawl/attrition decrease by	-1%	269.00	174.15

IX. Other Disclosures

Particulars	Gratuity	
	31 March,2020	31 March,2019
a) Best Estimate Contribution during the next year	99.77	39.71
b) Discontinuance liability	174.91	131.76

As per the enterprise's accounting policy actuarial gains and losses are recognized immediately during the same year itself.

The above information is certified by the Actuary.

34 Finance cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expense	619.84	916.92
Interest expense on lease liabilities	0.41	0.00
Bank charges	64.75	106.85
Total	**685.00**	**1,023.77**

35 Depreciation and Amortisation

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on plant, property and equipment	317.95	327.03
Depreciation on investment property	9.05	9.05
Amortisation on right-of-use assets	4.96	-
Amortisation on intangible assets	-	0.17
Total	**331.96**	**336.25**

36 Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Rates & Taxes	966.08	956.63
Insurance	212.95	262.18
Directors' Sitting Fees	3.95	3.40
Auditors' Remuneration	0.00	-
for Audit Fees	3.90	3.90
for Taxation Matters	0.00	0.50
Travelling & Conveyance expenses	70.55	88.09
Donations	31.45	3.95
Legal and Professional fees	201.15	147.29
Commission on Sales	230.41	263.01
Selling and distribution expenses	2,267.85	2,194.49
Net (Gain)/Loss on Foreign Exchange Fluctuations	-	3.17
Miscellaneous Expenses	104.47	139.43
Total	**4,092.76**	**4,066.04**

37 Income Tax Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax		
- Based on provisions u/s 115BAA of the Income Tax Act, 1961	1,130.00	2,321.00
Deferred tax		
Decrease /(increase) in Deferred Tax Assets	(9.64)	(20.72)
Increase /(decrease) in Deferred Tax Liability	(43.07)	45.50
Total Income Tax Expense	**1,077.29**	**2,345.78**

(A) Deferred Tax Expense/ (Income)

Expense/ (Income) recognised for the year ended	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax (liability)/ Asset recognised in statement of profit or loss	(42.43)	30.68
Deferred tax (liability)/ Asset recognised in Other Comprehensive Income	(10.27)	(5.90)
Deferred tax recognised in Total Comprehensive Income	**(52.71)**	**24.78**

(B) Reconciliation of tax expense and the accounting profit multiplied by tax rate

Expense/ (Income) recognised for the year ended	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit from continuing operation before income tax expense	4,463.29	6,150.33
Profit from discontinuing operation before income tax expense	-	-
Total	**4,463.29**	**6,150.33**
Tax @ 25.168% (31st March, 2019: 34.944%)	1,123.32	2,149.17
Tax effectof amount which are not deductible (taxable) in calculating taxable income:		
Goodwill impairment		
Amortization of other intangibles		
Weighted deduction on research and development expenditure		
Corporate social responsibility expenditure		
Employee share based payment expense		
Contingent consideration		-
Other Items	10.86	196.61
Differences in Domestic tax rates	(56.86)	-
Tax losses for which no deferred income tax was recognised	-	-
Previously unrecognised tax losses now recouped to reduce current tax expense		
Previously unrecognised tax losses used to reduce deferred tax expenses		
Income Tax expense	**1,077.29**	**2,345.78**

(C) Components of Tax expense

Expense/ (Income) recognised for the year ended	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Current tax expense	1,130.00	2,321.00
b) Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences	4.18	22.43
c) Amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes	(56.89)	-
d) Amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense	-	-
e) Amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense	-	-

Persuant to Taxation Law (Amendment) ordinance, 2019 issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (New tax rate) as permitted under section 115BAA of the Income tax Act subject to certain conditions.The company has decided to opt for the new tax rate for the financial year 2019-20 onwards.

38 Particulars of Earnings Per Share

Expense/ (Income) recognised for the year ended	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit attributable to equity holders:		
Continuing operations	3408	3784
Discontinued operation	-	-
Profit attributable to equity holders of the parent for basic earnings	3408	3784
Interest on convertible preference shares	-	-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	3408	3784

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Weighted average number of Equity shares for basic EPS*	10168800	10168800
Effect of dilution	-	-
Share options	-	-
Convertible preference shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution	10168800	10168800

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements

Earnings per equity share (for continuing operations)	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Basic	33.51	37.21
b) Diluted	33.51	37.21

39 The details of Indian rupee Vehicle loans from banks are as under:

	Name of the Bank	Outstanding as on March 31, 2020	Outstanding as on March 31, 2019	No. of Instalments	Commencement of instalments	Effective interest rate
a)	Secured loan from Canara Bank of India - car- innova	0.00	25.68	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	0.00	3.12	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)	0.30	1.51	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	0.00	3.74	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	0.00	2.88	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	0.00	17.00	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	0.00	3.15	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	0.00	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)
i)	Secured loan from Bank of India - car- Audi	26.54	0.00	36 equal monthly instalments of Rs.0.95	October-2019	Flat Rate of interest 9.12%
j)	Secured loan from Bank of India - car- Creta	10.25	0.00	36 monthly instalments of Rs.0.39	August-2019	Flat Rate of interest 8.18%
h)	Secured loan from Kotak Mahindra Bank Ltd - Trucks	0.00	40.16	40 monthly instalments of Rs.1.96	October-2017	Flat Rate of interest 4.69%
	Total	37.09	134.47			

40 Details of CSR expenditure

Earnings per equity share (for continuing operations)	For the year ended March 31, 2020	For the year ended March 31, 2019
a) Gross amount required to be spent by the Company during the year:	84.47	48.71
(b) Amount spent during the year	1.49	0.83
(i) Construction/acquisition of any asset	0.00	0.00
(ii) On purposes other than (i) above	0.00	0.00

Note: The amount unspent as at March 31, 2020 is Rs. 192.33 lakhs , as at March 31, 2019 Rs. 109.34 lakhs

41 Contingent liabilities/claims not provided for

Particulars	As at March 31, 2020	As at March 31, 2019
a. Unexpired Bank Guarantee issued in favour of:		
Against letters of credit (SBLC)	517.22	470.925
Outstanding Guarantees to Banks including Letters of Credit opened with Banks for supplier payments	21.40	20.06
M/s Continental Fisheries India Pvt Ltd	-	400.00
b. Estimated amount of contracts remaining	353.86	75.50

42 Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

Particulars	Notes	March 31,2020	March 31,2019
Current assets			
Financial assets			
Trade receivables	11	3,847.95	5,470.76
Cash & Cash equivalents	12	-	2.63
Bank balances other than above (ii)	13	686.34	939.10
Non-financial assets			
Inventories	10	7,767.06	9,932.65
Other Current assets	15	932.21	1,376.72

43 Segment information

The Company operates only in one business segment being the processing of Raw Shrimps and there are no geographical segments to be reported.

44 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, 2020	For the year ended March 31, 2019
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	147.35	206.55
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	78.17	107.77
3)	Smt. Jeeja Valsaraj	Relative of KMP	Sitting fees	1.20	1.30
4)	Smt. Vijeta Valsaraj	Relative of KMP	Salary Amount paid	- -	- -
5)	Smt. Swaroopa Meruva	KMP (Company Secretary)	Salary Amount paid	10.29	9.50
6)	Smt. Vineesha Valsaraj	Relative of KMP	Salary Amount paid	3.00	2.56
7)	Sri T. Vishwanath	Relative of KMP	Labour charges Amount paid	158.63	110.12

(iii) Balance oustanding

Sl. No.	Name of the Party	Relationship	Nature of transaction	For the year ended March 31, 2020	For the year ended March 31, 2019
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	53.13 Cr	109.98 Cr
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	29.05 Cr	46.40Cr
3)	Smt. Vijeta Valsaraj	Relative of KMP	Salary	0.14 Cr	0.14 Cr
4)	Smt. Vineesha Valsaraj	Relative of KMP	Salary	0.25 Cr	0.18 Cr

Note: All the aforesaid related party transactions were carried on arms' length basis

45 Impairment of Assets

According to an internal technical assessment carried out by the Company, there is no impairment in the carrying cost of cash generating units of the Company in terms of Indian Accounting Standard 36 'Impairment Of Assets'

46 Impact of covid 19

The Management has considered the possible effects, if any, that may result from COVID – 19 pandemic on amounts relating to trade receivables & inventories. In assessing the recoverability of receivables, the Company has considered internal and external information upto the date of approval of these financial results including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes and future economic conditions

47 Balances Outstanding

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

48 Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with the current year figures.

As per our report of even date
for, Brahmayya & Co.
Chartered Accountants
Firm Reg No. 000513S
Sd/-
C.V. Ramana Rao
Partner
Membership No. 018545
Place: Visahakapatnam
Date: 11.07.2020

for, and on behalf of the Board

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

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

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visahakapatnam
Date: 11.07.2020

1. SIGNIFICANT ACCOUNTING POLICIES

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 Company has its primary listings on the BSE Limited.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Coastal Corporation Limited (the 'Company') and its subsidiaries.

1.1 Basis of preparation of financial statements:

1.1.1 Statement of compliance with Ind AS

The consolidated financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and guidelines issued by the Securities and Exchange Board of India (SEBI).

1.1.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following –

- Certain financial instruments (including derivative instruments) which are measured at fair values,
- Assets held for sale measured at fair value less cost to be incurred to sell, and
- Defined benefit plans – plan assets measured at fair value.

1.2 Principles of consolidation:

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group combines the financial statements of its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

1.3 Foreign currency translation:

1.3.1 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is Coastal Corporation Limited's functional and presentation currency.

1.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to the part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

1.3.3 Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.4 Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note 4. Accounting estimates could change from period to period. Actual results could differ from the estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Current versus Non-current classification:

All assets and liabilities in the balance sheet are presented based on current/ non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The company has identified twelve months as its operating cycle.

1.6 Revenue Recognition:

Revenue is recognised as and when the entity satisfies a performance obligation by transferring a promised goods or services (i. e an asset) to a customer and recovery of the consideration is probable. An asset is transferred when (or as) the customer obtains control of that asset, which is upon delivery in case of export sales made to USA and in other cases upon shipment of goods. Revenue is measured at the transaction price which is determined based on the terms of contract and entity's customary practice. Amounts disclosed as revenue are inclusive of duties, but exclusive of Goods and Service tax (GST), which the company pays as principal and net of returns, trade allowances, rebates, and taxes collected on behalf of the government.

1.6 Property, Plant and Equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes all costs directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimation of dismantling and site restoration costs. Subsequent costs relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Property, Plant and Equipment are componentized and are depreciated separately over their estimated useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. 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.

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 derecognition 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.

Capital work in progress

Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection. 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.

1.7 Investment Properties:

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using the straight line method over their estimated useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

1.8 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 Group 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.

1.9 Bearer plants:

Bearer plants are living plants used in the production or supply of agriculture produce. They are expected to bear produce for more than one period and have a remote likelihood of being sold as agriculture produce, except for incidental scrap sales.

The Group's bearer plants comprise coconut trees and the same are presented and accounted for as "Property, Plant & Equipment" if they satisfy the recognition criteria.

Immature bearer plants are accounted for at accumulated cost, which consist mainly of the accumulated cost of land clearing, planting, fertilizing, up-keeping and maintaining the plantations, and allocations of indirect overhead costs up to the time the plants become commercially productive and available for harvest. Costs also include capitalized borrowing costs and other charges incurred in connection with the financing of the development of immature bearer plants. Immature bearer plants are not depreciated.

Immature bearer plants are reclassified to mature bearer plants when they are commercially productive and available for harvest.

Mature bearer plants are stated at cost, and are depreciated using the straight-line method over their estimated useful lives. The useful lives and depreciation method are reviewed at each year end and adjusted prospectively, if necessary. The carrying amounts of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

The carrying amount of an item of bearer plants is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is directly included in profit or loss when the item is derecognized. Upkeep and maintenance costs are recognized in profit or loss when they are incurred. The cost of major renovation and restoration is included in the carrying amount of the related asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company, and is depreciated over the remaining useful life of the related asset.

1.10 Biological assets:

The Group's biological assets comprise agricultural produce of the bearer plants, which primarily comprise coconuts. Biological assets are stated at fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of biological assets and from the change in fair value of biological assets at each reporting date are recognized in profit or loss for the period in which they arise.

The fair value of the biological assets is based on the quoted prices for coconuts in the market at the time of harvest.

The group, in general, does not carry any inventory of agriculture produce at any given time as these are sold as and when harvested. Farming costs are expensed as incurred.

1.11 Government Grants:

Government Grants are recognised when the Group 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.

1.12 Inventories:

Inventories are valued at the lower of the cost (net of eligible input tax credits) or net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials, Packing materials & Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- Finished goods: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on a weighted average basis.

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

1.13 Non-Derivative Financial Instruments:

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

1.13.1 Initial Recognition-

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added/ deducted to/from the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.13.2 Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(i) Debt instruments at amortised cost

A debt instrument is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 amortisation of EIR is included in finance income in the profit or loss. The impairment losses and gain/loss on derecognition are recognised in the profit or loss.

(ii) Debt instruments at fair value through other comprehensive income

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments under this category are measured at fair value at each reporting date. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit & loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL (residual category).

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

All equity instruments in scope of Ind AS 109 are measured at fair value by the Group. Equity investments which are held for trading are classified as at FVTPL. For all other equity instruments, the group decides to classify the same either as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrecoverable.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(iv) Equity instruments measured at fair value through other comprehensive income

The Group has made an irrevocable election to present the subsequent fair value changes in 'other comprehensive income' for its investments in equity instruments that are not held for trading. Fair value changes on the instrument, impairment losses & reversals and foreign exchange gain or loss are recognized in the OCI. Dividends are recognised in the Profit &Loss. There is no recycling of the amounts from OCI to Profit & Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Financial liabilities are classified in two measurement categories:

- Financial liability measured at amortised cost
- Financial liability measured at fair value through profit or loss

(i) Financial liabilities measured at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

(ii) Financial liability measured at amortised cost

All other financial liabilities are subsequently carried at amortized cost using effective interest rate (EIR) method, thereby resulting in amortisation of transaction costs and interest expenses through Profit & Loss over the life of the instrument. The EIR amortisation is included as finance costs in the statement of profit and loss.

1.13.3 Reclassification of financial assets-

The group reclassifies its financial assets only when there is a change in entity's business model for managing its financial assets.

1.13.4 Derecognition of financial instruments-

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind. AS 109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

1.13.5 Impairment of financial assets-

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

a. Trade receivables

b. Financial assets measured at amortized cost (other than trade receivables)

c. Financial assets measured at fair value through other comprehensive income.

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

1.13.6 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 either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.13.7 Income recognition-

a. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

1.13.8 Fair Value of Financial instruments-

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. For trade and other receivables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.14 Derivative financial instruments:

Derivatives are initially recognised at fair value on the date of a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges.

(iii) Derivatives that are not designed as hedges

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.

1.15 Employee Benefits include:

(i) Short term employee benefits-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The group recognises a liability and an expense for bonus only when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of obligation can be made.

(ii) Post employment benefits-

The group operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity: and

(b) Defined contribution plans such as provident and pension funds.

Defined Benefit Plans -The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution Plans- The group pays provident fund contributions to publicly administered provident funds as per local regulations. It has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.16 Leases:

The group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessors expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

1.17 Non-Current Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

1.18 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.

1.19 Impairment of Non Financial Assets:

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.21 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 Group are segregated based on the available information.

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.

1.22 Income Taxes:

Income tax expense comprises current and deferred income tax. Income- tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income-tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.23 Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects all dilutive potential equity shares.

1.24 Provisions:

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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

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

Note. 4 Significant accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

4.1 Property, Plant and Equipment & Investment Properties

Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

4.2 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4.3 Impairment of Financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.4 Leases

The accounting of leases involves significant management judgement for identification, classification and measurement of lease transactions at the time of lease commencement. The assessment of the lease liability and Right of Use asset under lease arrangements are based on the assumptions and estimates of the discount rate, lease term including judgement for exercise of options to extend or terminate the contract, dismantling and restoration costs, escalation in rentals etc. Further, these will be continuously monitored at each reporting period to reflect the changes in the agreements and management estimates.

4.5 Employee benefits (gratuity)

The cost of the defined benefit plans and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

4.6 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the cost approach model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions that are existing at the end of each reporting period. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.7 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.8 Contingencies

Management judgement is required for estimating the possible inflow/ outflow of resources, if any, in respect of contingencies/ claims/ litigations against the group/ by the group as it is not possible to predict the outcome of pending matters with accuracy.

CSR Activities

Supply of Benches for Development of School Infrastructure

FT FINANCIAL TIMES statista | High-Growth Companies Asia-Pacific 2020

Certificate

The Financial Times and Statista

Hereby recognise

Coastal

as one of

FT High-Growth Companies Asia-Pacific 2020

Criteria for inclusion in the ranking:

Revenue of at least 100,000 USD[1] generated in 2015

Revenue of at least 1 million USD[1] generated in 2018

Be independent (the applying company is not a subsidiary or branch office of another company).

Be headquartered in one of 11 countries in Asia-Pacific.[2]

The revenue growth between 2015 and 2018 was primarily organic (i.e. "internally" stimulated)

Have not experienced share price irregularities in the past 12 months[3]

Leyla Boulton
Special Reports Editor and Executive Editor
Financial Times

Dr. Friedrich Schwandt
CEO Statista

[1] Currency value equivalent as of 31/12/15 and 31/12/2018

[2] The companies that are eligible to apply have to be incorporated and registered in one of the following eleven countries in the Asia-Pacific region: Japan, South Korea, India, Australia, Hong Kong, Taiwan, Singapore, New Zealand, Malaysia, Indonesia and the Philippines.

[3] Stock-listed companies have been excluded if their share price has dropped more than 25% in the past 12 months.

FT FINANCIAL TIMES statista

Contribution to Homibaba Cancer Hospital

Distribution of Provisions to the Needy in the Covid effected areas

BOOK-POST
PRINTED MATTER

39TH
ANNUAL REPORT
2019-2020

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