

2021-2022

# ANNUAL REPORT

[www.coastalcorp.co.in](http://www.coastalcorp.co.in)  
[info@coastalcorp.co.in](mailto:info@coastalcorp.co.in)



Annual Report 2022

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Delivering superior quality unadulterated Shrimps  
to the international market.



# 2022

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# COMPANY OVERVIEW

**C**oastal Corporation Limited is a 100% EOU that specialises in shrimp processing and export. With shipments to the US, Europe, Canada, China, Hong Kong, and the United Arab Emirates, this Visakhapatnam-based company is one of the largest shrimp exporters from India to the US market. The company provides a variety of shrimps such as raw frozen blocks and in IQF, cooked in frozen blocks and cooked in IQF forms, and cooked in frozen blocks and cooked in IQF forms based on customer specifications. The company has established a shrimp processing unit at KSEZ, Kakinada and the plant has com-

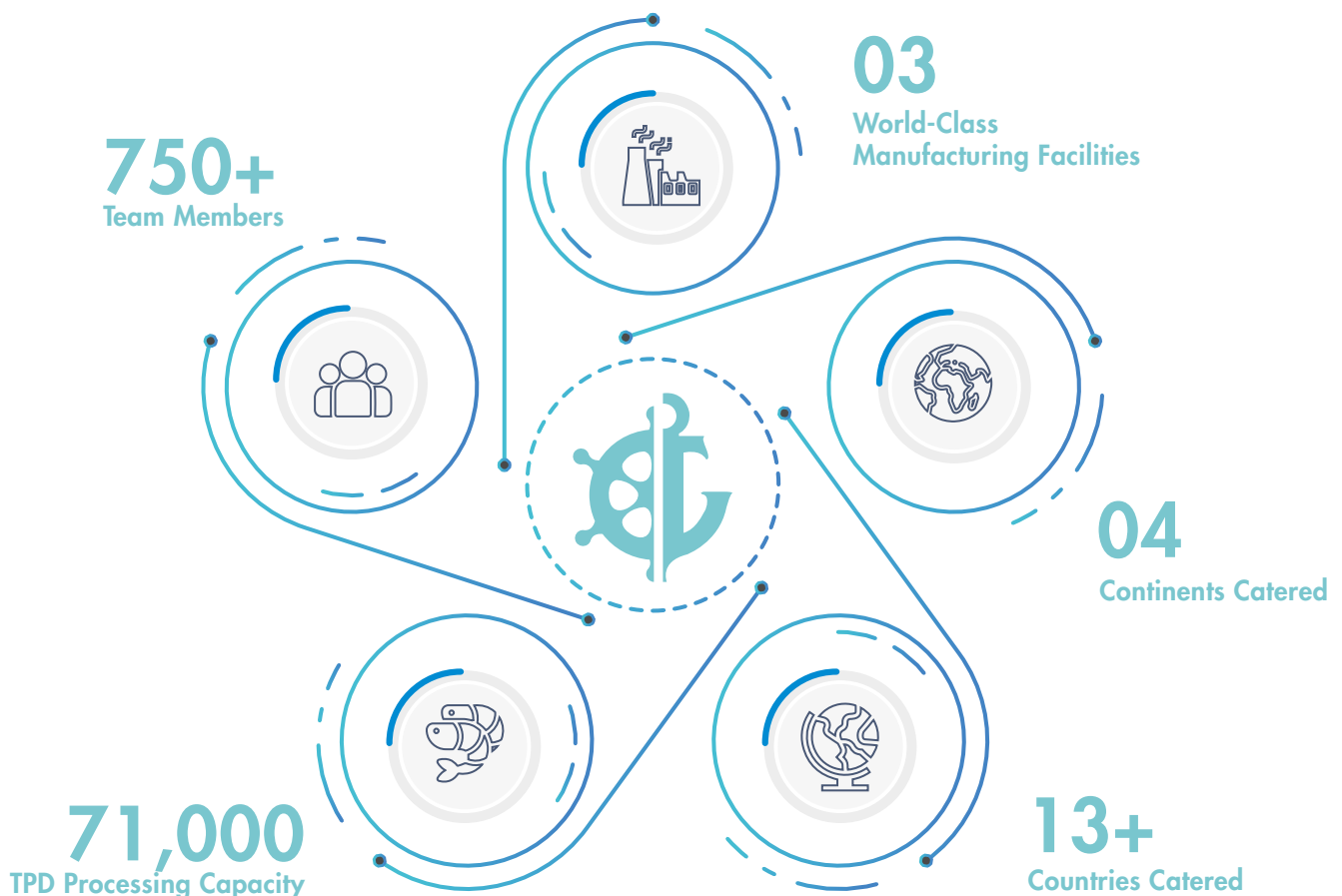
menced its commercial production.

Coastal Corporation Limited is a leading manufacturer and exporter of a wide variety of shrimp. The company exports various grades of shrimp to countries such as the United States, Europe, Canada, the United Arab Emirates, Saudi Arabia, and Hong Kong. Sea tiger, whites, pink-brown, vannamei, and black tiger are amongst the products available.

Both raw and cooked forms of shrimp are offered by the company to export. The product category includes headless shell on, peeled deveined tail on, peeled undefined (PUD), shrimp skewers, cooked head-on, cooked headless shrimp, no-

bashi, breaded, shrimp rings and many more. The processing plans are approved by FDA, EU and HACCP certified. There are three world-class processing facilities in prime aquaculture zones near Andhra Pradesh's coastal areas, both of which are supported by highly advanced, modern technology that is completely on par with global standards.

Quality, according to the company, should be prioritized. As a result, continuous efforts are made to improve the products and services by investing in top-tier R&D and implementing stringent quality control protocols.







## PRODUCT OFFERING

We offer a comprehensive array of products from our manufacturing unit. The majority of export variants comprise of raw and cooked shrimp. We use cutting edge technology right from sourcing to processing, packaging and delivering superior quality unadulterated Shrimp to the international markets.



### READY TO EAT PRODUCTS

Cooked Head On  
Cooked HL  
Cooked PDTO Shrimp  
Cooked PD Shrimp  
Shrimp Cooked



### PEELED PRODUCTS

Peeled Deveined Tail On (PDTO)  
Peeled Deveined Tail Off (PD)  
Pulled Vein Tail On (PVP STO)  
Peeled Undeveloped (PUD)



### BASIC PRODUCTS

Headless Shell On (HL)  
HL Easy-Peel Shrimp



### SPECIAL PRODUCTS

Butterfly  
Shrimp Skewers



### VALUE ADDED PRODUCTS

Nobashi  
Breaded

# KEY EXPORT MARKETS

Coastal Corporation Limited is among top ten player in Shrimp processing and distribution industry worldwide.



Engaged in processing and exporting of extensive range of Shrimp products across the high consuming markets of USA, Europe, Canada, Saudi Arabia, Hong Kong, Korea, China & Russia.

## MANUFACTURING FACILITIES



### Unit I:

- **Plate Freezer**  
- 17.5 MT per day
- **Individually Quick Frozen Blast Frozen**  
- 10 MT per day
- **Cooker**  
- 10 MT per day



### Unit II:

- **Plate Freezer**  
- 14 MT per day
- **Individually Quick Frozen**  
- 25 MT per day



### Unit III:

- **Individually Quick Frozen**  
- 18 MT per day
- **Cooker**  
- 18 MT per day



- **Solar power plant**  
**3.6 MW power plant**  
**for captive consumption**

- Processing units are located in the prime aquaculture zone near coastal area of Andhra Pradesh
- Strategic location facilitates easy procurement of raw materials and process them immediately after harvest, thereby reduce the products process life cycle





Coastal Corporation Limited has a history of 40 years in processing, production, and distribution of seafood, globally. Over these four decades, we have earned market reputation through professional excellence amongst our global consumers and valued business allies. From the year of establishment to the current year of operation, it has been a remarkable journey of growth, continual improvement and sheer dedication and outstanding teamwork.

**We assure :**

- Producers of High Quality, Safe and Hygienic seafood. Antibiotic tested products.
- Wide range of naturally sourced and rightly processed Shrimp Products.
- Stringent Quality Assurance System adhering to HACCP, BRC & BAP standards.
- State of the art packaging and shipment technology, to retain freshness and taste.
- Strictly controlled, sustainable Aquaculture methods.

**Awards:**

- National Award - Outstanding Entrepreneurship in MSME'S
- Medium Enterprise (Manufacturing).
- National Award - Export award in micro & small enterprises.



# KEY MILESTONES IN OUR JOURNEY

2014

Incorporated Continental Fisheries India Pvt Ltd as wholly owned subsidiary of Coastal Corporation Ltd.

1981

Incorporated Coastal Corporation Ltd (formally known as Coastal Trawlers Ltd) as a Private Ltd Company.

2014

Established another Ultra Modern Shrimp Processing Unit with capacity of 39 MT & Export Business

1986

Initial Public Offering (IPO)

1993

Established Ultra Modern Shrimp Processing Unit with capacity of 27 MT & Export Business







## 2020

Initiated construction of another Ultra modern Shrimp Processing facility with capacity of 36MT at Kakinada SEZ

## 2021

Incorporated Coastal Biotech Pvt Ltd as a wholly owned subsidiary of Coastal Corporation Ltd.

The shares of CCL were listed on NSE LTD.

## 2022

The company has established a shrimp processing unit at KSEZ, Kakinada.

Commissioning of 3.6 MW solar power plant for captive consumption



## 2015

Incorporated SeacrestSeafoods Inc in the USA as a wholly owned subsidiary of Coastal Corporation Ltd.



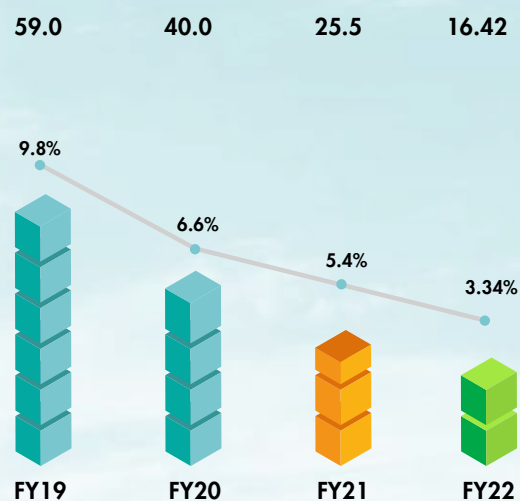
# 1981-2022 & CONTINUING



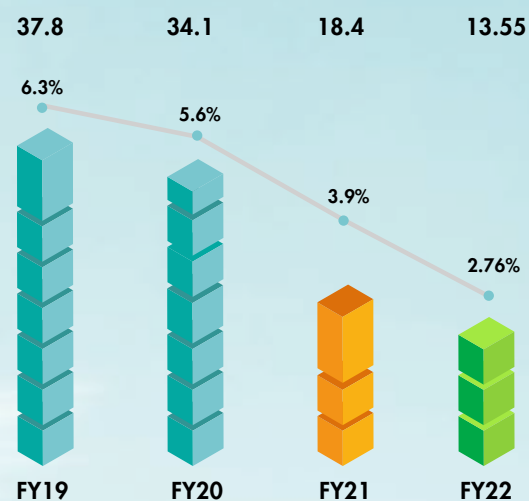


# ANNUAL FINANCIAL HIGHLIGHTS (Consolidated)

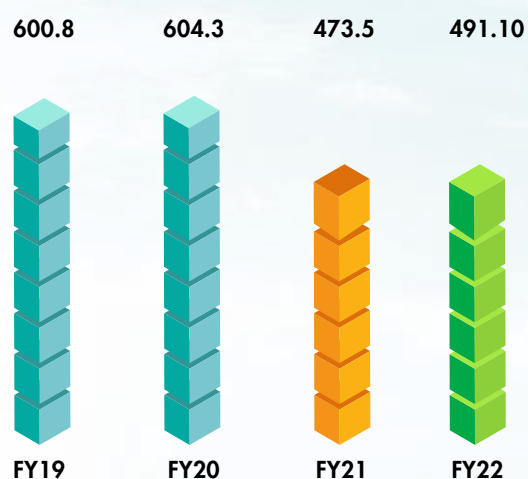
EBITDA (Rs. Cr.) / Margin (%)



PAT (Rs. Cr.) / Margin (%)



Revenue (Rs. Cr.)





# CORPORATE INFORMATION

## BOARD OF DIRECTORS:

**Shri Emandi Sankara Rao**  
**Shri. T. Valsaraj**  
**Shri. G.V.V. Satyanarayana**  
**Smt. Jeeja Valsaraj**  
**Shri. Kamireddi Venkateshwara Rao**  
**Shri. M.V.Suryanarayana**  
**Shri Kalyanaraman P.R**

Chairman & Independent Director  
Vice Chairman & Managing Director  
Director – Finance & CFO  
Non – Executive Director  
Independent Director  
Independent Director  
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](mailto:bsshyd@bigshareonline.com)**

## STATUTORY AUDITORS:

**M/s. Bramhmayya & Co..**  
Chartered Accountants  
Visakhapatnam.

## SECRETARIAL AUDITORS:

**Mr. A.V.V.S.S.CH.B.Sekhar Babu**  
Practicing Company Secretary  
Visakhapatnam

## INTERNAL AUDITORS:

**Jaya & Lakshmi**  
Chartered Accountants  
Visakhapatnam

## BANKERS:

**Bank of India and HDFC Bank**  
Visakhapatnam, Andhra Pradesh.

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Shrimps to the international market.**



## EQUITY SHARE INFORMATION

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NSE CODE  
**COASTCORP**



BSE CODE  
**501831**

## KEY FINANCIAL HIGHLIGHTS

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**₹ 410.23 Cr**

Market Cap



**₹ 491.10 Cr**

Sales (cons)



**₹ 13.55 Cr**

Profit after tax (cons)



**₹ 2.00 per share**

Dividend FY 2021-22

# THE CHAIRMAN'S MESSAGE

Dear Valued Shareholders,

During the fiscal year 2021 - 2022, your company was able to achieve a decent operational and financial performance, despite the Volatile markets and pandemic's effects on daily life remained throughout the year. As a committed corporate citizen our top priority has always been and will continue to be the protection of the health and safety of our workforce as well as the production and logistics uninterrupted flow of our products across all the markets in which we are active. During this challenging time your company with business planning and with the cooperation between our team and authorities has ensured the un-interrupted and sustainable food value chain function and maintained our product supply. The continued faith and trust reposed by our customers, suppliers, workers, and other stakeholders continue to support us, we have been able to achieve a great deal of success. The Indian marine sea food production and exports are growing year - on - year. During 2021-22 the major marine products exports stood at US\$7.77 billion and Andhra Pradesh contributed significantly for the marine sea food exports. The Shrimp major regions exported are USA, Europe and China.

India is positioned for a revitalising upward trend, capitalising on massive pond and tank areas as well as the extensive coastline, and it is already the second largest contributor to the global aquaculture market.

Several state governments are actively promoting the utilisation of new technologies in an effort to boost overall

The continued faith and trust reposed by our customers, suppliers, workers and other stakeholders continue to support us, we have been able to achieve a great deal of success.



**Emandi Sankara Rao, Chairman**

aqua and marine sea food productivity with the growth In Digital Technology and IT. The number of online orders placed for seafood has expanded the business, both domestically and internationally. Other key growth drivers include the enormous private investments in research and development and state of the art technology. These initiatives will bring India to the forefront to make a mark and compete in the global aquaculture sector.

During the FY 2021-22 with the mentioned Constrains and opportunities your company has the underlying good performance of the financial results for 2021 - 2022, which demonstrates that both our operations and markets have remained stable despite the challenging market situation and your organisation was successful in meeting important operational & financial performance objectives for the fiscal year 2021-22 and we all share these proud and delightful moments of achievements.

The beginning of this 2022-23 year has been marked by rising global tensions as a direct result of Russia's invasion of Ukraine. The conflict is heart-breaking, and our primary concern is for the toll it will take on civilians and aid workers. The war is a big setback for both democratic values and economic growth, and it is already imposing inflationary pressure because of rising commodity costs.

I would want to express my sincere gratitude to each and every member of our team for the long hours they have put in and the sacrifices they made in 2021 in order to comply with the regulations and constraints imposed by the pandemic. The performance of our company Coastal Corporation Limited going





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forward his built on strong fundamentals and business plan with appropriate expansions and diversifications of businesses. I am thankful to our bankers, buyers and every one of our workers for the efforts they have made over the years, which have contributed to the success of Coastal Corporation Limited. Their faith in us, their unstinted support and the effort they put in will continue to be the most important features of our long-term success.

I am also thankful to the other Directors of the Board for their support and having the confidence and trust in me and for Chairing the company and they have made a big contribution to the success that your organisation enjoys today. Together with our staff, we will try to keep building and growing the company within the scope of its planned current business activities.

I look forward to your continued support in taking your company to greater heights in coming years.

*E. Samuel R.D.*



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# Notice of Annual General Meeting

NOTICE is hereby given that the Forty First Annual General Meeting of the Members of Coastal Corporation Limited will be held on Friday, the 30th September, 2022 at 10.00 A.M. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), to transact the following business:

## Ordinary business :

1. To receive, consider and adopt the Financial Statements (including Consolidated Financial Statements) of the Company for the year ended 31st March, 2022 including audited Balance Sheet as at 31st March, 2022 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 on Equity Shares as Final Dividend for the Financial Year 2021-22.  
To consider and, if thought fit, to pass with or without modification(s), the following Resolution as an **ORDINARY RESOLUTION**:  
**"RESOLVED THAT** Interim Dividend @20% i.e., Rs.2.00/- (Two Rupees Only) per Equity Share of the Company declared by the Board of Directors of the Company at its meeting held on 2nd day of May, 2022, be and is hereby confirmed and approved as final dividend for the financial year 2021-22."
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.

## Special business:

### 4. Re-appointment of Mr. G.V.V. Satyanarayana (DIN:00187006) as a Whole-time Director (designated as "Director-Finance") of the Company

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force), the consent of the members be and is hereby accorded for the re-appointment of Mr. G.V.V. Satyanarayana (DIN:00187006) as a Whole-time Director designated as "Director-Finance" of the Company for a period of 5 years, with effect from 1st October 2022 with the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee ("Committee") and approved by the Board, with liberty to the Board of Directors (including Committee) to alter and vary the terms and conditions of the said re-appointment /remuneration in such manner as deemed fit necessary."

**"RESOLVED FURTHER THAT** the remuneration payable to Mr. G.V.V. Satyanarayana, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time."

**"RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. G.V.V. Satyanarayana, Whole Time Director by way of salary, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with liberty to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole Time Director."

**"RESOLVED FURTHER THAT** Mr. G.V.V. Satyanarayana, Whole Time Director be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him subject to the supervision and control of the Board."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, usual or expedient, to give effect to the aforesaid resolution."



## 5. 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 2022-23, 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.”

## 6. Appointment of Shri. Kalyanaraman P.R (DIN: 01993027)

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

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, consent of Members be and is hereby accorded to Mr. Kalyanaraman P R, (DIN: 01993027), Director of the Company, to continue to hold office of Independent Director of the Company on the same terms and conditions till his current tenure of appointment which ends in the month of September, 2023 notwithstanding that Mr. Kalyanaraman P R who would be attaining the age of 75 years on March 30, 2023”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

## 7. To make investments, give loans, guarantees and security in excess of limits specified under Section 186 of the Companies Act, 2013

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

**“RESOLVED THAT**, in supersession of all the earlier resolutions passed, pursuant to the provisions of section 186 of the Companies Act, 2013 (“the Act”) read with the relevant rules made thereunder, as amended from time to time and subject to Memorandum and Articles of Association of the company and further subject to such other consents and permissions as may be necessary, the approval of the members of the company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the the Board) to :

- (a) make loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate;
- (b) give on behalf of any person, body corporate, any guarantee, or provide security in connection with a loan made by any other person to, or to any other person by anybody corporate; and
- (c) to acquire by way of subscription, purchase or otherwise the securities of any other body corporate, in excess of the limits prescribed under section 186 of the Act up to an aggregate sum of Rupees Five Hundred Crores (Rs.500 Crores) notwithstanding that the aggregate of loans and investments so far made, the amounts for which guarantee or security so far provided to, along with the investments, loans, guarantee or security proposed to be made or given by the Board may exceed sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free



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reserves and securities premium account, whichever is more.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to negotiate the terms and conditions of the above said investments, loans, securities, guarantees as they deem fit and in the best interest of the company and take all such steps as may be necessary in that regard.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and thins as it may, in its absolute discretion, deem necessary and with power to settle question, difficulties or doubts that may arise in this regard without requiring the Board to secure any further approval of the members of the company."

Regd. Office:  
Door No:15-1-37/3,  
Jayaprada Apartments,  
Nowroji Road, Maharanipecta,  
Visakhapatnam-530002

**For and on behalf of the Board  
For COASTAL CORPORATION LIMITED**

**Sd/-  
T. Valsaraj  
Vice Chairman & Managing Director  
(DIN:00057558)**

Place : Visakhapatnam  
Date : 10.08.2022



## Notes

- 1 In view of the ongoing COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) vide its General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020 and Circular no. 02/2021 dated January 13, 2021 (collectively "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 (collectively "SEBI Circulars"), have permitted companies to conduct AGM through VC or other audio visual means, subject to compliance of various conditions mentioned therein. In compliance with the aforesaid MCA Circulars and SEBI Circulars and the applicable provisions of Companies Act, 2013 and rules made thereunder, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the 41st AGM of the Company is being convened and conducted through VC.
- 2 The deemed venue for forty first 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 10th August, 2022 has decided that the special businesses set out under item no. 4 to 7, being considered 'unavoidable', be transacted at the forty first e-AGM of the Company.
- 5 Brief details of the directors, who are seeking appointment/re-appointment, as per requirements of regulation 36(3) of the Listing Regulations and as per provisions of the Act are given in this Annual Report.
- 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 9.45 am to 10.15 am.
- 7 Institutional Investors, who are members of the Company are encouraged to attend and vote at the forty first e-AGM of the Company.
- 8 Pursuant to the provisions of section 91 of the Act and regulation 42 of the Listing Regulations, the register of members and share transfer books of the Company will remain closed from Wednesday, September 28, 2022 to Friday, September 30, 2022 (both days inclusive) for the purpose of payment of dividend.
- 9 To ensure timely credit of dividend through electronic mode or physical instrument such as banker's cheque or demand draft, members are requested to notify change of address or particulars of their bank account, if any, to share transfer agent – Bigshare Services Private Limited 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 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.
- 12 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.

- 13 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.
- 14 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.
- 15 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.
- 16 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 [allachandrasekhar@gmail.com](mailto:allachandrasekhar@gmail.com) with a copy marked to
- 17 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](mailto:cclinvestors@gmail.com).
- 18 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.
- 19 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.
- 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
- 20 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.
- 21 Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, the Directors have furnished the requisite declarations for their appointment/ re-appointment.
- 22 In terms of section 101 and 136 of the Act, read together with the rules made thereunder, the listed companies may send the notice of annual general meeting and the annual report, including Financial Statements, Board Report, etc. by electronic mode. Pursuant to the said provisions of the Act read with MCA Circulars, SEBI Circular dated 12 May 2020 and 15 January 2021, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depositories as on 2nd September, 2022. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.coastalcorp.co.in](http://www.coastalcorp.co.in), website of the Stock Exchanges, i.e., at [www.bseindia.com](http://www.bseindia.com), [www.nseindia.com](http://www.nseindia.com) and on the website of Company's Registrar and Transfer Agents, M/s Big share Services Pvt. Ltd [www.bigshareonline.com](http://www.bigshareonline.com).
- 23 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](mailto:bsshyd1@bigshareonline.com) and [bsshyd@bigshareonline.com](mailto:bsshyd@bigshareonline.com) or to the Company at [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in)
  - 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 [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in) for obtaining the Annual Report and Notice of e-AGM.

- 24 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., Friday 23rd September, 2022, 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.
- 25 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: [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in)
- 26 In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
- 27 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.
- 28 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 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id: [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in)). 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: [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in)). 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.
- 32 **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 41st Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e voting facility.

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 in relation to e-voting facility provided by Listed Entities, the members are provided with the remote e-voting facility to exercise votes on the items of business given in the Notice, through the e-voting services provided by CDSL to vote at the e-AGM.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on **23rd September, 2022 (cut-off date)**, are entitled to vote on the resolutions set forth in this Notice. **The e-voting period will commence on Tuesday, 27th September, 2022 (09:00 hrs) and will end on Thursday, 29th September, 2022 (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. A.V.V.S.S.Ch. B. Sekhar Babu, Practicing Company Secretary (CP No. 2337) Mem. No. F4722 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 INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9 December 2020 on "e-voting facility provided by Listed Companies", e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-voting process.

Shareholders are advised to update their mobile number and e-mail id with their DPs in order to access e-voting facility.

(i) The voting period begins on <27.09.2022 at 9.00AM > and ends on <29.09.2022 at 5.00PM>.

| E-Voting Start Time  | E-Voting End Time    |
|----------------------|----------------------|
| 27.09.2022 at 9.00AM | 29.09.2022 at 5.00PM |

(ii) \*\* Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 23.09.2021 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) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

(i) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

| Type of shareholders                                                      | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Individual Shareholders holding securities in Demat mode with CDSL</b> | <ol style="list-style-type: none"> <li>1 Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2 After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3 If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4 Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol> |
| <b>Individual Shareholders holding securities in demat mode with NSDL</b> | <ol style="list-style-type: none"> <li>1 If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2 If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3 Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                             |

Continued on the next page



|                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|----------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                      | <p>a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p> |
| <p><b>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</b></p> | <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>                                                                                          |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type                                                         | Helpdesk details                                                                                                                                                                                                                  |
|--------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 022-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30                |

(ii) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding in Demat form & physical shareholders.

- (1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (2) Click on "Shareholders" module.
- (3) 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.
- (4) Next enter the Image Verification as displayed and Click on Login.
- (5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

(6) If you are a first-time user follow the steps given below:

#### For Shareholders holding shares in Demat Form other than individual and Physical Form

|                                                     |                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PAN</b>                                          | <p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>                 |
| <b>Dividend Bank Details or Date of Birth (DOB)</b> | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li> </ul> |

- (iii) After entering these details appropriately, click on **"SUBMIT"** tab.
- (iv) 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.
- (v) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (vi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (vii) 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.
- (viii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (ix) 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.
- (x) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xii) 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.

### (xiii) Facility for Non – Individual Shareholders and Custodians –Remote Voting

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://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](mailto: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](mailto: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 [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in) (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.
- 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; [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in) (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.

#### Instruction 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 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at company email id: [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in). 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: [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in). 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 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. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. 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.
4. 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.
5. 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](http://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](mailto: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](mailto: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; [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in) (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.

### Process for those Shareholders whose Email/Mobile No. are not Registered with the Company/Depositories:

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.
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futrex, Mafatlal Mill Compounds,

N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

#### **General Instructions:**

- i. The Board of Directors has appointed appointed Mr. A.V.V.S.S.Ch. B. Sekhar Babu, Practicing Company Secretary (CP No. 2337) Mem. No. F4722 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 Fortieth 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](http://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**

#### **Reappointment of Mr. G.V.V. Satyanarayana (DIN:00187006), as a Whole Time Director (designated as "Director-Finance") of the Company**

At the Annual General Meeting of the Company held on 29th September, 2017, the Members of the Company had approved the appointment and terms of remuneration of Mr. G.V.V. Satyanarayana (DIN:00187006), Whole Time Director designated as ("Director-Finance") of the Company for a period of 5 years w.e.f. 1st October, 2017.

Based on the recommendation of the Nomination and Remuneration Committee and keeping in view of his vast experience and exposure in finance activities, the Board of Directors of the Company at its meeting held on 10th August 2022, has re-appointed Mr. G.V.V. Satyanarayana (DIN:00187006) as a Whole Time Director designated as Director - Finance for a period of 5 years w.e.f. 1st October, 2022, subject to approval of the members of the Company.

Mr. G.V.V. Satyanarayana (DIN:00187006) aged 60 years, holds degree of Master of Commerce from Andhra University. He has been looking after the overall financial and administrative activities of the Company. He is also responsible for liasoning with the Government Departments and Authorities. He has been associated with our Company since 1988. The terms and condition of his re-appointment are as under: Period: For the period of 5 years w.e.f. October 1, 2022.

#### **Remuneration:**

1. Basic Salary: ₹ 2,00,000 (Rupees Two Lakhs only) per month and remuneration as a 1.5% of the Net Profits, with such increment(s) as may be decided by the Nomination and Remuneration Committee from time to time in accordance with the HR policy of the Company;
2. He shall be entitled to the perquisites, benefits, and allowance as may be decided by Board and / or Nomination and Remuneration Committee from time to time;
3. In addition to above, he shall be entitled for Company's contribution to Provident Fund, leave encashment and payment of gratuity as per the HR Policy of the Company;
4. Overall Remuneration: The aggregate of salary, together with perquisites, allowance, benefits and amenities payable in any financial year shall not exceed the limits prescribed from time to time under section 196, 197 of the Act read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and enactment(s) thereof for the time being in force);
5. He shall not be entitled to any sitting fees for attending meetings of the Board or Committees thereof;
6. The perquisites shall be valued in terms of actual expenditure incurred by the Company and shall be evaluated wherever applicable as per Income Tax Act, 1961 or rules made thereunder and any modification thereof.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri G.V.V.Satyanarayana under Section 190 of the Act. Details of Shri G.V.V.Satyanarayana are provided in the "Annexure" to the Notice.

Shri G.V.V.Satyanarayana is interested in the resolution set out at Item No. 4 of the Notice. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice, except as a member of the Company, if any.

The Board recommends the special resolution set out at Item No. 4 of the Notice for approval by the members.

## Item No. 5

### 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. 5 shall be entitled to vote on this Resolution.

The Board of Directors recommends the Resolution set forth in Item No. 5 for approval of the Members. Except Promoter, Directors and their relatives (to the extent of their Shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this Resolution.

## Item No. 6

### Appointment of Shri. Kalyanaraman P.R (DIN: 01993027)

Mr. Kalyanaraman P R, Independent Director, was appointed on the Board of the Company on 11th September, 2018 in compliance of Section 149 of the Companies Act, 2013, and his appointment as an Independent Director of the Company for a fixed term of 5 years was made at the Annual General Meeting held on 11.09.2018. His current term in the office of Independent Director is up to 2023.

Mr. Kalyanaraman P R is currently holding the Chairman position of Audit Committee of the Board. He is also a member of CSR Committee and Nomination & Remuneration Committee.

In terms of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: -

"No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy-five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person."

On 30th March, 2023, he would be attaining the age of 75 years and hence, as per the requirement of regulation 17(1A) of the



SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a special resolution needs to be passed seeking the approval of the shareholders for continuation of his directorship in the company.

Other than Mr. Kalyanaraman P R, none of the Directors, Key Managerial Personnel of the Company and their respective relatives, are concerned or interested in the above Resolution, financially or otherwise.

The Board commends the above-mentioned Resolution as set out in Item No.6 as a Special Resolution for your approval.

## **Item No. 7**

### **To make investments, give loans, guarantees and security in excess of limits specified under Section 186 of the Companies Act, 2013**

As per sub-section (2) & (3) of section 186 of the Companies Act, 2013 a company is required to obtain the prior approval of the members through a special resolution, in case the company wants to –

- (a) give any loan to any person or other body corporate;
- (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and
- (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding 60% of its paid-up share capital, free reserves and securities premium account or 100% of its free reserves and securities premium account, whichever is more.

Your company is growing and therefore in order to capitulate the various opportunities of the prevailing industry, the Board of Directors is seeking approval of the members pursuant to section 186 provisions over and above the limit as specified in the resolution at item no.7

The said approval is sought keeping in mind the fund requirements of company's subsidiaries / sister concerns in the group companies to meet urgent needs from time to time to yield and grow in business segment.

None of the Directors and / or Key Managerial Personnel (KMP) of the company and / or their respective relatives is, in any way, concerned or interested, financially or otherwise, except to the extent of their holdings in the special resolutions as set out at Item No. 7 of the accompanying Notice.

The Board commends the passing of the Special Resolution as set out at Item No.7 of the Notice.

#### **Regd. Office:**

Door no : 15-1-37/3,  
Jayaprada Apartments,  
Nowroji Road, Maharanipecta,  
Visakhapatnam-530 002

**Place: Visakhapatnam**

**Date: 10.08.2022**

**For and on behalf of the Board  
For COASTAL CORPORATION LIMITED**

**Sd/  
T. Valsaraj  
Vice Chairman & Managing Director  
(DIN:00057558)**

# DIRECTORS' REPORT

To,  
The Members,

Your Directors are having immense pleasure in presenting the Forty First Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2022 and the report of the Auditors thereon.

## 1. Financial summary

(Rs. in lakhs)

| Particulars                                              | Year Ended<br>31.03.2022 | Year Ended<br>31.03.2021 | Year Ended<br>31.03.2022 | Year Ended<br>31.03.2021 |
|----------------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|                                                          | (Standalone)             | (Standalone)             | (Consolidated)           | (Consolidated)           |
| Revenue from Operations                                  | 46,060.54                | 40,219.45                | 49,109.51                | 47,347.83                |
| Other Income                                             | 1,192.31                 | 832.86                   | 1,328.79                 | 845.97                   |
| Total Income                                             | 47,252.85                | 41,052.31                | 50,438.3                 | 48,193.80                |
| Profit before Taxation                                   | 2,071.70                 | 2,797.07                 | 1,934.71                 | 2,613.16                 |
| Current Tax                                              | 555.50                   | 725.31                   | 559.25                   | 723.77                   |
| Tax relating to earlier years                            | (11.33)                  | 9.33                     | (6.42)                   | 10.98                    |
| Deferred Tax Credit/(Charge)                             | 28.28                    | 38.24                    | 26.57                    | 37.07                    |
| Profit After Tax(PAT)                                    | 1,499.25                 | 2,024.18                 | 1,355.31                 | 1,841.34                 |
| Total Other Comprehensive Income/Loss net of tax         | (93.04)                  | 63.83                    | (67.22)                  | 42.61                    |
| Total Other Comprehensive Income for the year net of tax | 1,406.21                 | 2,088.01                 | 1,288.09                 | 1,883.95                 |

## 2. Summary of Operations & State of Company's Affairs

The standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022, have been prepared in accordance with the Indian Accounting Standards (Ind AS) as notified by the Ministry of Corporate Affairs and as amended from time to time.

On a consolidated basis, your Company's total income increased to Rs. 50,438.3 Lakhs for the current year as against Rs. 48,193.80 Lakhs in the previous year. Your Company's net profits decreased to Rs. 1,288.09 Lakhs for the current year as against Rs. 1,883.95 Lakhs in the previous year due to the market conditions and pandemic impact.

On a standalone basis, your Company's total income increased to Rs. 47,252.85 Lakhs for the current year as against Rs. 41,052.31 Lakhs in the previous year. Your Company's net profits decreased to Rs. 1,406.20 Lakhs in the current year as against Rs. 2,088.01 Lakhs in the previous year.

## 3. Share Capital

As on 31st March, 2022 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. The Company in FY 2020-21 allotted 14,10,000 Convertible Warrants ("Warrants"), each carrying a right to subscribe to one Equity Share per Warrant, at a price of Rs. 187 per Warrant ("Warrant Price"), aggregating to Rs. 2636.70 Lakhs on a preferential basis to Promoter and Promoter group and an amount equivalent to 25% of the Warrant price was paid at the time of subscription. In the year 2020-21 5,10,000 warrants were converted.

During the year, 75% of the Warrant Price was paid for conversion of balance 9,00,000 warrants pursuant to exercise of the options attached to the Warrants and 9,00,000 Equity Shares were allotted. As at March 31, 2022, an amount of Rs. 1262.25 Lakhs was received which was used for Setting up of 3.6 MW Solar Power Plant for captive consumption, Establishment of a green field sea food processing unit to pre-process shrimps and other sea-food at Kakinada, to augment the working capital requirements of the Company and general corporate purposes.

The issued, subscribed and paid-up capital of the Company as on 31 st March 2022 stands at Rs. 11,57,88,000 divided into 1,15,78,800 (One Crore Fifteen Lakhs seventy eight thousand and eight hundred) equity shares of 10/- each.

#### 4. Dividend

The Company has voluntarily formulated a Dividend Distribution Policy which has been duly approved by the Board of Directors. A copy of the Dividend Distribution Policy is available on the Company's website: [www.coastalcorp.co.in](http://www.coastalcorp.co.in)

The policy sets out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders.

The Board of Directors of the Company at their meeting held on the 2nd day of May, 2022 has declared an Interim Dividend @ Rs. 2/- (i.e., 20%) for every Equity Share of Rs. 10/- each after considering the Provisional Financials of the Company. The dividend was paid to all the eligible shareholders as on the record date i.e., 13th May, 2022. The Board confirms the Interim dividend as Final Dividend for the Financial Year 2021-22. As per the amended Income Tax Act, 1961, no dividend distribution tax was payable by the Company. Hence the dividend was taxable in the hands of the shareholders subject to tax deduction at source at the applicable rates.

The dividend recommended is in accordance with the principles and criteria as set out in the dividend distribution policy.

#### 5. Amount to be carried to reserves

The Company has not transferred any amount to the reserves during the current financial year.

#### 6. Employee stock option plans (ESOP)

Your Company believes that its success and ability to achieve objectives is largely determined by the quality of its workforce and recognizes that not only good employment opportunities but also additional motivating mechanisms are needed to incentivize employees and aligning their interest with the interest of the Company.

In recognition of the said objective, the Company adopted CCL ESOP Scheme – 2021 ("CCL Scheme – 2021"). to attract, retain, motivate and incentivize employees of the Company and its subsidiaries. The Board of Directors confirms that the ESOP Plans are in compliance with the provisions of the Act and the SEBI (Share based employee benefits) Regulations 2014. There were no Options granted or vested or any shares issued on vesting during the year.

#### 7. Awards and recognitions

Your Company is consistently working towards its goal. The hard work of the management was truly recognized when the company was presented Federation of Indian Export Organization (FIEO) Export Excellence Awards – GOLD in recognition of top performing exporter in Andhra Pradesh for the year 2017-18.

#### 8. Subsidiaries/Associates and joint ventures

The Company has the following three wholly owned subsidiaries:

##### I) Continental Fisheries India Private Limited

The operational performance of the Company is as below:

| (Rs. in Lakhs)              |             |              |
|-----------------------------|-------------|--------------|
| Particulars                 | 2021-2022   | 2020-21      |
| Revenue from operations     | 344.58      | 292.46       |
| Profit Before Tax           | 11.65       | 19.62        |
| Less:                       |             |              |
| Deferred Tax                | (1.71)      | (1.18)       |
| <b>Net Profit After Tax</b> | <b>4.70</b> | <b>20.69</b> |

##### II) Seacrest Seafoods Inc.

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

| Particulars             | 2021-2022       | 2020-21        |
|-------------------------|-----------------|----------------|
| Revenue from operations | 6096.85         | 5452.84        |
| Gross Profit            | 230.40          | 349.87         |
| Less:                   |                 |                |
| Operating expenses      | 508.02          | 433.35         |
| <b>Net Loss</b>         | <b>(148.65)</b> | <b>(83.48)</b> |



### (iii) Coastal Biotech Private Limited:

Your Company incorporated a Subsidiary Company, Coastal Biotech Private Limited in the State of Odisha during the Financial Year 2020-21 To carry on the business as manufacturers, producers, processors, buyers, sellers, refiners of ethanol, IG ethanol, alcohol, Extra Neutral Alcohol (ENA), alcohol derived from sugar, sugarcane, and grains such as barley, wheat, rice, sugar beet, sorghum, cereals and hops etc. It has an Authorized Capital of Rs. 25 Crores. The Ethanol Factory is still under construction.

Pursuant to Section 129(3) of the Companies Act, 2013, a separate statement containing salient features of the financial statements of all 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 will also be made open for inspection.

## 9. 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.

## 10. Particulars of contracts or arrangements made with related parties

Your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length as part of its philosophy of adhering to highest ethical standards, transparency and accountability. In line with the provisions of the Companies Act, 2013 and the Listing Regulations, the Board has approved a policy on related party transactions. An abridged policy on related party transactions has been placed on the Company's website at [www.coastalcorp.co.in](http://www.coastalcorp.co.in).

All related party transactions are placed on a quarterly basis before the Audit Committee and before the Board for approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are foreseeable and of a repetitive nature.

Details of transaction(s) of your Company with entity(ies) belonging to the promoter/promoter group which hold(s) more than 10% shareholding in the Company as required under para A of Schedule V of the Listing Regulations are provided as part of the financial statements.

Pursuant to Regulation 23(9) of the Listing Regulations, your Company has filed the reports on related party transactions with the Stock Exchanges.

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.

## 11. 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 on the Balance Sheet date.

## 12. 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. The Statutory Auditors were present in the last AGM. 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, 2022.

## 13. 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 for the year 2021-22. The Secretarial Audit Report is annexed herewith as **Annexure - 3** to this report. The same does not contain any adverse remarks. The Company has appointed M/s. A.V.V.S.S.Ch.B. Sekhar Babu, Practicing Company Secretary, Visakhapatnam as the Secretarial Auditor for the Financial Year 2022-23.

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## 15. 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 2022-23. 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.

## 16. Annual secretarial compliance report

A Secretarial Compliance Report for the financial year ended 31st March, 2022 on compliance of all applicable SEBI Regulations and circulars/ guidelines, issued by M/s. Sambhu Prasad M & Associates was submitted to the Stock Exchanges.

## 17. Credit & guarantee facilities

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

## 18. 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.

## 19. 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. The Management Discussion & Analysis report, captures your Company's performance, industry trends and other material changes with respect to your Company and its subsidiaries, wherever applicable.

It provides a consolidated perspective of economic, social and environmental aspects material to your Company's strategy and its ability to create and sustain value to its key stakeholders

## 20. Corporate governance

Your Company believes in adopting best practices of corporate governance. Corporate governance principles are enshrined in the Spirit of Coastal, which form the core values of the Company. As per Regulation 34 of the Listing Regulations, a separate section on corporate governance practices followed by your Company, together with a certificate from Practicing Company Secretary, on compliance with corporate governance norms under the Listing Regulations, forms part of this Annual Report as **Annexure – 6, 7 & 8**.

## 21. Corporate social responsibility (CSR)

Your Company is at the forefront of Corporate Social Responsibility (CSR) and sustainability initiatives and practices. Your Company believes in making lasting impact towards creating a just, equitable, humane and sustainable society. The Company spent towards tackling the unprecedented health and humanitarian crisis arising from the COVID-19 pandemic outbreak.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year in the format prescribed in the Companies (CSR Policy) Amendment Rules, 2021 are set out in **Annexure - 9** of this Report. The policy is available on Company's website at [www.coastalcorp.co.in](http://www.coastalcorp.co.in).

## 22. Annual return

As per the provisions of section 92(3) of the Companies Act, 2013, the Annual Return of the Company for the Financial Year 2021-22 is available on our website [www.coastalcorp.co.in](http://www.coastalcorp.co.in).

## 23. 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 40th Annual General Meeting which was held on September 30th, 2021:

- (i) Mrs. Jeeja Valsaraj who was liable to retire by rotation was re-appointed.
- (ii) Mr. Emandi Sankara Rao was appointed as Independent Director.

## Appointments/Re-appointments at this Annual General Meeting

### (i) Regularisation of Ms. Jeeja Valsaraj (01064411):

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                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name</b>                                                                           | Ms. Jeeja Valsaraj                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Date of Birth</b>                                                                  | 01-02-1964                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Age</b>                                                                            | 58 yrs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Relationships with Directors inter-se</b>                                          | She is the wife of the Managing Director, Mr. Valsaraj Thottoli                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Profile</b>                                                                        | Mrs. Jeeja Valsaraj, aged 58 years is the Non-Executive Director of our 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 our Company for 18 years. She has interest and experience in the varied areas of Administration, Social responsibility service, Fashion Technology, etc. She was appointed as an additional Non Executive Director on October 01, 2004 and regularized as Non Executive Director in Annual General Meeting held on September 30, 2005. |
| <b>Qualification</b>                                                                  | Post Graduate in Management & Fashion Technology                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Experience &amp; Expertise in specific function area</b>                           | 18 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Remuneration last drawn by such person</b>                                         | Kindly refer to the Corporate Governance Report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Date of first appointment on the Board</b>                                         | 01/10/2004                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Membership/Chairmanship of committees of the Board of Directors of the Company</b> | 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 and Corporate Social Responsibility Committee.                                                                                                                                                                                                                                                                                                         |
| <b>Other Directorships and Membership of other Boards</b>                             | NIL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Shareholding</b>                                                                   | 3,74,200 Equity Shares                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |



## ii) Mr. Kalyanaraman P.R. an Independent Director

### Background Details

Mr. Kalyanaraman P.R, aged 74 years is a Non Executive Independent Director of our Company. His present tenure as an Independent Director commenced on 11th September 2018 and is until 10th September, 2023. Mr. Kalyanaraman P.R was a well rounded commercial banker, having an impeccable career record spanning over 45 years in financial services. He 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.

He served as the Executive Director – a Board position in Federal Bank, the largest private sector bank in Southern India. He commenced his working career as a marketing professional; marketing has been a key driver.

He was a guest faculty member at Bank's Staff Training College, Indian Institute Of Banking and Finance, National Institute of Bank Management to name a few.

### Past Remuneration

Kindly refer to the Corporate Governance Report.

### Recognition & Awards

He has been recognized by suitable forums/association(s) for his contributions.

### Job Profile and Suitability

As the non-Executive – Independent Director on the Board, he has all the powers and duties as the Board may determine from time to time. He possesses skill sets as detailed in the Corporate Governance Report which are commensurate with the Board position held in the Company.

### Remuneration Proposed

Kindly refer to the Corporate Governance Report.

### Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)

Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Board Members in a similar role in other companies.

### Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any

He is not directly/indirectly related to any other Director and/or Key Managerial Personnel of the Company.

### Shareholding

NIL

### iii) Mr. G.V.V. Satyanarayana, Whole Time Director (designated as " Director-Finance") of the Company

|                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                              |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Background Details</b>                                                                                                                                                                                                      | Mr. Ganta Veera Venkata Satyanarayana, aged 60 years is the Whole Time Director and Chief Financial Officer of our Company. His present tenure as Whole Time Director commenced from 1st October 2017 and is until 30th September, 2022. Currently he is responsible for financial and administrative operations of the entire organization. |
| <b>Past Remuneration</b>                                                                                                                                                                                                       | Kindly refer to the Corporate Governance Report.                                                                                                                                                                                                                                                                                             |
| <b>Recognition &amp; Awards</b>                                                                                                                                                                                                | He has been suitably recognized by various forums/ industrial bodies/ association(s) for his contribution to the cause of industrial growth and development                                                                                                                                                                                  |
| <b>Job Profile and Suitability</b>                                                                                                                                                                                             | He holds degree of Master of Commerce from Andhra University. He has been looking after the overall financial and administrative activities of the Company. He is also responsible for liasoning with the Government Departments and Authorities. He has been associated with our Company since 1988.                                        |
| <b>Remuneration Proposed</b>                                                                                                                                                                                                   | The details of the remuneration proposed to be paid to Mr. GVV Satyanarayana has been set out in Item No. 4 of the Notice.                                                                                                                                                                                                                   |
| <b>Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his/her origin)</b> | Taking into consideration the size of the Company, the responsibility shouldered and the industry standard, the remuneration paid / proposed to be paid is commensurate with the remuneration package paid to Managerial Personnel in a similar role in other companies.                                                                     |
| <b>Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any</b>                                                                                                   | Mr. GVV Satyanarayana is not directly/indirectly related to any other Director and/or Key Managerial Personnel of the Company.                                                                                                                                                                                                               |
| <b>Shareholding</b>                                                                                                                                                                                                            | 1,30,200 Equity Shares                                                                                                                                                                                                                                                                                                                       |

## Key Managerial Personnel

In terms of Section 203 of the Act, the Key Managerial Personnel (KMPs) of the Company during FY 2021-22 are:

- Mr. Valsaraj Thottoli, Vice-Chairman and Managing Director
- Mr. G.V.V. Satyanarayana, Chief Financial Officer, Whole-time Director
- Ms. Swaroopa Meruva, Company Secretary

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 - 10** to this report.

## 24. Declaration by independent directors

In terms of Section 149 of the Act and the SEBI Listing Regulations, Mr. Kamireddi Venkateswara Rao, Mr. M.V.Suryanarayana, Mr. Kalyanaraman P.R. and Mr. Emandi Sankara Rao are the Independent Directors of the Company as on date of this report. All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have confirmed that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

The Company has received confirmation from all the existing Independent Directors of their registration on the Independent Directors Database maintained by the Institute of Corporate Affairs pursuant to Rule 6 of the Companies (Appointment and

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Qualification of Directors) Rules, 2014.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfil the conditions specified in Act as well as the Rules made thereunder and are independent of the management.

## 25. Committees of the board

Your Company's Board has the following committees:

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Nomination & Remuneration Committee
4. Stakeholders' Relationship Committee

Details of terms of reference of the Committees, Committee membership changes, and attendance of Directors at meetings of the Committees are provided in the Corporate Governance report forming part of the Annual Report.

## 26. Particulars of employees as per section 197(12) under rule 5(2) of the companies (appointment and remuneration of managerial personnel) rules, 2014

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure-12** Statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of this report.

## 27. Subsidiaries

At the beginning of the year, we had 3 wholly owned subsidiaries. During the year, the Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared the Consolidated financial statements of the Company, which form part of this Integrated Annual Report. Further, a statement containing the salient features of the financial statements of our subsidiaries in the prescribed format AOC-1 is appended as **Annexure-1** to the Board's report. The statement also provides details of the performance and financial position of each of the subsidiaries, along with the changes that occurred, during fiscal 2022. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the Consolidated financial statements and related information of the Company and audited accounts of its subsidiaries, are made available at the Registered Office of the Company and on our website [www.coastalcorp.co.in](http://www.coastalcorp.co.in).

## 28. Directors' responsibility statement as required under section 134 (3) (c) of the companies act, 2013

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, secretarial auditors and external agencies, and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

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 2021-22 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.

## 29. Significant and material orders passed by the regulators/courts or tribunals

There are no significant material orders passed by the regulators or courts or tribunal, which would impact the going concern status of the company and its future operation. However, members attention is drawn to the statement on contingent liabilities and



commitments in the notes forming part of the financial statement.

### 30. Change in the nature of business

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.

### 31. 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.

### 32. 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 company. 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](http://www.coastalcorp.co.in)).

### 33. 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 be identified, assessed and mitigated appropriately. Major risks identified by the businesses and functions are systematically addressed through appropriate actions on a continuous basis.

### 34. Policy on directors' appointments and remuneration, including criteria for determining qualifications, positive attributes, etc.

The Company's policy (salient features) on Directors' remuneration and other matters provided in Section 178(3) of the Companies Act, 2013 has been briefly disclosed hereunder and in the Report on Corporate Governance, which is a part of this Report.

#### Selection and procedure for nomination and appointment of directors

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The NRC reviews and vets the profiles of potential candidates vis-a-vis the required competencies, undertakes due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board.

#### Criteria for determining qualifications, positive attributes and independence of a director

In terms of the provisions of section 178(3) of the act, and regulation 19 of the sebi listing regulations, the Nomination & Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of directors, the key features of which are as follows:

- Qualifications - the board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the board has an appropriate blend of functional and industry expertise.
  - Positive attributes - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behaviour, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- Independence - A Director will be considered independent if he/she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.
- The Directors affirm that the remuneration paid to Directors, KMPs and employees is as per the Remuneration Policy of the Company.

### 35. Particulars of loans, guarantees and investments pursuant to section 186 of the companies act, 2013

Pursuant to section 186 of the companies act, 2013 and schedule V of the listing regulations, disclosure on particulars relating to loans, advances, guarantees and investments are provided as part of the financial statements.

### 36. Annual evaluation of board performance and performance of its committees and of directors

The annual evaluation process of the board of directors, individual directors and committees was conducted in accordance with the provisions of the act and the SEBI listing regulations.

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

was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc. The above criteria are broadly based on the guidance note on board evaluation issued by the securities and Exchange board of India.

The board and the Nomination & Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated.

Additionally, they also evaluated the chairman of the board, taking into account the views of executive and non-executive directors in the aforesaid meeting. The board also assessed the quality, quantity and timeliness of flow of information between the company management and the board that is necessary for the board to effectively and reasonably perform their duties. The above evaluations were then discussed in the board meeting and performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

### 37. 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.

### 38. 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.

### 39. Internal control systems & their adequacy:

The Company's internal control systems are commensurate with the nature of its business, the size and complexity of its operations and such internal financial controls with reference to the Financial Statements are adequate.

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

The measures implemented for internal financial controls include multiple authority levels for approval of expenditures, budgetary controls, internal audit etc.

### 39. Acknowledgements:

Coastal Corporation Limited is grateful to the Government of India, Securities and Exchange Board of India (SEBI), Registrar of Companies (ROC), Bombay Stock Exchange Ltd(BSE), National Stock Exchange of India Limited(NSE), National Securities Depository Limited(NSDL), Central Depository Services (India) Limited (CDSL), Bankers, Rating agencies (CRISIL), Government Authorities, Local Bodies and other agencies for their continued co-operation, support and guidance. Coastal Corporation Limited would like to take this opportunity to express sincere thanks to its valued clients and customers for their continued patronage. The Directors express their deep sense of appreciation of all the employees, whose outstanding professionalism, commitment and initiative has made the organizations growth and success possible and continues to drive its progress. The Directors also express their gratitude to the Bankers and Auditors of the Company. Finally, the Directors wish to express their gratitude to the members for their trust and support.

**On behalf of the board  
for COASTAL CORPORATION LIMITED**

**Sd/-  
T.Valsaraj  
Vice Chairman & Managing  
Director  
(DIN:00057558)**

**Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)**

Place: Visakhapatnam  
Date: 10.08.2022

## 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 Limited | Seacrest Seafoods Inc. (Foreign Subsidiary) | Coastal Biotech Private Limited |
|---------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------------------------|---------------------------------|
| 1)      | CIN of the Subsidiary                                                                                                       | U05000AP2014PTC094907               | —                                           | U24290OR2021PTC035710.          |
| 2)      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | 01.04.2021 to 31.03.2022            | 01.04.2021 to 31.03.2022                    | 01.04.2021 to 31.03.2022        |
| 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]          | Rupee (INR)                     |
| 4)      | Share capital                                                                                                               | 504.60                              | 2259.30                                     | 500.00                          |
| 5)      | Reserves & surplus                                                                                                          | (4.15)                              | (1519.73)                                   | -                               |
| 6)      | Total assets                                                                                                                | 1424.26                             | 1102.68                                     | 849.83                          |
| 7)      | Total Liabilities                                                                                                           | 1424.26                             | 1102.68                                     | 849.83                          |
| 8)      | Investments                                                                                                                 | NIL                                 | NIL                                         | NIL                             |
| 9)      | Turnover                                                                                                                    | 344.58                              | 3163.62                                     | -                               |
| 10)     | Profit before taxation                                                                                                      | 11.65                               | (148.65)                                    | -                               |
| 11)     | Provision for taxation                                                                                                      | 6.95                                | NIL                                         | -                               |
| 12)     | Profit/Loss after taxation                                                                                                  | 4.70                                | (148.65)                                    | -                               |
| 13)     | Proposed Dividend                                                                                                           | NIL                                 | NIL                                         | NIL                             |
| 14)     | % of shareholding                                                                                                           | 100%                                | 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

for, **Brahmayya & Co.**  
Chartered Accountants  
Firm Reg No. 000513S

Sd/-  
**C.V. Ramana Rao**  
Partner (M.No:018545)

for, and on behalf of the Board

Sd/-  
**T.Valsaraj**  
Vice Chairman & Managing Director  
(DIN:00057558)

Sd/-  
**G.V.V.Satyanarayana**  
Director (Finance) & CFO  
(DIN: 00187006)

Place: Visakhapatnam  
Date: 30.05.2022

## 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 arm's length transactions under fourth (4th ) provision there to:

1. During the year 2021-22 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:

| S.No | Name of the Related Party                | Nature of Relationship                  | Duration of Contracts | Nature of Trans-action                                            | Amount (Rs. in Lakhs) |
|------|------------------------------------------|-----------------------------------------|-----------------------|-------------------------------------------------------------------|-----------------------|
| 1    | Shri T. Valsaraj                         | KMP - Vice Chairman & Managing Director | Ongoing               | Remuneration                                                      | 106.04                |
| 2    | Shri. G.V.V. Satyanarayana               | KMP –Director – Finance & CFO           | Ongoing               | Remuneration                                                      | 57.51                 |
| 3    | M/s. Continental Fisheries India Limited | Wholly Owned Subsidiary in India        | Ongoing               | Investment in Equity                                              | 201.84                |
|      |                                          |                                         |                       | Purchase of Shrimps                                               | Nil                   |
|      |                                          |                                         |                       | Balance in Current Account.                                       | 12.52                 |
|      |                                          |                                         |                       | Demand Loan Amount given                                          | 369.48                |
|      |                                          |                                         |                       | Loan Amount repaid                                                | Nil                   |
| 4    | M/s. Seacrest Seafoods Inc.              | Wholly Owned Subsidiary in U.S.A        | Ongoing               | Investment in Equity                                              | 459.23                |
|      |                                          |                                         |                       | Sale of Shrimp                                                    | 842.21                |
|      |                                          |                                         |                       | Amount received against sales                                     | 146.10                |
|      |                                          |                                         |                       | Loan                                                              | Nil                   |
|      |                                          |                                         |                       | Investment in Equity                                              | 500.00                |
| 5    | M/s. Coastal Biotech Pvt Ltd             | Wholly Owned Subsidiary in India        | Ongoing               | Demand loan amount given                                          | 336.34                |
|      |                                          |                                         |                       | Sitting Fees                                                      | 1.30                  |
| 6    | Smt. Jeeja Valsaraj                      | Relative of KMP                         | Ongoing               | Commission on profits under section 197 of the Companies Act,2013 | 4.46                  |
|      |                                          |                                         |                       | Salary amount paid                                                | 0.23                  |
| 7    | Smt. Vineesha Valsaraj                   | Relative of KMP                         | Ongoing               | Contract Labour Charge Paid                                       | 289.91                |
| 8    | Shri T. Viswanath                        | Relative of KMP                         | Ongoing               | Salary amount paid                                                | 13.47                 |
| 9    | Smt. Swaroopa Meruva                     | KMP (Company Secretary)                 | Ongoing               | Sitting Fees                                                      | 1.00                  |
| 10   | Shri M V Suryanarany                     | Independent Director                    | Ongoing               | Commission on profits under section 197 of the Companies Act,2013 | 4.46                  |
|      |                                          |                                         |                       | Sitting Fees                                                      | 0.90                  |
| 11   | Shri K Venkateswara Rao                  | Independent Director                    | Ongoing               | Commission on profits under section 197 of the Companies Act,2013 | 4.46                  |
|      |                                          |                                         |                       | Sitting Fees                                                      | 1.00                  |
| 12   | Shri P R Kalyanaraman                    | Independent Director                    | Ongoing               | Commission on profits under section 197 of the Companies Act,201  | 4.46                  |
|      |                                          |                                         |                       | Sitting Fees                                                      | 0.65                  |
| 13   | Shri Dr. E Sankara Rao                   | Independent Director                    | Ongoing               | Commission on profits under section 197 of the Companies Act,2013 | 4.46                  |

As per our report

for, and on behalf of the Board

for, Brahmayya & Co.  
Chartered Accountants  
Firm Reg No. 000513S  
Place: Visakhapatnam  
Date: 30.05.2022

Sd/-  
C.V. Ramana Rao  
Partner  
(M.No:018545)

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

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) &  
Chief Financial Officer  
(DIN: 00187006)



## Annexure 3 Form No. MR-3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2022

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Coastal Corporation Limited (CIN: L63040AP1981PLC003047) (here-in-after called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing 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 31<sup>st</sup> March, 2022, 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 31<sup>st</sup> March, 2022 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 (Share Based Employee Benefits) Regulations, 2014;
  - (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

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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.

The other laws specifically applicable to the Company are:

- (a) Food Safety and Standards Act, 2006
- (b) Marine Products Export Development Authority Act, 1972 and rules made thereunder
- (c) Coastal Aquaculture Authority Act, 2005 and rules made thereunder

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.

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 under Companies Act, 2013 were filed with additional fees, this should be reported as deemed compliance by reference of payment of additional fees.
- There was delay in submission of secretarial compliance report as required under Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 issued by Securities and Exchange Board of India.

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.

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.

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

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.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.:

- (i) The Company in FY 2020-21 allotted 14,10,000 Convertible Warrants ("Warrants"), each carrying a right to subscribe to one Equity Share per Warrant, at a price of `187 per Warrant ("Warrant Price"), aggregating to `Rs. 2636.70 Lakhs on a preferential basis to Promoter and Promoter group and an amount equivalent to 25% of the Warrant price was paid at the time of subscription.

During the FY 2020-21, balance 75% of the Warrant Price was paid for conversion of 5,10,000 warrants pursuant to partial exercise of the options attached to the Warrants and 5,10,000 Equity Shares were allotted.

During the FY 2021-22, balance 75% of the Warrant Price was paid for conversion of remaining 9,00,000 warrants and consequently 9,00,000 Equity Shares were allotted.

(ii) Mr. Emandi Sankara Rao (DIN: 05184747), was appointed as the Chairman (Independent & Non-executive) of the Company for five years effective from 1st July 2021.

For Sambhu Prasad M & Associates  
Company Secretaries  
Sd/-  
Sambhu Prasad M  
Partner  
FCS No.: 8795  
C P No.: 11723  
UDIN : F008795D000551139

Place: Visakhapatnam  
Date: 30.06.2022





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## ANNEXURE A'

To,  
The Members,  
M/s Coastal Corporation Limited  
Visakhapatnam – 530 002

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: 30.06.2022





## 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.

| Sl. No. | POWER AND FUEL CONSUMPTION :                                                                                    | Current Year 31.03.2022                   | Previous year 31.03.2021                     |
|---------|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|
|         | <b>Electricity :</b>                                                                                            |                                           |                                              |
| a)      | Purchase<br>Units<br>Total Amount (in Rs.)<br>Rate/Unit (in Rs.)                                                | 75,59,980<br>5,68,37,758<br>7.52          | 73,49,664<br>5,58,23,215<br>7.60             |
| b)      | Own Generation :<br>Through D.G. Units<br>Total Amount (in Rs.)<br>Unit/Lt. of Diesel Oil<br>Cost/Unit (in Rs.) | 1,35,129.30<br>46,41,871<br>3.17<br>29.95 | 1,38,729.70<br>34,86,730.10<br>3.14<br>25.13 |

#### (B) Technology absorption:

Not Applicable.

#### (C) Foreign exchange earnings and outgo:

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

| Particulars                    | 2021-22       | 2020-21       |
|--------------------------------|---------------|---------------|
| Foreign Exchange Earnings(FOB) | 406,22,71,599 | 366,55,29,595 |
| Foreign Exchange Outgo         | 36,93,99,263  | 34,58,38,630  |

for, and on behalf of the Board

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)

Date : 10.08.2022  
Place: Visakhapatnam

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## Annexure 5

### MANAGEMENT DISCUSSION ANALYSIS

#### Company overview:

The Company is engaged in the processing of variety of Shrimp & Shrimp products. The company offers shrimp in various forms, including raw frozen blocks and IQF, as well as cooked frozen blocks and IQF, according to customer specifications. It is one of India's leading shrimp exporters to U.S. markets. It exports its products to the United States, Europe, Canada, the United Arab Emirates, China, and Hong Kong. The company derives a significant portion of its revenue from exports of value-added products such as headless shell-on, butterfly, skewers, etc. The variety of Shrimp includes sea caught shrimps i.e., Black Tiger (*Penaeus Monodon*) and Vannamei (*Litopenaeus vannamei*). They are sold under the brand name of "Coastal", "Coastal Premium", "Coastal Gold", "Jewel" and "President".

There are three processing facilities: Unit I located in Survey No. 173/2, Marikavalasa Village, Madhuravada, Visakhapatnam, Andhra Pradesh - 530048; Unit II located in Survey No. 87, P. Dharmavaram Village, S Rayavaram Mandal, Visakhapatnam, Andhra Pradesh - 531005 and Unit III located in Plot No. D - 7 & 8, Ponnada Village, Kakinada SEZ, East Godavari District, Andhra Pradesh - 533448. As on March 31, 2022, our processing facilities have a combined approved freezing capacity of 71 metric tons per day of raw and cooked shrimps in block and IQF Forms. Your company has established (a) Seacrest Seafoods Inc. during the Year 2015-16 in the State of Delaware, U.S.A, with an objective to export from India and sell sea foods in the American Markets (b) Continental Fisheries India Private Limited during the year 2014-15 in Andhra Pradesh, India with an objective to carry on the business of export of marine products and (c) Coastal Biotech Private Limited during the year 2020-21 with an objective to manufacture Ethanol, as fully owned subsidiaries. Our Company has also set up a captive consumption solar power project of 3.6MW at Daleswaram(V), Kanchili(M), Srikakulam District, Andhra Pradesh - 530002.

#### Indian overview

Shrimp is one of India's primary aqua marine products, and it ranks among the world's top producers, processors, and exporters of this delicacy. Given that India has a substantial coastline and a climate that is conducive to the cultivation of shrimp, India is an ideal location for shrimp farming. The shrimp farming community thrives in tanks and ponds in large part to the country's expansive land area, which is ideal for the purpose. The vast majority of India's shrimp production comes from the Vanamei variety, which accounts for 90% of the country's total shrimp output. As evidenced by the growth of the global economy, the recovery from the effects of COVID-19, which had a negative impact on the state of the global economy over the course of the previous two years, has made significant strides since its onset. When compared to the production in 2020, the amount of shrimp harvested in 2021 represents a sizeable improvement, and it is anticipated that this improvement will continue into 2022. It is estimated that India will produce 8.5 million metric tonnes of shrimp. The cultivation of shrimp in India got off to a promising start at the beginning of February 2022, when ideal weather conditions prevailed, seed was readily available, farm gate pricing remained stable, and export prices were competitive. It is anticipated that the production during the main season of 2022 will be significantly higher than that which was generated in 2021.

#### Global overview:

The global economy has just started to show signs of recovery from the challenges and effects of Covid-19 during the years 2020 and 2021. During those years, the world was struck by the worst humanitarian crisis in recent history, the regime change in Afghanistan, and the unprecedented war in Ukraine, which resulted in a significant setback in global economic growth. The global economy has just begun to show signs of recovery from these challenges and effects. As a result of sluggish economic development combined with rising inflation, prices of fuel and food will go up on a global scale. It is anticipated that the rate of global economic expansion will decelerate from an anticipated 6.1% in 2021 to 3.6% in 2022 and 2023, and then to approximately 3.3% in the longer term. The International Monetary Fund (IMF) is leading multilateral efforts to address the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage financial distress, combat climate change, and bring an end to pandemics and wars. This work is being done with the assistance of industrialised nations. Around this time, during the first half of the year 2022, signs of global inflation began to emerge, throwing monetary prices off kilter. The effect of excessive inflation on the economy as a whole has a cascading effect, which hinders economic growth and places a potential threat on the availability of resources in the future.

Year after year, the worldwide market for shrimp has been expanding. There are several ready-to-cook and ready-to-eat foods accessible. This product's increasing popularity in nations such as the United States, Europe, and Japan contributes to the growth

of its consumer base. While traditional regions with high Shrimp consumption such as the United States, Europe, and Japan continue to expand, areas with lesser consumption like as China, India, etc. have considerably boosted their consumption. In 2021, the worldwide shrimp industry was valued at \$62.8 billion. The market is estimated to reach \$84.2 billion by 2027, expanding at a CAGR of 4.8% between 2022 and 2027. The demand for shrimp is anticipated to increase by 4-5%. The United States is a key market for shrimp consumption, and China and other Asian nations are now expanding.

### Shrimp processing & Export

Shrimp production and export from India grew to 7.50 Lakh metric tonnes in FY 22 from 6.50 Lakh metric tonnes in FY 21. The shrimp output is projected to rise by 13% to 8.50 million metric tonnes in fiscal year 23. During FY 22, the Company exported about 6218 metric tonnes of shrimp, compared to 5841 metric tonnes in FY 21. The Company is expected to boost its shrimp exports by xx% to about 10578 metric tonnes in fiscal year 23.

## STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT ANALYSIS)

### STRENGTHS

Because of its wide coastline and other geographic advantages, India enjoys a competitive edge and is ideally positioned to grow its aquaculture industry. It is possible that the success of L. Vannamei can be replicated for the success of other fish species, thereby strengthening India's position in the international seafood export market. Considering India's current limited market position, it is possible that India will increase its market share in the future for products that have value added to them. It is projected that the traditional and Value-Added Product expenditures made by the Shrimp processing and export subsidiary will experience a significant uptick. The expansion of the processing facilities is primarily geared towards the production of cooked goods. The company plans to expand by strategically entering new export markets. The Company offers a variety of shrimp products that include vannamei and black tiger 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 undeveined (PUD), shrimp skewers, cooked head-on, cooked headless shrimp, and cooked PD shrimp. The United States, Europe, Canada, United Arab Emirates, Australia, Hong Kong, Korea, China, and Russia are the major markets where the Company exports its products. And we are also proud to say that the Company's processing plants are U.S. FDA approved and EU and HACCP certified.

### WEAKNESS

The aquaculture industry in India continues to face challenges, such as inadequate infrastructure facilities, despite the fact that it has been growing steadily. Specifically, the unregulated costs of input raw materials, the lack of an adequate cold chain to store produce, the increase in freight, and the lack of affordable financial assistance to aqua-farmers. The possibility of disease is yet another significant threat to the aquaculture industry; given the current environment, any outbreak has the potential to damage the industry's long-term prospects. In addition, a number of supply chains are susceptible to cyclones and other forms of natural disaster because they are located in close proximity to the coast or other bodies of water. Traceability and scientific pond management are two ways to assist in lessening the impact of illnesses brought on by natural disasters, despite the fact that it can be difficult to adequately prepare for such events. The aquaculture industry is making ongoing and consistent attempts to improve its deficiencies through the intervention of the government and stakeholder organisations, despite the fact that it is confronted by a number of challenges.

### OPPORTUNITIES

The global market for fish and fishery products has been steadily expanding. The fact that seafood provides superior nourishment due to its high protein content, which is supported by scientific findings, and that white meat is safer than red meat is another factor that contributes to the rise in popularity of seafood. If India embraces the idea of planned growth in the seafood industry, it may be able to offer outstanding potential to investors. A plan has been developed by the Government of India's Ministry of Commerce and the Marine Products Export Development Authority (MPEDA) with the goal of increasing marine product exports to one trillion rupees by the year 2025. The fighting spirit of the company is reflected in how well it has performed throughout the course of the year. The company's top line has seen sequential progress despite the fact that it had to contend with several challenges in 2021, such as rising prices for raw materials and maritime freights. The positive side of this disruption is that it has coincided with new product developments, new distribution channels, the rise of e-commerce and home delivery, and a shortening of supply chains, all of which are going to be beneficial to the fish industry for the foreseeable future.

### THREATS

Because the aquaculture industry is extremely dependent on the weather, it is susceptible to the devastation that can be caused by

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natural disasters such as floods. The summer crop, which is harvested from March to July, accounts for sixty percent of the output, while the winter crop, which is harvested from July to November, accounts for forty percent. India's heavy reliance on imported Specific Pathogen-Free (SPF) Vannamei brood-stock will experience long-lasting repercussions in the event that embargoes on international freight movements to continue. Other areas of concern are the unpredictability of prices for shrimp around the world, the volatility of exchange rates for foreign currencies, the rising costs of raw materials, the rising costs of ocean freights, and the anti-dumping duty imposed by the United States. It is anticipated that the impact of the threats will be significantly mitigated by exploring the prospects of creating a possible local market to support exports, rigorously adhering to traceability, scientifically managing ponds, and taking a prudent approach to pricing and managing foreign exchange.

### Future Outlook for India's Aquaculture Sector

The outlook for the Indian Aqua Culture Sector in the Financial Year 2022-2023 is positive, and a significant recovery is anticipated to take place. The fact that the primary season of Shrimp culture began well in January and February of 2022 and progressed steadily, registering a significant increase in Shrimp production during the first half of 2022 compared to the same period in 2021, indicates the positive growth of the Shrimp culture sector in the upcoming fiscal year (FY) 22-23. The United States of America is, India's most important customer for processed shrimp, accounting for between 70 and 75 percent of the value of Indian shrimp exports. The consumption of shrimp is growing at an annual rate in the United States as well as in other regions. There is still a significant portion of India's coastline that is in excellent condition for shrimp farming, providing future opportunities for the expansion of shrimp production. The cultivation of shrimp has been recognised as a top priority for economic growth by both the central government of India as well as the individual states. As a consequence of this, the aquaculture industry is well positioned for sustained growth. Between the months of January and December of 2021, India dominated the United States market as the primary supplier of shrimp.

### Comparison of the Financial Performance of fiscal 2022 with fiscal 2021

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 has recorded a turnover of Rs. 47,252.85 Lakhs as compared to Rs. 41,052.31 Lakhs in the Previous Year. The Company has recorded a net profit to the tune of Rs. 1,499.25 Lakhs as compared to Rs. 2,024.18 Lakhs in the previous year.

### Revenue from Operations:

The revenue from operation of the Company for the year ending March 31, 2022 is Rs. 46,060.54 Lakhs as compared to Rs. 40,219.45 Lakhs for the year ending March 31, 2021 showing an increase of 14.52% to the previous year.

### Other Income:

The other income of the company for the year ending March 31, 2022 is Rs. 1,192.31 lakhs as compared to Rs. 832.86 lakhs for the year ending March 31, 2021, showing an increase of 43.15% to the previous year.

### Total Expenditure

The total expenses excluding depreciation, finance cost and tax has been increased to Rs. 45,181.15 Lakhs in FY 2022 as compared to Rs. 38,255.24 Lakhs in FY 2021, representing an increase of 18.10% to the previous year. The total expenditure consists of cost of material consumed, cost of sales of trading goods, change in inventory of finished goods, employee benefit expenses and other expenses.

### Depreciation

Depreciation expenses increased from Rs. 344.73 Lakhs in financial year 2020-21 to Rs. 424.49 Lakhs in financial year 2021-22, representing an increase of 23.13% to the previous year.

### Finance Cost:

Finance Cost has increased from Rs. 405.54 Lakhs in financial year 2020-21 to Rs. 591.36 Lakhs in financial year 2021-22, representing an increase of 45.82% to the previous year.

### Profit after Tax

Profit after tax decreased from Rs. 2,024.18 Lakhs in financial year 2020-21 to Rs. 1,499.25 Lakhs in financial year 2021-22 due to higher input cost, Higher Finance Cost and higher depreciation.



### 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 2021-22 | FY 2020-21 | % Variance | Reasons For Change                                                                         |
|-----------------------------------------|------------|------------|------------|--------------------------------------------------------------------------------------------|
| Current Ratio (Times)                   | 1.17       | 1.47       | (20.40)    | Due to increase in Working Capital Limits.                                                 |
| Debt Equity Ratio (Times)               | 0.78       | 0.73       | 6.97       | -                                                                                          |
| Debt Service Coverage Ratio (times)     | 5.97       | 5.64       | 5.82       | -                                                                                          |
| Net Profit Ratio                        | 2.98       | 5.09       | (41.49)    | Due to abnormal increase in occen fright, by 3.75% when compared to previous year          |
| Return on Equity Ratio                  | 6.36       | 10.97      | (42.01)    | Due to abnormal increase in occen fright, by 3.75% when compared to previous year          |
| Turn on Capital Employed                | 10.26      | 14.85      | (30.88)    | Due to abnormal increase in occen fright, by 3.75% when compared to previous year          |
| Turn on Investment                      | 0.12       | 0.09       | 28.54      | Due to decrease in term deposit interest rates                                             |
| Trade Receivable Turnover Ratio (times) | 12.94      | 11.72      | 10.40      | -                                                                                          |
| Inventory Turnover Ratio                | 5.15       | 5.02       | 2.72       |                                                                                            |
| Trade Payable Turnover Ratio (times)    | 54.30      | 39.53      | 37.35      | Due to increase in raw materials procurement                                               |
| Net Capital Turnover Ratio (times)      | 16.87      | 6.45       | 161.31     | Due to higher utilization of working capital limits and reduce rate of interest subvention |

### Government initiatives:

The government, recognising the sector's potential, has established a national target of 22 million metric tonnes of fish production by the years 2024–2025. It is estimated that 28 million fishermen and fish growers, as well as nearly twice as many people working in supply chains related to fish, will benefit positively from this development. In order to accomplish the goal, technological means will be utilised to convert barren lands into wetland ecosystems. In order to facilitate the accomplishment of the goal, the government is making available, through a variety of programmes, financial assistance. To increase fish production and develop marine and inland fisheries infrastructure facilities, a new fund called the Fisheries and Aquaculture Infrastructure Development Fund (FIDF) has been established with a capitalization of 7,522,48 crore rupees.

In addition, the Pradhan Mantri Matsya Sampada Yojana (PMMSY) was established with a budget of Rs. 20,050 crore, which represents the single largest investment in the history of the fishing industry. Over the period of five years, beginning in FY 2020–21 and continuing through FY 2024–25, the PMMSY will be rolled out across all states and union territories. As of January 2022, proposals totalling Rs. 5,234 billion had been accepted, and approximately 16 million people would be impacted. It is essential to focus on market trends, species demand, fishing practises, fishing time, infrastructure needs, technology upgrades for current fishing vessels, the safety and security of fishermen in the unlikely event of severe weather, post-harvest protocols, and testing facilities to maintain quality and build traceability. Doing so will allow the marine sector to continue its growth and realise its full potential.

### 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

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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, feed formulation, production to suit the needs of shrimp culture, 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 772 employees as on March 31 2022.

#### **Disclaimer**

This section discusses the opinions and perspectives of the management regarding the trends affecting the company. It has been compiled from publicly available information and reports from various nodal and government agencies, which the management believes to be accurate at the time this report was published. The company disclaims any obligation to update or revise any of the opinions or statements contained in this report, whether as a result of revisions to the reports referenced herein, new information, future events, or otherwise.

***For COASTAL CORPORATION LIMITED***

**Sd/-  
T.Valsaraj  
Vice Chairman & Managing  
Director  
(DIN:00057558)**

**Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)**

Place: Visakhapatnam  
Date: 10.08.2022







## Annexure - 6

### CORPORATE GOVERNANCE REPORT FOR THE YEAR 2021-2022 (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 2021-22.

#### 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, 2022 is Seven Directors. The Board comprises of Executive and Non-Executive Directors. The Managing Director and a Whole-time Director are the two Executive Directors. There are Five Non-Executive Directors, of which Four Directors, are Independent Directors and one Non – Executive/ Woman Director.

(a) Composition and Category of Directors:

As on 31st March, 2022, the strength of the Board of Directors is Seven (7) and its composition is as follows:

##### (i) Executive Directors

|                         |                                                            |
|-------------------------|------------------------------------------------------------|
| Mr. T. Valsaraj         | Vice Chairman and Managing Director                        |
| 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

|                                  |                                 |
|----------------------------------|---------------------------------|
| Dr.Emandi Sankara Rao            | Chairman & Independent Director |
| 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:

| 29.06.2021 | 08.07.2021 | 10.08.2021 | 12.11.2021 | 11.02.2022 | 29.03.2022 |
|------------|------------|------------|------------|------------|------------|
|------------|------------|------------|------------|------------|------------|

Every Director has personally attended at least one Board/Committee of Directors' Meeting in the financial year 2021-2022. Certificates have also been obtained from the Independent Directors confirming their position as Independent Directors on the Board of the Company in accordance with Section 149 of the Companies Act, 2013 read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

| Name of the Director & DIN No              | Category of Directors           | No. of Board Meetings |          | Attendance at last AGM | No. of Directorship in other Public Companies as on 31.03.2022 | No. of Committee Membership in other public Companies as on 31.03.2022 |          |
|--------------------------------------------|---------------------------------|-----------------------|----------|------------------------|----------------------------------------------------------------|------------------------------------------------------------------------|----------|
|                                            |                                 | Held                  | Attended |                        |                                                                | Member                                                                 | Chairman |
| Dr. Emandi Sankara Rao (DIN No.05184747)   | Chairman (Independent Director) | 6                     | 5        | Present                | 5                                                              | 12                                                                     | 2        |
| Sri T. Valsaraj (DIN No. 00057558)         | Managing Director               | 6                     | 6        | Present                | 1                                                              | -                                                                      | -        |
| Sri G.V.V.Satyanarayana (DIN No. 00187006) | Whole time Director             | 6                     | 6        | Present                | 1                                                              | -                                                                      | -        |
| Smt Jeeja Valsaraj (DIN No. 01064411)      | Non- Executive Women Director   | 6                     | 6        | 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                | 1                                                              | -                                                                      | -        |
| Sri M.V.Suryanarayana (DIN No. 00372812)   | Independent Director            | 6                     | 6        | Present                | 1                                                              | -                                                                      | -        |

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.

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 31.03.2022

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

|                         |                      |
|-------------------------|----------------------|
| Mrs. Jeeja Valsaraj#    | 374200 Equity Shares |
| Dr. Emandi Sankara Rao  | Nil                  |
| 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 updating 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](http://www.coastalcorp.co.in). All Board members and senior management have confirmed compliance with the Code for the year ended 31st March, 2022. 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 |
|-----------------------------------------------|-------------------|-----------------------------------|--------------------------------|------------------|------------------|
| Dr. Emandi Sankara Rao<br>(DIN No. 05184747)  | √                 | √                                 | √                              | √                | √                |
| Sri T. Valsaraj<br>(DIN No. 00057558)         | √                 | √                                 | √                              | √                | √                |
| Sri G.V.V.Satyanarayana<br>(DIN No. 00187006) | √                 | √                                 | √                              | √                | √                |
| Smt Jeeja Valsaraj<br>(DIN No. 01064411)      | -                 | √                                 | √                              | -                | -                |
| Sri. Kalyanaraman P.R (DIN No.01993027)       | -                 | √                                 | √                              | √                | √                |
| Sri K. Venkateswara Rao<br>(DIN No. 01678973) | -                 | √                                 | √                              | -                | √                |
| Sri M.V.Suryanarayana<br>(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, 2022.

### (i) Audit committee:

The Audit Committee comprises of the following 4 (Four) Directors as members:

Mr. Kalyanaraman P.R., Mr. M.V.Suryanarayana, Mrs. Jeeja Valsaraj and Dr. Emandi Sankara Rao.

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

The Audit Committee acts in accordance with the terms of reference specified by the Board which includes the recommendation for appointment, remuneration and terms of appointment of auditors of the Company, review and monitor the auditor's independence and performance and effectiveness of the audit process, examination of the financial statements and the auditor's report thereon, approval or any subsequent modification of transactions of the Company with related parties, scrutiny of inter-corporate loans, guarantee and investments, valuation of undertakings or assets of the Company wherever it is necessary, evaluation of internal financial controls and risk management systems, monitoring the end use of funds raised through public offers and related matters.

All the members of the Audit Committee are Non-Executive and Independent Directors. Mr. Kalyanaraman P.R. is the Chairman of the Audit Committee. During the period under review, Five(5) meetings of the Audit committee were held on 29.06.2021, 10.08.2021, 12.11.2021, 11.02.2022, 29.03.2022, 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 |
|---------|----------------------------------------------------------|-------------|------------------------|------------------------------------------|
| 1       | Mr. Kalyanaraman                                         | Chairman    | Independent Director   | 5                                        |
| 2       | Mr. M.V. Suryanarayana                                   | Member      | Independent Director   | 5                                        |
| 3       | Mrs. Jeeja Valsaraj                                      | Member      | Non-Executive Director | 5                                        |
| 4       | Dr. Emandi Sankara Rao<br>(Appointed w.e.f., 12.11.2021) | Member      | Independent Director   | 2                                        |

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 30.05.2022 at which meeting the Audited Annual Accounts for the year ended 31st March, 2022, were placed before the Committee for consideration. The representatives of the Statutory Auditors also attend the Audit Committee meetings. The Internal Auditors report directly to the Audit Committee.

### (ii) Nomination and remuneration committee:

The Nomination and Remuneration committee comprises of the following 4 (Four) Directors as members:

Mr. M.V.Suryanarayana, Mrs. Jeeja Valsaraj, Mr. Kalyanaraman P.R. and Dr. Emandi Sankara Rao.

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-Executive and Independent Directors.

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 30th September, 2021.

During the year, (2) Two meetings of the Nomination & Remuneration Committee were held on 29.06.2021 and 10.08.2021.

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

| Sl. No. | Name of the Director                                        | Designation | Category               | No. of NRC meetings attended |
|---------|-------------------------------------------------------------|-------------|------------------------|------------------------------|
| 1       | Mr. M.V.Suryanarayana                                       | Chairman    | Independent Director   | 2                            |
| 2       | Mr. Kalyanaraman P.R                                        | Member      | Independent Director   | 2                            |
| 3       | Mrs. Jeeja Valsaraj                                         | Member      | Non-Executive Director | 2                            |
| 4       | Dr. Emendi Sankara Rao<br>(Appointed w.e.f.,<br>12.11.2021) | Member      | Independent Director   | -                            |

### 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 commission (variable component as a % of Net Profits) to its Managing Director, Whole Time Director and the Non-Executive Directors.

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 2021-22.

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 Financials for the year ended 31.03.2022.

The details of remuneration (including perquisites and allowances) as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, for FY 2021-22 are as follows:

| Name of the Director    | Designation         | Remuneration Rs.                                                                      |
|-------------------------|---------------------|---------------------------------------------------------------------------------------|
| Sri T.Valsaraj          | Managing Director   | Rs. 3,25,000/- P.M from 01.04.2021 to 31.03.2022.<br>+<br>3.00% as a % of Net Profits |
| Sri G.V.V.Satyanarayana | Whole-time Director | Rs. 2,00,000/- P.M from 01.04.2021 to 31.03.2022.<br>+<br>1.50% 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 4 (Four) Directors as members:

Smt. Jeeja Valsaraj, Sri. Kamireddi Venkateswara Rao, Sri. M.V.Suryanarayana and Dr. Emandi Sankara 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       | 4   |
| No. of complaints resolved during the year       | 4   |
| 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, 2022, 1,06,04,063 Equity Shares of Rs. 10/- each representing 91.58% of the total no. of shares are in dematerialized form. During the period 4 (Four) meetings of the committee were held on 01.06.2021,07.08.2021,08.10.2021 and 08.02.2022 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 |
|---------|----------------------------------------------------------|-------------|------------------------|--------------------------------------------------------------|
| 1       | Mrs. Jeeja Valsaraj                                      | Chairperson | Non-Executive Director | 4                                                            |
| 2       | Mr. K. Venkateswara Rao.                                 | Member      | Independent Director   | 4                                                            |
| 3       | Dr. Emandi Sankara Rao<br>(Appointed w.e.f., 12.11.2021) | Member      | Independent Director   | 1                                                            |
| 4       | Mr. M.V. Suryanarayana                                   | Member      | Independent Director   | 1                                                            |

The Stakeholders Relationship Committee received and reviewed the Complaints received from the investors of the Company during the period 2021-22.

### 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, 2022. 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, Jayapada 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. Kalyanaraman P.R, Sri. K. Venkateswara Rao and Smt. Jeeja Valsaraj

Smt. Jeeja Valsaraj is the Chairperson of CSR Committee.

During the period, 2 (Two) meetings of the committee were held on 29.06.2021 and 11.02.2022.

The Committee meetings attended by the Members are given below:

| Sl. No. | Name of the Director   | Designation | Category                 | No. of CSR Committee meetings attended |
|---------|------------------------|-------------|--------------------------|----------------------------------------|
| 1       | Mrs. Jeeja Valsaraj    | Chairperson | Non – Executive Director | 2                                      |
| 2       | Mr.K. Venkateswara Rao | Member      | Independent Director     | 2                                      |
| 3       | Sri. Kalyanaraman P.R  | Member      | Independent Director     | 2                                      |

### Prevention of insider trading

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

### Familiarization programme for board members

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

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

### Performance evaluation

Pursuant to the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations"), the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees. The performance evaluation of the Independent Directors was carried out by the entire Board.

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

### (v) General body meetings:

- Location and time where last three agms held:

| Year    | Date       | Special Resolution           | Time    | Location                                               |
|---------|------------|------------------------------|---------|--------------------------------------------------------|
| 2020-21 | 30.09.2021 | 5 Special Resolutions Passed | 10.00AM | Video Conferencing (VC/OAVM)                           |
| 2019-20 | 29.09.2020 | 3 Special Resolutions Passed | 10.00AM | Video Conferencing (VC/OAVM)                           |
| 2018-19 | 31.08.2019 | 3 Special Resolutions Passed | 10.30AM | Hotel Daspalla "Vedika"<br>Jagadamba,<br>Visakhapatnam |

During the year 2021-2022, 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 (2021-22):

During the year under review, there was no EGM held in the Company.

### (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 Notes 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. Except the below mentioned penalty there was no other penalties or strictures which were imposed on the Company by these authorities:

| Sl. No. | Compliance Requirement (Regulations / Circulars / guidelines including specific clause)                                                                                                                            | Deviations                                                                                                                           | Observations / Remarks of the Practicing Company Secretary                                                                                                                                                                                                                                                                                                               |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | Regulation 24A<br>Non-compliance with submission of secretarial compliance report as per Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 issued by Securities and Exchange Board of India (SEBI) | The Company submitted secretarial compliance report on 17th July 2021 (it is to be submitted within 60 days of end of Financial Year | The Company submitted Secretarial Compliance Report on 17th July 2021. The reason given by the Company for late filing was that the some of its employees were affected by COVID-19, the business place has been put into temporary quarantine and its office was closed for few days during the first quarter of Financial Year 20-21. The fine was paid by the Company |

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 behaviour, 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](http://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 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, 2022.
- f) The Company does not have any Material Subsidiary as defined under Regulation 16 of SEBI Listing Regulations. It is, therefore, not required to have an Independent Director of the Company on the Board of such Subsidiary. The Policy on determining "material" subsidiaries can be viewed at: [www.coastalcorp.co.in](http://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       | 4   |
| No. of complaints resolved during the year       | 4   |
| No. of complaints pending at the end of the year | Nil |

- j) Credit Rating  
The Company sustained its good financial health with a sizeable treasury income. The Company has maintained its credit rating at 'CRISIL BBB', indicating moderate degree of safety with respect to timely servicing of financial obligations and moderate credit risk, for borrowings with tenure of more than one year.  
The rating for short term facilities of tenure less than one year, has also been maintained at 'CRISIL BBB',
- 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) The Company has raised funds through preferential allotment of Convertible Share Warrants to Promoters & Promoter Group as specified under Regulation 32 (7A) of the Listing Regulations and the Company had submitted the Statement of Deviation under Regulation 32 to the Stock Exchanges till the funds were completely utilized. The Company confirms that the funds had been fully utilized for the purpose mentioned in the Objects for which the funds were raised and there was no deviation.
- m) A certificate from M/s. Sambhu Prasad M & Associates, Practising 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 2021-2022, the total fees for all services paid by the Company and its subsidiaries, on a consolidated basis to the Statutory Auditors, – Rs. 3,50,000/- (Rupees Three Lakhs Fifty 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 NSE & BSE websites through BSE Listing Centre, NEAPS Portal and NSE Digital Exchange Platform 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](http://www.coastalcorp.co.in)

|                                                                                             |                                                                                                                                                  |                                                                                                                    |
|---------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| Date & Time<br>Venue                                                                        | 30.09.2022 & 10.00AM<br>AGM through Video Conferencing/ OAVM                                                                                     |                                                                                                                    |
| i) Financial Year                                                                           | 1st April to 31st March.                                                                                                                         |                                                                                                                    |
| ii) Financial Calendar(Tentative)                                                           | 1st Quarter ending 30.06.2022<br>2nd Quarter and half year ending 30.09.2022<br>3rd Quarter ending 31.12. 2022<br>4th Quarter ending 31.03. 2023 | 2nd week of August, 2022<br>2nd week of November, 2022<br><br>2nd week of February, 2023<br>Last week of May, 2023 |
| iii) Date of Book Closure                                                                   | 28.09.2022 to 30.09.2022                                                                                                                         |                                                                                                                    |
| iv) Dividend Payable Date                                                                   | Within 30 days from the date of declaration                                                                                                      |                                                                                                                    |
| v) Listing on Stock Exchanges                                                               | NSE Limited and 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 2022                                      | BSE High- 405.35<br>Low-166.50                                                                                                                   | NSE High – 405.00<br>Low – 237.75                                                                                  |
| viii) Stock Code<br><br>ISIN(for Dematerialization)<br>CIN No                               | BSE - Scrip ID : coastcorp - Scrip code : 501831<br>NSE – Scrip ID: COASTCORP<br>INE377E01016<br>L63040AP1981PLC003047                           |                                                                                                                    |
| ix) Board Meeting for consideration of Accounts for the financial year ended March 31, 2022 | 30th May, 2022                                                                                                                                   |                                                                                                                    |
| x) Credit Rating                                                                            | CRISIL Rating - “BBB”                                                                                                                            |                                                                                                                    |

The Listing fees for the year 2022-23 has been paid to Bombay Stock Exchange and the National Stock Exchange of India Limited

#### (xi) Share Transfer System:

SEBI has amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities which are held in physical form, with effect from April 1, 2019. The shareholders who continue to hold shares and other types of securities of listed companies in physical form even after this date, will not be able to lodge the shares with company / its RTA for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form, will be accepted by the listed companies / their RTAs.

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                                    | Office No S6-2   6th floor Pinnacle Business Park   Next to Ahura Centre   Mahakali Caves Road   Andheri (East) Mumbai – 400093   Maharashtra   India Board No : 022-62638200   Direct No.: 022-62638209                                 |
| Branch Office                                  | Bigshare Services Private Limited, 306, Right wing, Amrutha Ville, Opp: Yashodha Hospital, Somajiguda, Raj Bhavan Road Hyderabad – 500 082<br>Telephone No : 040 – 2337 4967; Fax : 040 – 2337 0295<br>Email : bsshyd@bigshareonline.com |

### Registered Office of the Company

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

### Plant Locations:

The Company has three existing Plants located in 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
- (c) Plot No.D-7&8, Kakinada SEZ,Ponnada Village-533448,Kakinada,East Godavari Dist.

### Shareholding Pattern:

| Sl. No. | Category     | As at 31st March'2022 |                          |
|---------|--------------|-----------------------|--------------------------|
|         |              | No. of Shares         | % of Total No. of Shares |
| 1       | Promoters    | 4757390               | 41.0871                  |
| 2       | Public       | 6821410               | 58.9129                  |
|         | <b>Total</b> | <b>1,15,78,800</b>    | <b>100.00%</b>           |

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

The Company's Equity Shares are listed on Bombay Stock Exchange and National Stock Exchange of India Limited 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, close during each month in last Financial Year:

| Month  | High Price | Low Price | Close Price |
|--------|------------|-----------|-------------|
| Apr-21 | 189.50     | 166.15    | 176.70      |
| May-21 | 250.00     | 169.00    | 222.45      |
| Jun-21 | 356.90     | 216.00    | 298.35      |
| Jul-21 | 327.90     | 275.00    | 287.10      |
| Aug-21 | 300.00     | 235.00    | 258.00      |
| Sep-21 | 302.80     | 218.65    | 295.20      |
| Oct-21 | 316.00     | 255.00    | 261.55      |
| Nov-21 | 289.00     | 238.45    | 254.10      |
| Dec-21 | 333.85     | 252.00    | 318.70      |
| Jan-22 | 555.65     | 303.45    | 446.15      |
| Feb-22 | 509.00     | 330.00    | 375.55      |
| Mar-22 | 405.35     | 337.85    | 354.30      |

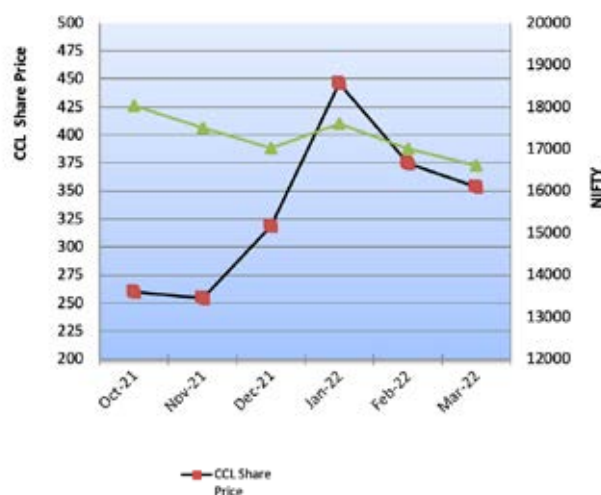
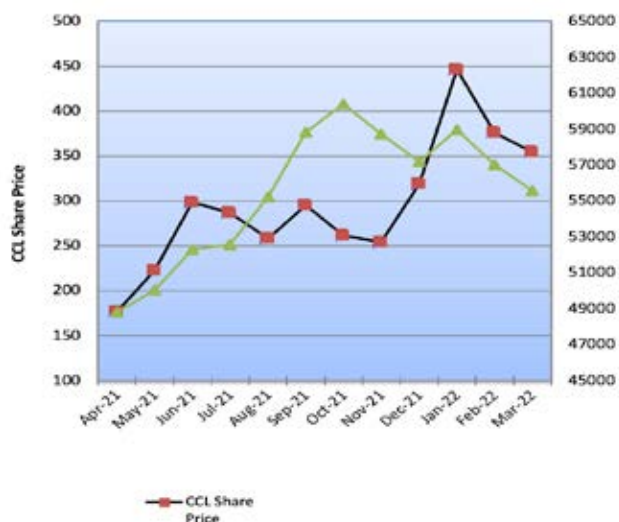
NSE

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

| Month                                     | High Price | Low Price | Close Price |
|-------------------------------------------|------------|-----------|-------------|
| Oct-21(**Listed w.e.f. 8th October, 2021) | 319.00     | 247.00    | 259.90      |
| Nov-21                                    | 295.00     | 237.75    | 254.45      |
| Dec-21                                    | 333.85     | 251.90    | 319.15      |
| Jan-22                                    | 564.50     | 299.25    | 446.10      |
| Feb-22                                    | 508.70     | 330.00    | 374.50      |
| Mar-22                                    | 405.00     | 340.10    | 353.80      |

BSE

Comparison of the company's share price with BSE Sensex & NSE Nifty in FY 2021-22





**(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 31.03.2022:**

| Shareholding        | No. of Shareholders | % of Total    | Share Amount (Rs.) | % of Total |
|---------------------|---------------------|---------------|--------------------|------------|
| 1 to 5000           | 9091                | 85.1377       | 6871120            | 5.9342     |
| 5001 to 10000       | 886                 | 8.2974        | 7008610            | 6.0530     |
| 10001 to 20000      | 352                 | 3.2965        | 5378960            | 4.6455     |
| 20001 to 30000      | 113                 | 1.0583        | 2799850            | 2.4181     |
| 30001 to 40000      | 88                  | 0.8241        | 3296280            | 2.8468     |
| 40001 to 50000      | 27                  | 0.2529        | 1281380            | 1.1067     |
| 50001 to 100000     | 52                  | 0.4870        | 3995990            | 3.4511     |
| 100001 to 999999999 | 69                  | 0.6462        | 85155810           | 73.5446    |
| <b>Total:</b>       | <b>10678</b>        | <b>100.00</b> | <b>115788000</b>   | <b>100</b> |

**(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**

**Vice Chairman & Managing Director**

Place: Visakhapatnam

Date: 10.08.2022

## **ANNEXURE TO CORPORATE GOVERNANCE REPORT OF COASTAL CORPORATION LIMITED**

**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, 2022.

**For COASTAL CORPORATION LIMITED**

Sd/-

**T.Valsaraj**

**Vice Chairman & Managing Director**

Place: Visakhapatnam

Date: 10.08.2022

## Annexure – 7

### 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, 2022 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/-  
T.Valsaraj  
Vice Chairman & Managing  
Director  
(DIN:00057558)**

**Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)**

Place: Visakhapatnam  
Date: 10.08.2022

## Annexure – 8

### 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 31.03.2022, 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**

| Sl. No. | NAME OF DIRECTOR                           | DIN      |
|---------|--------------------------------------------|----------|
| 1)      | Emandi Sankara Rao                         | 05184747 |
| 2)      | Valsaraj Thottoli                          | 00057558 |
| 3)      | Ganta Satyanarayana Veeravenkata           | 00187006 |
| 4)      | Venkata Suryanarayana Malakapalli          | 00372812 |
| 5)      | Jeeja Valsaraj                             | 01064411 |
| 6)      | Venkateswara Rao Kamireddi                 | 01678973 |
| 7)      | Pandithacholanaloor Ramaswamy Kalyanaraman | 01993027 |

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

Sd/-  
Sambhu Prasad.M  
FCS No. 8795  
C.P. No. 11723  
UDIN: F008795C000763331

Place: Visakhapatnam  
Date: 30.06.2022

## Annexure - 9

### FORMAT FOR THE ANNUAL REPORT ON CSR ACTIVITIES

#### 1. Brief outline on CSR Policy of the Company.

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. By prioritizing focus on education, skilling, entrepreneurship and employment it seeks to help people and communities bridge the opportunity gap. The Company also supports health, wellness, water, sanitation and hygiene needs of communities, especially those that are marginalized.

The Company also supports conservation and relief efforts to communities at the time of natural and man-made disasters. Its focus is on applying its resources towards communities that need it the most and ensures equitable access. The Company's CSR strategy incorporates an inclusive approach into the design of every program. The projects undertaken are within the broad framework of Schedule VII of the Companies Act, 2013.

#### 2. Composition of CSR Committee:

| Sl. No. | Name of Director        | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-------------------------|--------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1)      | Mrs. Jeeja Valsaraj     | Chairperson                          | 2                                                        | 2                                                            |
| 2)      | Mr. K. Venkateswara Rao | Member                               | 2                                                        | 2                                                            |
| 3)      | Mr. Kalyanaraman P.R    | Member                               | 2                                                        | 2                                                            |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: [www.coastalcorp.co.in](http://www.coastalcorp.co.in)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): Not Applicable

Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - NIL

6. Average net profit of the company as per section 135(5): Rs. 46,58,76,333

7. (a) Two percent of average net profit of the company as per section 135(5): Rs. 93,17,527

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years – NIL

(c) Amount required to be set off for the financial year, if any – NIL

(d) Total CSR obligation for the financial year (7a+7b- 7c): Rs.93,17,527

8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (in Rs. Lakhs) | Amount Unspent (in Rs.)                                                |                   | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5). |                       |                   |
|-----------------------------------------------------------|------------------------------------------------------------------------|-------------------|------------------------------------------------------------------------------------------------------|-----------------------|-------------------|
|                                                           | Total Amount transferred to Unspent CSR Account as per section 135(6). |                   |                                                                                                      |                       |                   |
|                                                           | Amount (Rs. in Lakhs)                                                  | Date of transfer. | Name of the Fund                                                                                     | Amount (Rs. in Lakhs) | Date of transfer. |
| 218.07                                                    | NA                                                                     | NA                | NA                                                                                                   | NA                    | NA                |



**COASTAL CORPORATION LIMITED**

**“Women Empowerment through Skills Training Towards Economic Support and Self Reliance Project in Vishakapatnam District”**

Implemented By



**arunodaya**

stands to elevate the lives

Regd No: 2002008

**Trust**





(b) Details of CSR amount spent against ongoing projects for the financial year:

| Sl no: Name of the Project | Item from the list of activities in Schedule VII to the Act                                                        | Local area (Yes /No). | Location of the project |               | Project duration   | Amount allocated for the project (in Rs. In Lakhs ) | Amount spent in the current financial year (in Rs. In Lakhs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.) | Mode of Implementation- Direct (Yes /No) | Mode of Implementation – Through Implementing Agency |                         |
|----------------------------|--------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------|---------------|--------------------|-----------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------------------|-------------------------|
|                            |                                                                                                                    |                       | State                   | District      |                    |                                                     |                                                              |                                                                                          |                                          | Name                                                 | CSR Registration number |
| 1                          | Women Empowerment - through skills training towards economic support and self reliance                             | No                    | AP                      | Guntur        | 1 year - Completed | 100                                                 | 50                                                           | 0                                                                                        | No                                       | Arunodaya Trust                                      | CSR000 12742            |
|                            | Health, Poverty & Eradication of Hunger - old age homes/orphan homes/free covid/medical camps/food distribution    | No                    | AP                      | Guntur        | 1 year - Completed | 74.2                                                | 54.2                                                         | 0                                                                                        | No                                       | Suraksha Old age and Health Society                  | CSR000 36817            |
|                            | Eradicating hunger & Poverty Livelihood - Providing Breakfast to the Govt schools situated around factory premises | Yes                   | AP                      | Visakhapatnam | 1 year             | 17                                                  | 14                                                           | 0                                                                                        | No                                       | Touch Stone Charities                                | CSR000 16314            |
|                            | Rehabilitation of Underprivileged and handicapped children for a year                                              | Yes                   | AP                      | Vizianagaram  | 1 year             | 16.2                                                | 5.4                                                          | 5.4                                                                                      | No                                       | M/s Association Saikorian - Campus Challenge         | CSR000 19351            |
| TOTAL                      |                                                                                                                    |                       |                         |               |                    | 207.4                                               | 123.6                                                        | 5.4                                                                                      |                                          |                                                      |                         |

(b) (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| Sl no: Name of the Project | Item from the list of activities in Schedule VII to the Act                                                     | Local area (Yes/No). | Location of the project |               | Amount spent for the project (in Rs. In Lakhs ) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency |                         |
|----------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------|-------------------------|---------------|-------------------------------------------------|------------------------------------------|------------------------------------------------------|-------------------------|
|                            |                                                                                                                 |                      | State                   | District      |                                                 |                                          | Name                                                 | CSR Registration number |
| 1                          | Women Empowerment                                                                                               | No                   | AP                      | Guntur        | 45                                              | No                                       | Arunodaya Trust                                      | CSR000 12742            |
| 2                          | Health, Poverty & Eradication of Hunger - old age homes/orphan homes/free covid/medical camps/food distribution | No                   | AP                      | Guntur        | 34                                              | No                                       | Suraksha Old age and Health Society                  | CSR000 36817            |
| 3                          | Sanitation                                                                                                      | Yes                  | AP                      | Visakhapatnam | 3                                               | No                                       | Visa Foundation                                      | CSR000-14186            |
| 4                          | Health Care                                                                                                     | Yes                  | AP                      | Vizianagaram  | 5                                               | No                                       | Sri Gurudeva Charitable Trust                        | CSR0000-2325            |
| 5                          | Health Care- Repairs & Maintenance                                                                              | Yes                  | AP                      | Yela Manchili | 1.89                                            | Yes                                      | NA                                                   | NA                      |
| 6                          | Sanitization                                                                                                    | Yes                  | AP                      | Visakhapatnam | 0.57                                            | Yes                                      | NA                                                   | NA                      |
|                            | Expenditure on health care -                                                                                    | Yes                  | AP                      | Visakhapatnam | 5                                               | Yes                                      | NA                                                   | NA                      |
|                            | <b>TOTAL</b>                                                                                                    |                      |                         |               | <b>94.46</b>                                    |                                          |                                                      |                         |

- (d) Amount spent in Administrative Overheads: NIL  
(e) Amount spent on Impact Assessment, if applicable: NIL  
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)  
(g) Excess amount for set off, if any: NIL

| Sl. No. | Particular                                                                                                  | Amount (in Rs. Lakhs) |
|---------|-------------------------------------------------------------------------------------------------------------|-----------------------|
| (i)     | Two percent of average net profit of the company as per section 135(5)                                      | 93.17                 |
| (ii)    | Total amount spent for the Financial Year                                                                   | 218.07                |
| (iii)   | Excess amount spent for the financial year [(ii)-(i)]                                                       | 1.29                  |
| (iv)    | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | NIL                   |
| (v)     | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | 1.29                  |

(a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |                |                  | Amount remaining to be spent in succeeding financial years. (in Rs.) (Cumulative Amt.) |
|---------|---------------------------|--------------------------------------------------------------------------|-------------------------------------------------------|--------------------------------------------------------------------------------------------|----------------|------------------|----------------------------------------------------------------------------------------|
|         |                           |                                                                          |                                                       | Name of the Fund                                                                           | Amount (in Rs) | Date of transfer |                                                                                        |
| (i)     | 2018-19                   |                                                                          |                                                       | NA                                                                                         | NA             | NA               | 109.34                                                                                 |
| (ii)    | 2019-20                   |                                                                          |                                                       | NA                                                                                         | NA             | NA               | 192.33                                                                                 |
| (iii)   | 2020-21                   |                                                                          |                                                       | NA                                                                                         | NA             | NA               | 128.34                                                                                 |
|         | <b>Total</b>              |                                                                          |                                                       |                                                                                            |                |                  |                                                                                        |



(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NIL

| Sl. No.      | Name of the Project.                                                                                               | Financial Year in which the project was commenced. | Project duration. | Amount allocated for the project (in Rs. In Lakhs ) | Amount spent in the reporting financial year (in Rs. In Lakhs) | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed /Ongoing. |
|--------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|-------------------|-----------------------------------------------------|----------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------|
| (i)          | Women Empowerment - through skills training towards economic support and self reliance                             | 2021                                               | 1 year            | 100                                                 | 50                                                             | 100                                                                      | Completed                                   |
| (ii)         | Health, Poverty & Eradication of Hunger - oldage homes/orphan homes/free covid/medical camps/food distribution     | 2021                                               | 1 year            | 74.2                                                | 54.2                                                           | 74.2                                                                     | Completed                                   |
| (iii)        | Eradicating hunger & Poverty Livelihood - Providing Breakfast to the Govt schools situated around factory premises | 2021                                               | 2 years           | 17                                                  | 14                                                             | 17                                                                       | Completed                                   |
| (iv)         | Rehabilitation of Underprivileged and handicapped children for a year                                              | 2021                                               | 3 years           | 16.2                                                | 5.4                                                            | 10.8                                                                     | No                                          |
| <b>Total</b> |                                                                                                                    |                                                    |                   | 207.4                                               | 123.6                                                          | 202                                                                      |                                             |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - Nil

(asset-wise details).

- Date of creation or acquisition of the capital asset(s).
- Amount of CSR spent for creation or acquisition of capital asset.
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).  
- Nil

**For COASTAL CORPORATION LIMITED**

Place: Visakhapatnam  
Date: 10.08.2022

Sd/-  
**T.Valsaraj**  
Vice Chairman & Managing  
Director  
(DIN:00057558)

Sd/-  
**G.V.V.Satyanarayana**  
Director (Finance) & CFO  
(DIN: 00187006)

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## Annexure- 10

### DIRECTORS' & KMP PROFILE

#### Mr. Emandi Sankara Rao - Chairman (Independent & Non-Executive)

Dr. Emandi Sankara Rao (Dr. ESR) was born and brought up in Visakhapatnam until his BE Electrical Engg from Andhra University. He has vast experience of over 10 years in Telecom Systems and Power Systems after completing his M.Tech from IIT Kharagpur. Then, with a passion for research, Dr. ESR joined IIT Bombay and completed his Ph.D in Telecom Infrastructure Services Project Finance & Technology titled " Techno-Economic Framework For Sensitivity & Risk Analysis Towards Network Effectiveness " using AI - ANN (Artificial Neural Network) Models. At the same time, while pursuing the Ph.D he also completed PGDBA from Pondicherry Central University in 2002 when serving in IDBI & IDFC.

In the last 25 years migrated into Banking & Finance Sector and served in the prestigious Govt of India, All India Development Financial Institutions at various levels in IDBI, IDFC Group, IIFCL Group and superannuated as MD & CEO of IFCI Ltd, Ministry of Finance, Govt of India. In addition, he has served as Chairman of IFCI Group Companies and also as Chairman Board of Governors of reputed Business Schools MDI Gurgaon & Murshidabad and ILD Jaipur.

Currently, he is also an Independent Director on Boards of Infrastructure & Manufacturing sector corporates like GMR Group and Delhi International Airport.

With a passion for mentoring, for the last 10 years he is mentoring startups & young professionals towards success.

His down to earth personality combined with Kindness and Empathy brings out the Social Servant in him. Having a great heart for CSR (Corporate Social Responsibility) and ISR (Individual Social Responsibility) and his more details are at [www.sankararao.com](http://www.sankararao.com)

#### Mr. T.Valsaraj – Managing Director & Vice-Chairman

Mr. Valsaraj Thottoli is one of the two promoters of the Company. He as a Managing Director and Vice Chairman of the Company, sets and evolves the strategic direction for the company and its portfolio of offerings, while nurturing a strong leadership team to drive its execution. He has an extensive global experience about four decades in the export business of marine products and other merchandise with a strong track record of driving, executing and managing the business turnarounds. He looks after overall management and operations of the Company and its subsidiaries. He is also instrumental in preparing growth strategies of the Company. 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. He holds the degree of Bachelor of Technology in Chemical Engineering and Chemical Technology from Andhra University. He also holds Directorships in several other companies, engaged in diverse businesses like bulk drug manufacturing, hydro power & construction.

#### Mr. G.V.V.Satyanaryana – Whole Time Director designated as Director-Finance & CFO

Mr. G.V.V. Satyanaryana, as a Whole-Time Director designated as Director – Finance & CFO with an experience of three decades in leading financial strategies to facilitate a company's ambitious growth plans. He is responsible for the entire finance function of the Company with a proven ability to constantly challenge and improve existing processes and systems. He has ability to communicate professionally with clients, colleagues and other stakeholders on detailed financial issues. Providing direction and leadership to planning and accounting staff. His expertise includes analysis of Balance Sheets, profit measurement, Cash Flow statements, carrying out investment appraisal, trend analysis, treasury and funding, investor relations, cost management, financial operations, taxation, financial accounting, financial modelling to help respond to dynamic market conditions by ensuring compliance and statutory reporting, able to deliver 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., and reporting.

#### Mrs. Jeeja Valsaraj – Women Director

Mrs. Jeeja Valsaraj as a Women Director has interest and experience for more than two decades in the varied areas of Administration and Social responsibility. She is the Chairperson of Corporate Social Responsibility Committee of the Company and takes care of the CSR activities carried out by the Company. And also she is a member in various other committees of the Company. She is a philanthropist and Rotarian from the past 20 years and an active member of Rotary Club – Vizag Hill View and has held various other positions in the Club level & district level 3020. She is a founder member & Past President of Sanskriti – NGO, Vice-President of Vizagapatnam Chamber of Commerce & Industry (VCCI) women's wing, Swacch Bharath ambassador of Visakhapatnam, Vice-President of Andhra Pradesh Federation of Resident Welfare Association (APFERWAS), she is a member of Confederation of Resident Welfare Association (CoRWA) a PAN India RWA apex body.

She is a science graduate from Mumbai University. She holds a Post Graduate Diploma in Management & Manufacturing of Textiles, Mumbai and holds a fashion designing degree from JD Institute of Fashion Technology, Mumbai.



### Prof. Kamireddi Venkateshwara Rao - Independent Director

Prof. K. Venkateshwara Rao as an Independent Director, is well-known among the Chemical Engineering Institutions & Petroleum, Refining, Petrochemical and other Chemical Industries. He is now Programme Director, Petroleum Courses, JNTUK, Kakinada. Prof. Rao established good contacts with industry as a consultant too. He is an expert in feasibility studies for Chemical Process Plants, Safety Energy Audits as well as Hazop and Risk Assessment Studies. Recognizing his research work in biodiesels, Prof. Rao has been invited by the Chairman, Parliament Standing Committee on Petroleum and Natural Gas Government of India to make a presentation on "Strategy for Development of Alternative Resources of Oil and Gas with reference to Biodiesels". Prof. Rao made the presentation on December 12, 2006.

### Sri M.V Suryanarayana - Independent Director

Mr. M.V.Suryanarayana as an Independent Director had a distinguished career spanning 40 years in Life Insurance Corporation of India in Accounts, Marketing, Administration, Banking and Finance. He is a Fellow Member of the Institute of Chartered Accountants of India. He also served as CEO of LIC Mutual Fund. He was on the Board of UTI, he was also a member of ICICI Venture Capital and currently a Member in various Committees of the Company.

### Sri. Kalyanaraman P.R - Independent Director

Sri. Kalyanaraman P.R as an Independent Director having an impeccable career record spanning over 48 years in financial services and is a well rounded commercial banker. 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.

### Smt. Swaroopa Meruva – Company Secretary & Compliance Officer

An efficient and competent Company Secretary with an experience of 8 years and an ability to ensure that a company complies and operates in accordance with statutory and legal provisions. Experience of conducting meetings of the Board of Directors and shareholders. She acts as a single point of communication between the Management and other stakeholders. Well-presented and highly personable, with a deep knowledge of corporate regulations and company rules. She has strong organizational and time management skills, in depth knowledge of secretarial software, MS-Office, Excellent presentation, interpersonal & communications skills - both written & oral, excellent technical knowledge of the Companies Act, 2013 & SEBI (LODR) Regulations, 2015.



## Annexure-11

**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) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company and the percentage increase in remuneration of Managing Director, Chief Financial Officer and Company Secretary in the FY 2021-22:

| Sl. No. | Name of the Director    | Designation                  | Remuneration<br>(in Rs. Lakhs) | Median Remuneration<br>(in Rs. Lakhs) | Ratio | % increase/<br>decrease |
|---------|-------------------------|------------------------------|--------------------------------|---------------------------------------|-------|-------------------------|
| 1       | Mr. T. Valsaraj         | VC & MD                      | 106.04                         | 1.48                                  | 71.65 | (0.96)                  |
| 2       | Mr.G.V.V. Satyanarayana | Whole Time<br>Director & CFO | 57.51                          | 1.48                                  | 38.86 | (0.90)                  |
| 3       | Ms. Swaroopa Meruvva    | CS                           | 13.47                          | 1.48                                  | 9.10  | 16.17                   |

Note: Non- Executive, Independent Director(s) are being paid 1% on net profits, sitting fee of Rs. 10000/-per meeting of the Board and Rs. 5000/- per Meeting of Committee and reimbursement of expenses including travelling/conveyance expenses other than the above they are not paid any other remuneration.

(iii) In the financial year, there was an increase in 10% in the median remuneration of employees.

(iv) There were 772 permanent employees on the rolls of the Company as on 31st March, 2022.

(v) 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 1.23%. Normal yearly increments were given to staff based on their performance. Average percentile decrease in the managerial personnel in the last financial year was 0.93%. The decrease is due to decrease in commission of Executive Directors which is based on net profits of the Company.

(vi) 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:

| Sl. No. | Name                    | Age | Qualification             | Designation                       | Date of Commencement of Employment | Experience (Years) | Gross Remuneration | Previous employment & Designation             |
|---------|-------------------------|-----|---------------------------|-----------------------------------|------------------------------------|--------------------|--------------------|-----------------------------------------------|
| 1.      | Mr. T. Valsaraj         | 68  | B.E                       | Vice Chairman & Managing Director | 1981                               | 41                 | 106.04             | NA as associated with Coastal since inception |
| 2.      | Mr.G.V.V. Satyanarayana | 61  | M.Com                     | Director – Finance and CFO        | 1988                               | 34                 | 57.51              | NA as associated with Coastal since inception |
| 3.      | K.V. Mohan Krishna      | 60  | MFSc                      | General Manager                   | 01.05.2003                         | 20                 | 42.00              | Nil                                           |
| 4.      | R. Vasudeva Rao         | 45  | BSc.                      | Factory II - Manager              | 01.07.2003                         | 22                 | 21.90              | Asst. Manager                                 |
| 5.      | M. Arivazhagan          | 47  | B.Fsc                     | Factory II - Manager              | 01.11.2014                         | 7                  | 20.34              | Asst. Manager                                 |
| 6.      | S.V.Jagga Rao           | 50  | M.Com                     | Manager -Accounts                 | 11.02.1999                         | 23                 | 15.45              | Nil                                           |
| 7.      | Saif Ali                | 45  | Fisheries Grade G Diploma | Manager -Quality Control          | 01.08.2013                         | 11                 | 14.36              | QC Manager                                    |
| 8.      | M.Swaroopu              | 35  | Company Secretary         | Company Secretary                 | 07.02.2015                         | 8                  | 13.47              | CS of Shri Shakti Alternative Energy Limited  |
| 9.      | D. Titus Fernando       | 59  | B.A                       | Manager - Business Development    | 10.05.1990                         | 33                 | 12.95              | Operations Manager                            |
| 10.     | B Anand                 | 49  | Engineer                  | Civil Engg.                       | 01.04.2014                         | 8                  | 12.90              | Project Manager-Spint Exports Pvt. Ltd.       |



(i) Particulars of employees drawing remuneration aggregating to not less than Rs.1.02 crores per annum employed during the year 2020-21 and employees drawing remuneration to Rs.8.5 lakhs per month employed for the part of financial year.

| Sl. No. | Name of the Director | Designation       | Remuneration per annum (Rs. Lakhs) |
|---------|----------------------|-------------------|------------------------------------|
| 1       | Mr. T. Valsaraj      | Managing Director | 106.04                             |

(iii) 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.

(iv) 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/-  
T.Valsaraj  
Vice Chairman & Managing  
Director  
(DIN:00057558)

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)

Place: Visakhapatnam  
Date: 10.08.2022







# INDEPENDENT AUDITOR'S REPORT

(Standalone)

TO  
The Members Of  
Coastal Corporation Limited,  
Visakhapatnam

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **COASTAL CORPORATION LIMITED, Visakhapatnam** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, 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 financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the accompanying standalone 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, 2022, 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 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 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 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 financial statements of the current period. These matters were addressed in the context of our audit of the standalone 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       | <b>Valuation of Investments in Unquoted Equity Shares of M/s Coastal Developers Pvt Ltd:</b> <p>The valuation of the investments involves judgement and continues to be an area of inherent risk because quoted prices are not readily available.</p> <p>Refer: Note 55.2 to the Standalone Ind AS financial statements</p>                                                                                                                                                                                                                         | <p>We assessed the managements' approach to valuation for these investments by performing the following procedures:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the procedure followed by the management to gather the data inputs used in the valuation models.</li> <li>• We assessed the appropriateness of the methodology applied in determining the fair value of the investments.</li> <li>• 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.</li> <li>• We tested the calculation of the fair value based on the assumptions applied.</li> <li>• We found the disclosures in the standalone Ind AS financial statements to be appropriate.</li> </ul> <p><i>Conclusion: Based on the work performed and the evidence obtained, we consider the methodology and assumptions used by management to be appropriate.</i></p> |
| 2       | <b>Purchase cost of Raw Shrimps</b> <p>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.</p> <p>The tentative prices of the raw shrimps are published by the local farmers of aquaculture through online app. acubrahma.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.</p> | <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• We have performed test of details through correlating the raw materials procured with that of the material processed based on the production reports.</li> <li>• We tested the payments made to the suppliers based on the credit terms of payments.</li> </ul> <p><i>Conclusion: Based on the work performed, we found the raw material costs recorded to be correct based on available evidence.</i></p>                                       |

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### 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 of Directors' Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

When we read the above specified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 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 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, 2020 ("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 standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, standalone Statement of Changes in Equity and the standalone 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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 major pending litigations that would impact its financial position.
- ii.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii.** There were no amounts which were required to be transferred, to the "Investor Education and Protection Fund" by the Company.
- iv.**
  - a.** The Management has represented that, to the best of its knowledge and belief, except as disclosed in the note 52(e) to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(i.e.), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - b.** The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 52(e) to the accounts, no funds have been received by the Company from any person(s) or entity(i.e.), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - c.** Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- iv.** The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. Further, the interim dividend declared and paid by the Company until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

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

**Sd/-**  
**C.V. RAMANA RAO**  
Partner  
Partner Membership No. 018545  
UDIN: 21018545AAAADY1636

Place: Visahakapatnam  
Date: 30.05.2022

## 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 2022. We report that:

- i) a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.  
(B) The Company does not own any intangible assets. Consequently, the clause 3(i)(a)(B) of the order is not applicable.
- b) The Property, Plant & Equipment have been physically verified by the management at reasonable intervals. According to the information furnished to us, no material discrepancies have been noticed on such verification.
- c) The title deeds of all the immovable properties disclosed in the financial statements are held in the name of the company.
- d) The company has not revalued its Property, Plant & Equipment (including the Right of Use assets) or Intangible assets or both during the year.
- e) As reported under note No. 2b, of the standalone financial statements for the year under report, and according to the information and explanations given to us, no proceedings have been initiated against the company for holding benami property under Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) and rules made thereunder.
- ii) a) Physical verification of inventory has been conducted at reasonable intervals by management. In our opinion, the coverage and procedures of the verification by the management are appropriate and no material discrepancies were noticed.
- b) As reported under note No. 23(b), of the standalone financial statements for the year under report, the quarterly returns/statements filed by the company with banks are generally in agreement with the books of the company.
- iii) The Company has made investments in, granted unsecured loans and advances which are in the nature of loans to companies, firms, LLPs, or any other parties during the financial year under report.
- a. The company has granted interest free unsecured loans to two of its wholly owned subsidiaries incorporated in India and has granted unsecured advance in the nature of loan to one of its wholly owned subsidiaries incorporated in India, details of the same are:

| Particulars                                                            | Guarantees | Security | Loans   | Advances in nature of loan |
|------------------------------------------------------------------------|------------|----------|---------|----------------------------|
| Aggregate amount granted/provided during the year                      |            |          |         |                            |
| - Wholly Owned Subsidiaries                                            | -          | -        | 1478.33 | 12.12                      |
| Balance outstanding as at balance sheet date in respect of above cases |            |          |         |                            |
| - Wholly Owned Subsidiaries                                            | -          | -        | 1141.98 | 12.12                      |

- b. According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the investments made and the terms and conditions of loans and advances in the nature of loan granted by the company to its wholly owned subsidiaries are not prejudicial to the interest of the company.
- c. The loans and advances extended to its wholly owned subsidiary companies are repayable on demand. Accordingly, clause 3(iii)(c), (d) & (e) of the Order are not applicable to the company in respect of repayment of the principal amount.
- d. The company has granted Rs 1478.33 lakhs, in aggregate, towards Interest-free unsecured loans and an advance in the nature of loan to its two wholly owned subsidiary companies which are repayable on demand.
- iv) The company has neither given any loans to the directors or any other persons in whom the director(s) is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of

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section 185 of the Companies Act, 2013. Further, the investment made by the company during the financial year and in earlier years does not exceed the limits prescribed under section 186 of the Companies Act, 2013.

v) The Company has neither accepted any public deposits nor received any amounts that are deemed to be deposits in terms of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules made thereunder. The directions issued by the Reserve bank of India are not applicable. Consequently, the clause 3(v) of the order is not applicable to the Company. According to the information and explanations given to us and on the basis of examination of the records of the Company, no order has been passed by Company Law Board or National Company Law Board or Reserve Bank of India or any Court or any other Tribunal during the year under report. 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 goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, Cess and any other 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 goods and services tax, 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 2022 for a period of more than six months from the date they became payable.

b) As at 31st March 2022, there have been no disputed dues, which have not been deposited with the respective authorities in respect of Goods and Services tax, Income tax, Service tax, duty of customs, duty of excise, value added tax and Cess.

viii) According to the information and explanations given to us and on the basis of examination of the records of the Company, no transactions that are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix)

a) The Company has not defaulted in any repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

c) The term loans obtained during the year and in earlier years have been utilised for the purposes for which they were obtained.

d) The funds raised on a short-term basis have not been utilised for long term purposes.

e) The company has two wholly owned subsidiaries incorporated in India and a wholly owned subsidiary company incorporated outside India. According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

x)

a) The Company has not made any initial public offer or further public offer (including debt instruments) during the year under review. Consequently, the clause 3(x)(a) of the order is not applicable.

b) According to the information and explanations given to us and on overall examination of the records of the Company, we report that the company has made a preferential allotment of convertible equity warrants in earlier year in compliance with the provisions of section 42 of the Companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.

xi)

a) According to the information and explanations given to us, we report that no material fraud by the Company or on the Company have been noticed or reported during the course of our audit.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed by us in Form ADT-4 as prescribed read with rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) According to the information and explanations given to us and based on our examination of the records of the Company,

no whistle-blower complaints are received during the year under report.

**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 financial statements.

**xiv)**

**a)** The company has an internal audit system commensurate with the size and nature of its business.

**b)** The reports of the Internal Auditors for the period under audit were considered by us.

**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.

**xvii)** The company has not incurred cash losses in the financial year and in the immediately preceding financial year.

**xviii)** There has been no resignation of the statutory auditors during the year under review. Consequently, the clause 3(xviii) of the order is not applicable.

**xix)** On the basis of the financial ratios, aging and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

**xx)**

**a)** In terms of the information and explanations given to us and based on the books of account/records examined by us, there are no unspent amount in respect of other than ongoing projects to be transferred to a Fund specified in Schedule VII to the Companies Act, 2013 during the year under report.

**b)** In terms of the information and explanations given to us and based on the books of account/records examined by us, the company has not undertaken any ongoing projects during the financial year towards CSR activities as per the provisions of section 135 of Companies Act. Accordingly, the clause 3(xx)(b) of the order is not applicable.

**xxi)** This paragraph is not applicable in case of standalone financial statements.

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

**Sd/-**  
**C.V. RAMANA RAO**  
Partner  
Partner Membership No. 018545  
UDIN: 21018545AAAADY1636

Place: Visahakapatnam  
Date: 30th May, 2022



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## 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, VISAKHAPATNAM** ("the Company") as of 31st March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial controls

The 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 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 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 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.

#### 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 2022, 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

Partner Membership No. 018545

UDIN: 21018545AAAADY1636

Place: Visahakapatnam

Date: 30th May, 2022



# Standalone Balance Sheet as at March 31, 2022

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

| Particulars                          | Note | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2021 |
|--------------------------------------|------|------------------------------------|------------------------------------|
| <b>I. ASSETS</b>                     |      |                                    |                                    |
| <b>(1) Non Current Assets</b>        |      |                                    |                                    |
| (a) Property, plant and equipment    | 2    | 4,427.69                           | 4,402.26                           |
| (b) Capital work in progress         | 3    | 9,146.24                           | 3,232.45                           |
| (c) Right of Use asset               | 4    | 668.08                             | 628.06                             |
| (d) Investment Property              | 5    | 1,331.79                           | 1,176.83                           |
| (e) Financial assets                 |      |                                    |                                    |
| (i) Investments                      | 6    | 3,361.90                           | 2,712.56                           |
| (ii) Loans                           | 7    | 1,515.50                           | 714.02                             |
| (iii) Other financial assets         | 8    | 965.00                             | 647.11                             |
| (h) Other non current assets         | 9    | 895.13                             | 1,263.23                           |
|                                      |      | 22,311.32                          | 14,776.52                          |
| <b>(2) Current Assets</b>            |      |                                    |                                    |
| (a) Inventories                      | 10   | 9,616.07                           | 8,924.64                           |
| (b) Financial assets:                |      |                                    |                                    |
| (i) Trade receivables                | 11   | 4,104.50                           | 3,015.70                           |
| (ii) Cash & cash equivalents         | 12   | 1,280.69                           | 1,897.74                           |
| (iii) Bank balances other than above | 13   | 1,377.64                           | 2,921.86                           |
| (iv) Other financial assets          | 14   | 282.11                             | 176.45                             |
| (c) Current Tax Assets (Net)         | 15   | 103.10                             | 76.53                              |
| (d) Other current assets             | 16   | 2,229.07                           | 2,554.46                           |
|                                      |      | 18,993.19                          | 19,567.39                          |
| <b>Total Assets</b>                  |      | 41,304.51                          | 34,343.91                          |
| <b>II. EQUITY AND LIABILITIES</b>    |      |                                    |                                    |
| <b>(1) Equity</b>                    |      |                                    |                                    |
| (a) Equity share capital             | 17   | 1,157.88                           | 1,067.88                           |
| (b) Other equity                     | 18   | 20,949.96                          | 17,969.54                          |
| <b>Total Equity</b>                  |      | 22,107.84                          | 19,037.42                          |
| <b>(2) Non Current Liabilities</b>   |      |                                    |                                    |
| (a) Financial liabilities:           |      |                                    |                                    |
| (i) Borrowings                       | 19   | 2,509.03                           | 1,544.10                           |
| (ii) Trade payables                  | 20   | -                                  | -                                  |
| (iii) Lease liabilities              | 4    | 1.83                               | 47.72                              |
| (iv) Other financial liabilities     | 20   | 115.38                             | 115.59                             |
| (b) Provisions                       | 21   | 115.35                             | 91.72                              |
| (c) Deferred Tax Liability (Net)     | 22   | 192.74                             | 170.96                             |
|                                      |      | 2,934.34                           | 1,970.10                           |

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

| Particulars                                       | Note | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2021 |
|---------------------------------------------------|------|------------------------------------|------------------------------------|
| <b>(3) Current Liabilities</b>                    |      |                                    |                                    |
| (a) Financial liabilities                         |      |                                    |                                    |
| (i) Borrowings                                    | 23   | 14,642.59                          | 12,212.09                          |
| (ii) Trade payables                               | 24   | 618.41                             | 544.53                             |
| (iii) Lease liabilities                           | 4    | 2.09                               | 6.58                               |
| (iv) Other financial liabilities                  | 25   | 558.51                             | 211.00                             |
| (b) Provisions                                    | 26   | 27.91                              | 15.87                              |
| (c) Other Current Liabilities                     | 27   | 412.82                             | 346.32                             |
|                                                   |      | 16,262.33                          | 13,336.39                          |
| <b>Total Equity and Liabilities</b>               |      | 41,304.51                          | 34,343.91                          |
| <b>Summary of significant accounting policies</b> | 1    |                                    |                                    |

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

As per our report of even date

for, and on behalf of the Board

for, Brahmayya & Co.  
Chartered Accountants  
Firm Reg No. 000513S

Sd/-  
Partner  
C.V. Ramana Rao  
Partner Membership No. 018545  
Place: Visahakapatnam  
Date: 30th May, 2022

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

Sd/-  
Swaroop Meruva  
Company Secretary  
Place: Visahakapatnam  
Date: 30th May, 2022

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)



# Standalone Statement of Profit and Loss for the period ended March 31, 2022

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

| Particulars                                                                     | Note | For the year ended<br>31 <sup>st</sup> March, 2022 | For the year ended<br>31 <sup>st</sup> March, 2021 |
|---------------------------------------------------------------------------------|------|----------------------------------------------------|----------------------------------------------------|
| <b>I. INCOME</b>                                                                |      |                                                    |                                                    |
| Revenue from Operations                                                         | 28   | 46,060.54                                          | 40,219.45                                          |
| Other Income                                                                    | 29   | 1,192.31                                           | 832.86                                             |
| Total Revenue ( I )                                                             |      | 47,252.85                                          | 41,052.31                                          |
| <b>II. EXPENSES</b>                                                             |      |                                                    |                                                    |
| Cost of Materials Consumed                                                      | 30   | 31,571.17                                          | 28,366.99                                          |
| (Increase)/Decrease in Inventories of Finished Goods                            | 31   | (781.41)                                           | (1,060.85)                                         |
| Operating expenses                                                              | 32   | 5,914.45                                           | 5,428.20                                           |
| Employee Benefits Expenses                                                      | 33   | 1,470.65                                           | 1,265.91                                           |
| Finance cost                                                                    | 34   | 591.36                                             | 405.54                                             |
| Depreciation and Amortisation                                                   | 35   | 424.49                                             | 344.73                                             |
| Impairment loss allowances                                                      |      | 20.20                                              | -                                                  |
| Other Expenses                                                                  | 36   | 5,970.24                                           | 3,504.72                                           |
| Total Expenses ( II )                                                           |      | 45,181.15                                          | 38,255.24                                          |
| <b>III. Profit Before Tax ( I - II )</b>                                        |      | 2,071.70                                           | 2,797.07                                           |
| <b>IV. Tax Expense</b>                                                          | 37   |                                                    |                                                    |
| Current tax                                                                     |      | 555.50                                             | 725.31                                             |
| Tax relating to earlier years                                                   |      | (11.33)                                            | 9.33                                               |
| Deferred tax charge/ (credit)                                                   |      | 28.28                                              | 38.25                                              |
|                                                                                 |      | 572.45                                             | 772.89                                             |
| <b>V. Profit for the year ( III - IV )</b>                                      |      | 1,499.25                                           | 2,024.18                                           |
| <b>VI. OTHER COMPREHENSIVE INCOME (OCI)</b>                                     |      |                                                    |                                                    |
| A. Items that will not be reclassified to profit or loss in subsequent periods: |      |                                                    |                                                    |
| (i) Remeasurement gains/(losses) on the defined benefit plans                   |      | (25.81)                                            | (54.47)                                            |
| Income tax effect on the above                                                  |      | 6.50                                               | 13.71                                              |
| (ii) Remeasurement gains/(losses) on Equity instruments measured at FVTOCI      |      | (28.00)                                            | 77.30                                              |
| (iii) Net gains/(losses) on sale of Equity instruments measured at FVTOCI       |      | (21.30)                                            |                                                    |
| Income tax effect on the above                                                  |      | -                                                  | -                                                  |

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

| Particulars                                                                 | Note     | For the year ended<br>31 <sup>st</sup> March, 2022 | For the year ended<br>31 <sup>st</sup> March, 2021 |
|-----------------------------------------------------------------------------|----------|----------------------------------------------------|----------------------------------------------------|
| B. Items that will be reclassified to profit or loss in subsequent periods: |          |                                                    |                                                    |
| (i) Remeasurement gain/(loss) on the cash flow hedging instrument           |          | (24.43)                                            | 27.29                                              |
| Income tax effect on the above                                              |          |                                                    | -                                                  |
| Total other comprehensive income for the year, net of tax                   |          | (93.04)                                            | 63.83                                              |
| <b>Total comprehensive income for the year, net of tax( V + VI )</b>        |          | <b>1,406.2</b>                                     | <b>2,088.01</b>                                    |
| Earnings Per Equity Share                                                   | 38       |                                                    |                                                    |
| Basic (Rs.)                                                                 |          | 13.8                                               | 19.90                                              |
| Diluted (Rs.)                                                               |          | 12.9                                               | 19.67                                              |
| <b>Summary of significant accounting policies</b>                           | <b>1</b> |                                                    |                                                    |

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

As per our report of even date

for, and on behalf of the Board

for, Brahmayya & Co.  
Chartered Accountants  
Firm Reg No. 0005135

Sd/-  
Partner  
C.V. Ramana Rao  
Partner Membership No. 018545  
Place: Visahakapatnam  
Date: 30th May, 2022

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

Sd/-  
Swaroop Meruva  
Company Secretary  
Place: Visahakapatnam  
Date: 30th May, 2022

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)

# Standalone Statement of Cash Flows for year ended March 31, 2022

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

| Particulars                                                                                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(A) CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                | 2,071.70                             | 2,797.07                             |
| Profit before tax                                                                              |                                      |                                      |
| <b>Adjustments for :</b>                                                                       |                                      |                                      |
| Depreciation of property, plant and equipment                                                  | 404.16                               | 327.11                               |
| Depreciation on investment property                                                            | 10.65                                | 9.56                                 |
| Amortisation of intangible assets                                                              | -                                    | -                                    |
| Amortisation of right of-use asset                                                             | 9.68                                 | 8.06                                 |
| Profit on sale of fixed assets (net)                                                           | (0.74)                               | -                                    |
| Loss on sale of fixed assets (net)                                                             | 0                                    | 0.81                                 |
| Profit on sale of Investments                                                                  | (21.30)                              |                                      |
| Impairment loss allowance                                                                      | 20.20                                |                                      |
| Interest income                                                                                | (159.96)                             | (263.93)                             |
| Interest expense                                                                               | 496.06                               | 293.64                               |
| Interest expense on lease liabilities                                                          | 2.50                                 | 28.83                                |
| Gratuity and compensated absences                                                              | 9.86                                 | (66.21)                              |
| <b>Operating profit before working capital changes</b>                                         | <b>2,842.81</b>                      | <b>3,134.92</b>                      |
| <b>Movement in working capital:</b>                                                            |                                      |                                      |
| (increase)/decrease in inventories                                                             | (691.43)                             | (1,157.59)                           |
| (increase)/decrease in trade receivables                                                       | (1,092.90)                           | 832.25                               |
| (increase)/decrease in other receivables                                                       | (290.62)                             | (98.58)                              |
| increase/(decrease) in trade payables                                                          | 73.88                                | (346.13)                             |
| increase/(decrease) in other payables                                                          | 413.8                                | (72.84)                              |
| <b>Cash generated from operations</b>                                                          | <b>1,255.55</b>                      | <b>2,292.03</b>                      |
| Income tax paid                                                                                | (570.75)                             | (771.38)                             |
| <b>Net cash flows from operating activities (A)</b>                                            | <b>684.80</b>                        | <b>1,520.65</b>                      |
| <b>(B) CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                |                                      |                                      |
| Purchase of property, plant and equipment, including intangible assets and Investment property | (617.67)                             | (1,352.20)                           |
| Increase in Capital work in progress                                                           | (5,913.79)                           | (3,028.48)                           |
| Proceeds from sale of property, plant and equipment                                            | 23.21                                | 9.66                                 |
| Government Grant Received                                                                      | 650                                  | -                                    |
| Proceeds from sale of investments in deposits                                                  | 92.30                                | -                                    |
| Net cash outflow on acquisition of subsidiary (Refer Note 1)                                   | (701.84)                             | -                                    |
| Net cash inflow on disposal of subsidiary (Refer Note 1)                                       | 0                                    | -                                    |
| Interest received                                                                              | 159.96                               | 263.93                               |
| <b>Net cash flows used in investing activities (B)</b>                                         | <b>(6,307.83)</b>                    | <b>(4,107.09)</b>                    |

| Particulars                                            | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(C) CASH FLOWS FROM FINANCING ACTIVITIES</b>        |                                      |                                      |
| Repayment of long - term borrowings (net)              | 964.93                               | 1,523.21                             |
| Repayment from short - term borrowings (net)           | 2430.50                              | 1,043.41                             |
| Payment towards lease rentals                          | (354.19)                             | (611.90)                             |
| Issue of equity shares at premium                      | 1262.25                              | 953.70                               |
| Issue of equity share warrants                         | 0                                    | 420.75                               |
| Dividend paid                                          | (320.36)                             | -                                    |
| Tax on dividend                                        |                                      | -                                    |
| Interest paid                                          | (496.06)                             | (293.64)                             |
| <b>Net cash flows from financing activities (C)</b>    | <b>3,487.08</b>                      | <b>3,035.53</b>                      |
| Net decrease in cash and cash equivalents (A+B+C)      | (2,135.96)                           | 449.10                               |
| Cash and cash equivalents at the beginning of the year | 4700.18                              | 4,251.08                             |
| <b>Cash and cash equivalents at the year end</b>       | <b>2,564.22</b>                      | <b>4,700.18</b>                      |

#### Components of cash and cash equivalents:

|                                        |                 |                 |
|----------------------------------------|-----------------|-----------------|
| Cash on hand                           | 0.82            | 0.72            |
| Balances with banks                    |                 |                 |
| -On current accounts                   | 1279.87         | 1,897.02        |
| -On deposits accounts                  | 1283.52458      | 2,802.44        |
| <b>Total cash and cash Equivalents</b> | <b>2,564.22</b> | <b>4,700.18</b> |

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

| Particulars                                              | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------------|--------------------------------------|--------------------------------------|
| Consideration paid in cash on acquisition of subsidiary  | (701.84)                             | -                                    |
| <b>Total</b>                                             | <b>(701.84)</b>                      | -                                    |
| Consideration received in cash on disposal of subsidiary | -                                    | -                                    |
| <b>Total</b>                                             | <b>-</b>                             | -                                    |

As per our report of even date

for, Brahmayya & Co.  
Chartered Accountants  
Firm Reg No. 000513S

Sd/-  
Partner  
C.V. Ramana Rao  
Partner Membership No. 018545  
Place: Visahakapatnam  
Date: 30th May, 2022

for, and on behalf of the Board

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

Sd/-  
Swaroop Meruva  
Company Secretary  
Place: Visahakapatnam  
Date: 30th May, 2022

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)

# Standalone Statement of Changes in Equity for the period ended March 31, 2022

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

## EQUITY SHARE CAPITAL AS ON 31<sup>ST</sup> MARCH, 2022

| Particulars                                       | No.                | Amount          |
|---------------------------------------------------|--------------------|-----------------|
| <b>Equity Shares of Rs.10 each fully paid up</b>  |                    |                 |
| Balance at the beginning of the reporting period  | 1,06,78,800        | 1,067.88        |
| Changes in equity share capital during the year   | 9,00,000           | 90.00           |
| <b>Balance at the end of the reporting period</b> | <b>1,15,78,800</b> | <b>1,157.88</b> |

## EQUITY SHARE CAPITAL AS ON 31<sup>ST</sup> MARCH, 2021

| Particulars                                       | No.                | Amount          |
|---------------------------------------------------|--------------------|-----------------|
| <b>Equity Shares of Rs.10 each fully paid up</b>  |                    |                 |
| Balance at the beginning of the reporting period  | 1,01,68,800        | 1,016.88        |
| Changes in equity share capital during the year   | 5,10,000           | 51.00           |
| <b>Balance at the end of the reporting period</b> | <b>1,06,78,800</b> | <b>1,067.88</b> |

## OTHER EQUITY AS ON 31<sup>ST</sup> MARCH, 2022

| Particulars                                                           | Balance as on 01.04.2021 | Total comprehensive income for the year | Dividends       | Transfer to retained earnings | Any other change (to be specified) | Balance as on 31.03.2022 |
|-----------------------------------------------------------------------|--------------------------|-----------------------------------------|-----------------|-------------------------------|------------------------------------|--------------------------|
| <b>Reserves &amp; Surplus</b>                                         |                          |                                         |                 |                               |                                    |                          |
| Securities Premium Reserve                                            | 949.65                   | 1,593.00                                | -               | -                             | -                                  | 2,542.65                 |
| Capital Reserve                                                       | -                        | 650.00                                  | -               | -                             | -                                  | 650.00                   |
| General Reserve                                                       | 108.61                   | -                                       | -               | -                             | -                                  | 108.61                   |
| Retained Earnings                                                     | 16,251.85                | 1499.2                                  | (320.36)        | -                             | -                                  | 17430.7                  |
| Cash Flow Hedging Reserve                                             | 27.29                    | (24.43)                                 | -               | -                             | -                                  | 2.86                     |
| Foreign Currency Translation Reserve                                  | 216.38                   |                                         |                 |                               |                                    |                          |
| Money received against share warrants                                 | 420.75                   | 72.32                                   | -               | -                             | -                                  | 288.70                   |
| Remeasurement gains/(losses) on Equity instruments measured at FVTOCI | 77.30                    | (420.75)                                | -               | -                             | -                                  | -                        |
| Remeasurement gains/(losses) on the defined benefit obligations       | (82.29)                  | (49.30)                                 | -               | -                             | -                                  | 28.00                    |
|                                                                       |                          | (19.31)                                 | -               | -                             | -                                  | (101.60)                 |
| <b>Total</b>                                                          | <b>17,969.54</b>         | <b>3300.78</b>                          | <b>(320.36)</b> | <b>-</b>                      | <b>-</b>                           | <b>20,949.96</b>         |





## B. OTHER EQUITY AS ON 31<sup>ST</sup> MARCH, 2021

| Particulars                                                           |                            | Balance as on 01.04.2020 | Total comprehensive income for the year | Dividends | Transfer to retained earnings | Any other change (to be specified) | Balance as on 31.03.2021 |
|-----------------------------------------------------------------------|----------------------------|--------------------------|-----------------------------------------|-----------|-------------------------------|------------------------------------|--------------------------|
| <b>Reserves &amp; Surplus</b>                                         | Securities Premium Reserve | 46.95                    | 902.70                                  |           |                               | -                                  | <b>949.65</b>            |
|                                                                       | Capital Reserve            | -                        | -                                       |           |                               | -                                  | -                        |
|                                                                       | General Reserve            | 108.61                   | -                                       |           |                               | -                                  | <b>108.61</b>            |
|                                                                       | Retained Earnings          | 14,357.08                | 2,024.18                                |           | (129.41)                      | -                                  | <b>16,251.85</b>         |
| Cash Flow Hedging Reserve                                             |                            | (129.41)                 | 27.29                                   |           | 129.41                        |                                    | <b>27.29</b>             |
| Foreign Currency Translation Reserve                                  |                            | 273.68                   | (57.30)                                 |           |                               |                                    | <b>216.38</b>            |
| Money received against share warrants                                 |                            |                          | 420.75                                  |           |                               |                                    | <b>420.75</b>            |
| Remeasurement gains/(losses) on Equity instruments measured at FVTOCI |                            |                          | 77.30                                   |           |                               |                                    | <b>77.30</b>             |
| Remeasurement gains/(losses) on the defined benefit obligations       |                            | (41.53)                  | (40.76)                                 |           |                               |                                    | <b>(82.29)</b>           |
| <b>Total</b>                                                          |                            | <b>14,615.38</b>         | <b>3,354.16</b>                         |           | -                             | -                                  | <b>17,969.54</b>         |

The accompanying notes are an integral part of the standalone financial statements  
As per our report of even date

for, and on behalf of the Board

for, Brahmayya & Co.  
Chartered Accountants  
Firm Reg No. 000513S

Sd/-  
Partner  
C.V. Ramana Rao  
Partner Membership No. 018545  
Place: Visahakapatnam  
Date: 30th May, 2022

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

Sd/-  
Swaroop Meruva  
Company Secretary  
Place: Visahakapatnam  
Date: 30th May, 2022

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)

# Standalone Notes to Financial Statements for the period ended March, 2022

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

## 2. Property, plant and equipment as on 31st March, 2022.

| Fixed Assets           | Gross Block              |               |              | Depreciation             |                 |                | Net Block    |                       |
|------------------------|--------------------------|---------------|--------------|--------------------------|-----------------|----------------|--------------|-----------------------|
|                        | Balance as at 01.04.2021 | Additions     | (Disposals)  | Balance as at 31.03.2022 | Upto 01.04.2021 | For the period | On disposals | Total upto 31.03.2022 |
| Freehold land          | 545.08                   | 10.59         | 22.46        | 533.21                   | -               | -              | -            | -                     |
| Buildings              | 2,039.61                 | 157.48        |              | 2,197.09                 | 461.61          | 65.79          |              | 527.40                |
| Plant and equipment    | 2,916.73                 | 258.96        |              | 3,175.69                 | 1,203.23        | 232.24         |              | 1,435.47              |
| Furniture and Fixtures | 109.44                   | 1.39          |              | 110.83                   | 74.31           | 5.82           |              | 80.13                 |
| Computers              | 28.24                    | 5.59          |              | 33.83                    | 24.30           | 2.34           |              | 26.64                 |
| Vehicles               | 889.13                   | 4.86          |              | 893.99                   | 401.31          | 89.82          |              | 491.13                |
| Office Equipment       | 102.62                   | 13.18         |              | 115.80                   | 63.84           | 8.15           |              | 71.99                 |
| Roads                  | 4.06                     |               |              | 4.06                     | 4.06            |                |              | 4.06                  |
| <b>Total</b>           | <b>6,634.91</b>          | <b>452.05</b> | <b>22.46</b> | <b>7,064.50</b>          | <b>2,232.66</b> | <b>404.16</b>  | <b>-</b>     | <b>2,636.82</b>       |

## Property, plant and equipment as on 31st March, 2021.

| Fixed Assets           | Gross Block              |                 |               | Depreciation             |                 |               | Net Block     |                       |
|------------------------|--------------------------|-----------------|---------------|--------------------------|-----------------|---------------|---------------|-----------------------|
|                        | Balance as at 01.04.2020 | Additions       | (Disposals)   | Balance as at 31.03.2021 | Upto 01.04.2020 | For the year  | On disposals  | Total upto 31.03.2021 |
| Freehold land          | 275.45                   | 269.63          | -             | 545.08                   | -               | -             | -             | -                     |
| Buildings              | 1,923.79                 | 115.82          | -             | 2,039.61                 | 401.34          | 60.27         | -             | 461.61                |
| Plant and equipment    | 2,415.63                 | 501.10          | -             | 2,916.73                 | 1,015.99        | 187.24        | -             | 1,203.23              |
| Furniture and Fixtures | 104.24                   | 5.20            | -             | 109.44                   | 68.70           | 5.61          | -             | 74.31                 |
| Computers              | 25.98                    | 2.26            | -             | 28.24                    | 22.58           | 1.72          | -             | 24.30                 |
| Vehicles               | 696.65                   | 336.61          | 144.13        | 889.13                   | 467.82          | 67.15         | 133.66        | 401.31                |
| Office Equipment       | 72.14                    | 30.48           | -             | 102.62                   | 58.73           | 5.11          | -             | 63.84                 |
| Roads                  | 4.06                     | -               | -             | 4.06                     | 4.06            |               | -             | 4.06                  |
| <b>Total</b>           | <b>5,517.94</b>          | <b>1,261.10</b> | <b>144.13</b> | <b>6,634.92</b>          | <b>2,039.22</b> | <b>327.10</b> | <b>133.66</b> | <b>2,232.66</b>       |

Note 2.a: No Property, plant and equipment was kept temporarily idle during the year under report.

"Note 2.b: All the Property, plant & equipments are owned by the company. Further, no proceedings have been initiated or pending against the company, for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) and the rules made thereunder."

Note 2.c: The company has not revalued its Property, plant & equipment (including Right of Use assets) and intangible assets during the year under report and the immediately preceeding previous year.

Note 2.d: The title deeds of all the immovable properties are held in the name of the company.

Note 2.e: There are no intangible assets under development as at 31st March 2022. (Previous year - Nil)



### 5 Investment properties as on 31st March, 2022

|                | Gross Block              |           |               | Depreciation             |                 |              | Net Block    |                       |                          |                          |
|----------------|--------------------------|-----------|---------------|--------------------------|-----------------|--------------|--------------|-----------------------|--------------------------|--------------------------|
|                | Balance as at 01.04.2021 | Additions | (Dispos- als) | Balance as at 31.03.2022 | Upto 01.04.2021 | For the year | On disposals | Total upto 31.03.2022 | Balance as at 31.03.2021 | Balance as at 31.03.2021 |
| Fixed Assets   |                          |           |               |                          |                 |              |              |                       |                          |                          |
|                | 733.39                   |           |               |                          |                 |              |              |                       |                          |                          |
|                | 392.06                   |           |               |                          |                 |              |              |                       |                          |                          |
|                | 1,125.45                 |           |               |                          |                 |              |              |                       |                          |                          |
|                | 1,125.45                 |           |               |                          |                 |              |              |                       |                          |                          |
| Freehold land* | 743.88                   | 165.61    |               | 909.49                   | -               | -            |              | -                     | 909.49                   | 743.88                   |
| Buildings      | 472.67                   |           | -             | 472.67                   | 39.72           | 10.65        |              | 50.37                 | 422.30                   | 432.95                   |
| Total          | 1,216.55                 | 165.61    | -             | 1,382.16                 | 39.72           | 10.65        | -            | 50.37                 | 1,331.79                 | 1,176.83                 |

## Investment properties as on 31st March, 2021

|                | Gross Block              |           |               | Depreciation             |                 |              | Net Block    |                       |                          |                          |
|----------------|--------------------------|-----------|---------------|--------------------------|-----------------|--------------|--------------|-----------------------|--------------------------|--------------------------|
|                | Balance as at 01.04.2020 | Additions | (Dispos- als) | Balance as at 31.03.2021 | Upto 01.04.2020 | For the year | On disposals | Total upto 31.03.2021 | Balance as at 31.03.2021 | Balance as at 31.03.2020 |
| Fixed Assets   | 733.39                   |           |               |                          |                 |              |              |                       |                          |                          |
|                | 392.06                   |           |               |                          |                 |              |              |                       |                          |                          |
|                | 1,125.45                 |           |               |                          |                 |              |              |                       |                          |                          |
|                | 1,125.45                 |           |               |                          |                 |              |              |                       |                          |                          |
| Freehold land* | 733.39                   | 10.49     | -             | 743.88                   | -               | -            | -            | -                     | 743.88                   | 733.39                   |
| Buildings      | 392.06                   | 80.61     | -             | 472.67                   | 30.16           | 9.56         | -            | 39.72                 | 432.95                   | 361.90                   |
| Total          | 1,125.45                 | 91.10     | -             | 1,216.55                 | 30.16           | 9.56         | -            | 39.72                 | 1,176.83                 | 1,095.29                 |

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                                                                                          | 2021-22 | 2020-21 |
|------------------------------------------------------------------------------------------------------|---------|---------|
| Rental income derived from investment properties                                                     | 33.97   | 32.80   |
| Direct operating expenses (including repairs and maintainance) generating rental income              | 1.58    | 3.62    |
| Direct operating expenses (including repairs and maintainance) that did not generating rental income | 3.12    | 0.00    |
| Profit arising from Investment properties before depreciation and indirect expenses                  | 29.28   | 29.18   |
| Less: Depreciation                                                                                   | 10.65   | 9.56    |
| Profit arising from Investment Properties before indirect expenses                                   | 18.63   | 19.62   |

### 5b Disclosure of Fair values of the Investment properties

| Particulars   | 31st March 2022 | 31st March 2021 |
|---------------|-----------------|-----------------|
| Freehold Land | 1,870.04        | 1,704.43        |
| Buildings     | 454.55          | 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, & Techno Design 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. However, in case of properties acquired during the year, transaction price is considered as fair value.

## 4 Right of Use assets - Leasehold lands

| Particulars                         | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|----------------------|----------------------|
| Balance as at beginning of the year | 628.06               | 7.36                 |
| Additions                           | 352.10               | 628.76               |
| Disposals                           | 302.41               | -                    |
| Amortisation                        | 9.68                 | 8.06                 |
| Balance as at the end of the year   | 668.07               | 628.06               |

### 4a. Leases

#### (i) As Lessee

##### A. Movement in lease liabilities

| Particulars                             | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------|----------------------|----------------------|
| Balance as at the beginning of the year | 54.30                | 8.62                 |
| Additional lease obligations recognised | 0.00                 | 308.10               |
| Unused amounts reversed                 | 50.79                | 0                    |
| Interest expense on lease liabilities   | 2.50                 | 28.83                |
| Amounts paid during the year            | 2.09                 | 291.25               |
| Balance as at the end of the year       | 3.92                 | 54.30                |



## B. Maturity analysis of lease liabilities

| Particulars                                                                          | Leasehold Land     |
|--------------------------------------------------------------------------------------|--------------------|
| Less than 1 year                                                                     | 2.09               |
| 1 to 5 years                                                                         | 2.09               |
| More than 5 years                                                                    | 0.00               |
| Total undiscounted lease liabilities at 31 March 2022                                | 4.18               |
| Lease liabilities included in the statement of financial position at 31st March 2022 | 3.92               |
|                                                                                      | <b>Current</b>     |
|                                                                                      | 2.09               |
|                                                                                      | <b>Non Current</b> |
|                                                                                      | 1.83               |

## C. Amounts recognised in profit or loss

| Particulars                                                                                      | Amount in Lakhs |
|--------------------------------------------------------------------------------------------------|-----------------|
| Interest on lease liabilities                                                                    | 2.50            |
| 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. 33.97 Lakhs (31 March 2021: Rs. 32.80 Lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

| Particulars                                 | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------|----------------------|----------------------|
| Within one year                             | 17.12                | 16.80                |
| After one year but not more than five years | 1.00                 | 0.00                 |
| More than five years                        | 0.00                 | 0.00                 |

## 3. Capital work in progress

| Particulars                   | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|----------------------|----------------------|
| Capital works in progress:    |                      |                      |
| a. Civil works under progress | 9,146.24             | 1,344.30             |
| b. Capital stock in Stores    | -                    | 1,888.15             |
| <b>Total</b>                  | <b>9,146.24</b>      | <b>3,232.45</b>      |

### 3a. CWIP Ageing Schedule As on 31st March, 2022

| CWIP                                                 | Amount in CWIP for a period of |           |           |                   | Total    |
|------------------------------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
|                                                      | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |          |
| Projects in progress:                                |                                |           |           |                   |          |
| - Shrimps Processing unit at KSEZ                    | 4,746.80                       | 2,947.70  | -         | -                 | 7,694.50 |
| - Solar Power Plant                                  | 1,267.35                       | 2.36      | -         | -                 | 1,269.71 |
| - 33KV line transformer at Marikavalsa plant         | 20.65                          | -         | -         | -                 | 20.65    |
| - Replacement of Air compressor at Marikavalsa plant | 33.23                          | -         | -         | -                 | 33.23    |
| - Rain water drains & parking area civil works       | 34.74                          | -         | -         | -                 | 34.74    |
| - Effluent treatment plant at Yelamanchili plant     | 61.41                          | -         | -         | -                 | 61.41    |
| - 33KV line transformer at Yelamanchili plant        | 25.00                          | -         | -         | -                 | 25.00    |
| - Others                                             | 7.00                           | -         | -         | -                 | 7.00     |
| Projects temporarily suspended                       | -                              | -         | -         | -                 | -        |

### As on 31st March, 2021

| CWIP                                                     | Amount in CWIP for a period of |           |           |                   | Total    |
|----------------------------------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
|                                                          | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |          |
| Projects in progress:                                    |                                |           |           |                   |          |
| -Shrimps Processing unit at KSEZ                         | 2,947.70                       | -         | -         | -                 | 2,947.70 |
| -Solar Power Plant                                       | 2.36                           | -         | -         | -                 | 2.36     |
| -Effluent treatment plant at Marikavalasa plant          | 40.53                          | -         | -         | -                 | 40.53    |
| -Conference hall at Marikavalasa plant                   | 5.74                           | -         | -         | -                 | 5.74     |
| -Peion gas cold storage compressor at Marikavalsa plant  | 108.54                         | -         | -         | -                 | 108.54   |
| -Peion gas cold storage compressor at Yelamanchili plant | 26.09                          | -         | -         | -                 | 26.09    |
| - Store room at Yelamanchili plant                       | 101.50                         | -         | -         | -                 | 101.50   |
| Projects temporarily suspended                           | -                              | -         | -         | -                 | -        |

### 3b. CWIP Completion schedule As on 31st March, 2022

| CWIP                                                       | To be completed in |           |           |                   | Remarks                                                                                 |
|------------------------------------------------------------|--------------------|-----------|-----------|-------------------|-----------------------------------------------------------------------------------------|
|                                                            | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |                                                                                         |
| Projects in progress:<br>- Shrimps Processing unit at KSEZ | 7,694.50           | -         | -         | -                 | Cost exceeded its initial estimation due to increase in prices of steel and cement      |
| - Solar Power Plant                                        | 1,269.71           | -         | -         | -                 | Project completion is not overdue and also has not exceeded its initial estimated costs |
| - 33KV line transformer at Marikavalsa plant               | 20.65              | -         | -         | -                 |                                                                                         |
| - Replacement of Air compressor at Marikavalsa plant       | 33.23              | -         | -         | -                 |                                                                                         |
| - Rain water drains & parking area civil works             | 34.74              | -         | -         | -                 |                                                                                         |
| - Effluent treatment plant at Yelamanchili plant           | 61.41              | -         | -         | -                 |                                                                                         |
| - 33KV line transformer at Yelamanchili plant              | 25.00              | -         | -         | -                 |                                                                                         |
| - Others                                                   | 7.00               | -         | -         | -                 |                                                                                         |

### 3b. CWIP Completion schedule As on 31st March, 2021

| CWIP                                                       | To be completed in |           |           |                   | Remarks                                                                                 |
|------------------------------------------------------------|--------------------|-----------|-----------|-------------------|-----------------------------------------------------------------------------------------|
|                                                            | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |                                                                                         |
| Projects in progress:<br>- Shrimps Processing unit at KSEZ | -                  | 2,947.70  | -         | -                 | Project completion is not overdue and also has not exceeded its initial estimated costs |
| - Solar Power Plant                                        | -                  | 1,269.71  | -         | -                 |                                                                                         |
| - Effluent treatment plant at Marikavalasa plant           | 40.53              | -         | -         | -                 |                                                                                         |
| - Conference hall at Marikavalasa plant                    | 5.74               | -         | -         | -                 |                                                                                         |
| - Freon gas cold storage compressor at Marikavalsa plant   | 108.54             | -         | -         | -                 |                                                                                         |
| - Freon gas cold storage compressor at Yelamanchili plant  | 26.09              | -         | -         | -                 |                                                                                         |
| - Store room at Yelamanchili plant                         | 101.50             | -         | -         | -                 |                                                                                         |

## 6 . Non Current Financial assets - Investments

| Particulars                                                                                                               | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| A. Investments in subsidiaries (measured at cost) (unquoted)                                                              |                      |                      |
| 50,46,000 Equity shares of Rs. 10 each in Continental Fisheries India Ltd (March 31, 2021: 30,27,600)                     | 504.60               | 302.76               |
| "30,00,000 Equity shares of USD 1 each in Seacrest Seafoods Inc. (March 31, 2021: 30,00,000) "                            | 2,259.30             | 2,191.50             |
| (iii) 4,00,000 Equity Shares of Rs.10 each in Coastal Bio-Tech Pvt Ltd (March 31, 2021: Nil)                              | 500.00               | -                    |
| B. Other unquoted investments (designated at FVTOCI)                                                                      |                      |                      |
| (i) 7,00,000 (March 31, 2021: 7,00,000) Equity Shares of Rs.10 each of Coastal Developers Pvt Ltd                         | 98.00                | 126.00               |
| (ii) Nil (March 31, 2021: 7,10,000) Equity Shares of Rs.10 each of Seagold Aqua Farms India Pvt Ltd(sold during the year) | -                    | 92.30                |
| <b>Total</b>                                                                                                              | <b>3,361.90</b>      | <b>2,712.56</b>      |

### 6a Details of Material Subsidiaries

| Name and Principal Place of Business                                                                                                      | Proportion of Ownership Interest/ Voting Rights |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------|
|                                                                                                                                           | As at March 31, 2022                            | As at March 31, 2021 |
| <b>Continental Fisheries India Pvt Ltd</b><br>Principal Place of Business: 15-1-37/2, Jayaprada Apartments, Nowroji Road, Visakahapatnam- | 100.00%                                         | 100.00%              |
| <b>Seacrest Seafoods Inc.</b><br>Principal Place of Business: 7855 NW 12th Street, Suite 221, Miami, Florida                              | 100.00%                                         | 100.00%              |
| <b>Coastal Bio -Tech Pvt Ltd</b><br>Principal Place of Business: Plot No.E/304, Sector-7, Market Nagar, CD Cut-tack, Odisha               | 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, 2022 | As at March 31, 2021 |
|-----------------------------------------------------|----------------------|----------------------|
| Unsecured, considered good unless otherwise stated: |                      |                      |
| Security Deposits                                   | 214.99               | 129.17               |
| Loans to subsidiary companies                       | 1,300.51             | 584.85               |
| <b>Total</b>                                        | <b>1,515.50</b>      | <b>714.02</b>        |

## 8. Non Current Financial assets - Others

| Particulars                                              | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------|----------------------|----------------------|
| Balances with Banks                                      |                      |                      |
| - Deposits with original maturity of more than 12 months | 931.62               | 594.08               |
| Interest Accrued on Deposits                             | 33.38                | 53.03                |
| <b>Total</b>                                             | <b>965.00</b>        | <b>647.11</b>        |

## 9. Other non current assets

| Particulars                                         | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------------------|----------------------|----------------------|
| Unsecured, considered good unless otherwise stated: |                      |                      |
| Capital Advances                                    | 876.85               | 1,246.93             |
| Other Advances                                      | 18.28                | 16.30                |
| <b>Total</b>                                        | <b>895.13</b>        | <b>1,263.23</b>      |

## 10. Inventories

| Particulars                                 | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------|----------------------|----------------------|
| (At lower of cost and net realisable value) |                      |                      |
| Raw Materials                               | -                    | -                    |
| Finished Goods                              | 9328.72              | 8547.31              |
| Stores, spares and packing materials        | 287.35               | 377.33               |
| <b>Total</b>                                | <b>9,616.07</b>      | <b>8,924.64</b>      |

## 11. Trade Receivables

| Particulars                                                   | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------------------------|----------------------|----------------------|
| Trade receivables                                             |                      |                      |
| Unsecured, Considered Good and due for less than six months * | 4111.20              | 3018.30              |
| Doubtful                                                      | -                    | -                    |
|                                                               | 4,111.20             | 3,018.30             |
| <b>Less: Allowance for credit losses</b>                      | <b>6.70</b>          | <b>2.60</b>          |
|                                                               | <b>4,104.50</b>      | <b>3,015.70</b>      |



### 11a. Ageing schedule of Trade Receivables as at 31st March, 2022

| Particulars                                                                        | To be completed in |                  |           |           |                   | Total    |
|------------------------------------------------------------------------------------|--------------------|------------------|-----------|-----------|-------------------|----------|
|                                                                                    | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |          |
| (i) Undisputed Trade receivables – considered good                                 | 3,646.22           | 453.37           | -         | -         | -                 | 4,099.59 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                  | -                | -         | -         | -                 | -        |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                  | -                | -         | -         | -                 | -        |
| (iv) Disputed Trade Receivables–considered good                                    | -                  | -                | -         | -         | -                 | -        |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                  | -                | -         | -         | -                 | -        |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                  | -                | 11.61     | -         | -                 | 11.61    |

### Ageing schedule of Trade Receivables as at 31st March, 2021

| Particulars                                                                        | To be completed in |                  |           |           |                   | Total    |
|------------------------------------------------------------------------------------|--------------------|------------------|-----------|-----------|-------------------|----------|
|                                                                                    | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |          |
| (i) Undisputed Trade receivables – considered good                                 | 2,918.63           | 99.67            | -         | -         | -                 | 3,018.30 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                  | -                | -         | -         | -                 | -        |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                  | -                | -         | -         | -                 | -        |
| (iv) Disputed Trade Receivables–considered good                                    | -                  | -                | -         | -         | -                 | -        |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                  | -                | -         | -         | -                 | -        |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                  | -                | -         | -         | -                 | -        |

## 12. Cash & cash equivalents

| Particulars                                                                | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------------------------|----------------------|----------------------|
| Balances with Banks:                                                       |                      |                      |
| - On Current Accounts                                                      | 1211.26              | 1852.89              |
| - On Earmarked Balances (Unpaid Dividend accounts - less than seven years) | 68.613               | 44.13                |
| Cash on hand                                                               | 0.82                 | 0.72                 |
|                                                                            | 1,280.69             | 1,897.74             |

## 13. Bank balances other than above

| Particulars                                                                         | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------------------------------------------------------|----------------------|----------------------|
| Balances with Banks:                                                                |                      |                      |
| - Deposits with original maturity of more than three months but less than 12 months | 1283.52              | 2802.44              |
| Interest Accrued on Deposits                                                        | 94.11                | 119.42               |
|                                                                                     | 1,377.64             | 2,921.86             |

#### 14. Current Financial assets - Others

| Particulars                       | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------|----------------------|----------------------|
| Advance Recoverable               | 51.06                | 51.06                |
| Less: Impairment loss allowance   | 17.18                | 1.08                 |
|                                   | 33.88                | 49.98                |
| Cash flows in hedging instruments | 2.86                 | 27.29                |
| Interest Receivable               | 245.37               | 99.18                |
| <b>Total</b>                      | <b>282.11</b>        | <b>176.45</b>        |

#### 15. Current Tax Assets (Net)

| Particulars                     | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|----------------------|----------------------|
| Current tax assets              |                      |                      |
| Advance payment of Direct Taxes | 628.00               | 775.00               |
| Income tax deducted at source   | 30.60                | 26.84                |
|                                 | 658.60               | 801.84               |
| Less:                           |                      |                      |
| <b>Current tax liabilities</b>  |                      |                      |
| Provision for Income Tax        | 555.50               | 725.31               |
|                                 | 103.10               | 76.53                |

#### 16. Other current assets

| Particulars                             | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------|----------------------|----------------------|
| Advances made to suppliers              | 207.66               | 291.29               |
| Export and other incentives receivable* | 620.52               | 1040.36              |
| Income tax Refund Receivable            | 274.19               | 273.38               |
| Balances with revenue authorities       | 645.63               | 491.36               |
| Prepaid expenses                        | 425.59               | 223.31               |
| Other assets                            | 55.48                | 234.76               |
|                                         | 2,229.07             | 2,554.46             |

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

- Incentives in the form of duty credit scrips upon sale of exports under Merchandise Exports from India Scheme under Foreign Trade Policy of India
  - 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.

## 17. Equity share capital

| Particulars                                                                                                               | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Authorised<br>1,50,00,000 (March 31, 2021: 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<br>1,15,78,800 (March 31, 2021: 1,06,78,800) Equity share of Rs.10/- each<br>fully paid up | 1,157.88             | 1,067.88             |
| Total                                                                                                                     | 1,157.88             | 1,067.88             |

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

| Particulars                               | As at March 31, 2022  |                 | As at March 31, 2021  |                 |
|-------------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                                           | No.                   | Rs.             | No.                   | Rs.             |
| Outstanding at the beginning of the year  | 1,06,78,800.00        | 1,067.88        | 1,01,68,800.00        | 1,016.88        |
| Add : shares issued during the year       | 9,00,000.00           | 90.00           | 5,10,000.00           | 51.00           |
| <b>Outstanding at the end of the year</b> | <b>1,15,78,800.00</b> | <b>1,157.88</b> | <b>1,06,78,800.00</b> | <b>1,067.88</b> |

### 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 eligible to receive share in the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

### 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, 2022 |           | As at March 31, 2021 |           |
|-----------------------------------------------|----------------------|-----------|----------------------|-----------|
|                                               | % Holding            | No.       | % Holding            | No.       |
| <b>Equity Shares of Rs. 10/- each Held By</b> |                      |           |                      |           |
| Haribabu Kambampati                           | 6.75                 | 7,81,600  | 7.32                 | 7,81,600  |
| T.V.R.Estates & Resorts Pvt Ltd               | 5.87                 | 6,79,288  | 6.36                 | 6,79,288  |
| Satyasree Achanta                             | -                    | -         | 8.93                 | 9,54,146  |
| Aditya Achanta                                | 5.85                 | 6,77,507  | 9.43                 | 10,07,240 |
| T Valsaraj                                    | 11.22                | 12,99,152 | 9.59                 | 10,24,152 |

### c. Shareholding of Promoters: As at 31st March, 2022

| Promoter name              | No. of Shares held | % of total shares | % Change during the year |
|----------------------------|--------------------|-------------------|--------------------------|
| KAMBHAMPATI HARI BABU(HUF) | 7,81,865           | 6.75%             |                          |
| JEEJA VALSARAJ             | 3,74,200           | 3.23%             |                          |
| KAMBHAMPATI HARIBABU       | 2,56,085           | 2.21%             |                          |
| THOTTOLI VALSARAJ          | 12,99,152          | 11.22%            |                          |
| VISWANATH THOTTOLI         | 48,000             | 0.41%             |                          |
| JAYASREE K                 | 1,34,400           | 1.16%             |                          |
| VALSARAJ VIJETA            | 4,30,400           | 3.72%             |                          |
| VINEESHA VALSARAJ          | 4,30,400           | 3.72%             |                          |
| CHETANA CHUKKAPALLI        | 1,11,200           | 0.96%             |                          |
| KAMBHAMPATI VENKATESH      | 1,91,200           | 1.65%             |                          |
| CHANDANA KAMBHAMPATI       | 21,200             | 0.18%             |                          |
| TVR ESTATES & RESORTS      | 6,79,288           | 5.87%             |                          |
| Total                      | 47,57,390          | 41.09%            |                          |

### c. Shareholding of Promoters: As at 31st March, 2022

| Promoter name              | No. of Shares held | % of total shares | % Change during the year |
|----------------------------|--------------------|-------------------|--------------------------|
| KAMBHAMPATI HARI BABU(HUF) | 7,81,865           | 7.32%             |                          |
| JEEJA VALSARAJ             | 1,99,200           | 1.87%             |                          |
| KAMBHAMPATI HARIBABU       | 6,085              | 0.06%             |                          |
| THOTTOLI VALSARAJ          | 10,24,152          | 9.59%             |                          |
| VISWANATH THOTTOLI         | 48,000             | 0.45%             |                          |
| JAYASREE K                 | 34,400             | 0.32%             |                          |
| VALSARAJ VIJETA            | 4,30,400           | 4.03%             |                          |
| VINEESHA VALSARAJ          | 4,30,400           | 4.03%             |                          |
| CHETANA CHUKKAPALLI        | 11,200             | 0.10%             |                          |
| KAMBHAMPATI VENKATESH      | 1,91,200           | 1.79%             |                          |
| CHANDANA KAMBHAMPATI       | 21,200             | 0.20%             |                          |
| TVR ESTATES & RESORTS      | 6,79,288           | 6.36%             |                          |
| Total                      | 38,57,390          | 36.12%            |                          |

## 18. Other Equity

| Particulars                                                  | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------------------------------|----------------------|----------------------|
| a) Securities Premium                                        | 2,542.65             | 949.65               |
| b) General Reserve                                           | 108.61               | 108.61               |
| c) Capital Reserve                                           | 650.00               | 0                    |
| d) Retained Earnings                                         | 17,430.74            | 16251.85             |
| e) Money received against share warrants                     | 0.00                 | 420.75               |
| f) Other Comprehensive Income                                |                      |                      |
| Foreign Exchange Translation Reserve                         | 288.70               | 216.38               |
| Re-measurement of Defined benefit plans                      | (101.60)             | (82.29)              |
| Re-measurement gain on Equity instruments measured at FVTOCI | 28.00                | 77.30                |
| Cash flows hedging reserve                                   | 2.86                 | 27.29                |
| Total                                                        | 20,949.96            | 17,969.54            |

## 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 transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956.
- c) Capital Reserve: It represents the grant-in-aid received under the Scheme "Integrated Cold Chain and Value addition Infrastructure" from MOFPI of Government of India.
- d) Retained earnings : Retained earnings generally represents the undistributed profit amount of accumulated earnings of the company

### e) Money received against share warrants

- a. The company at its extraordinary general meeting held on 11th February, 2021 issued 14,10,000 number of share warrants convertible into 14,10,00 equity shares of the Company of the face value of Rs.10/- each.
- b. All the warrants holders have exercised their option for conversion of the warrants into fully paid-up equity shares of Rs.10 each by 11th February 2022. Further the company has issued 14,10,000 number of equity shares of Rs. 10 each fully paid up on 11th February 2022, which shall rank pari passu in all respects with the existing equity shares of the company.

### f) 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.

## 19. Non Current Financial Liabilities - Borrowings

| Particulars                                                                                                                                                                                  | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Secured Loans                                                                                                                                                                                |                      |                      |
| Term Loans from a bank on hypothecation of Plant and machinery and equipment, present & future and specific Motor Vehicles owned by the company.<br>( Terms of repayment: Refer note no. 39) | 2509.03              | 1544.10              |
| <b>Total</b>                                                                                                                                                                                 | <b>2,509.03</b>      | <b>1,544.10</b>      |

## 20. Non Current Financial Liabilities - Others

| Particulars         | As at March 31, 2022 | As at March 31, 2021 |
|---------------------|----------------------|----------------------|
| Deposits Refundable | 115.38               | 115.59               |
| <b>Total</b>        | <b>115.38</b>        | <b>115.59</b>        |



## 21. Non Current Provisions

| Particulars                                             | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------------------|----------------------|----------------------|
| Provision for employee benefits:<br>- Gratuity (Funded) | 115.35               | 91.72                |
| <b>Total</b>                                            | <b>115.35</b>        | <b>91.72</b>         |

## 22. Deferred Tax Liability (Net)

| Particulars                                                                                                           | As at March 31, 2021 | As at March 31, 2020 |
|-----------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Major components of Deferred Tax Liabilities and Assets arising on account of timing difference are:                  |                      |                      |
| <b>Liability:</b>                                                                                                     |                      |                      |
| - Difference between tax and book depreciation                                                                        | 228.86               | 205.10               |
| <b>Asset:</b>                                                                                                         |                      |                      |
| - Expenditure charged to Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis | 36.06                | 27.08                |
| - Difference between Lease rentals charged to Profit & Loss account and claimed for tax purposes                      | 0.06                 | 7.06                 |
| <b>Deferred Tax Liability (net)</b>                                                                                   | <b>192.74</b>        | <b>170.96</b>        |

## 23. Current Financial Liabilities - Borrowings

| Particulars                                                                                                                                                                                                              | As at March 31, 2021 | As at March 31, 2020 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Secured</b>                                                                                                                                                                                                           |                      |                      |
| Loans repayable on demand:<br>from Banks                                                                                                                                                                                 | 14,126.39            | 12,195.89            |
| (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 Madhurawada & Yellamanchi Plants of the Company). |                      |                      |
| Current maturities of long term debts                                                                                                                                                                                    | 516.20               | 16.20                |
| <b>Total</b>                                                                                                                                                                                                             | <b>14,642.59</b>     | <b>12,212.09</b>     |

### Note 23a

(a) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.

(b) The quarterly returns /statements of current assets filed by the Company with banks are in agreement with the books of accounts except for the quarters ended 31st March, 2022 & 31st March, 2021. Summary of reconciliations are detailed as under:

| Name of Bank  | Particulars of Securities provided | Quarter | Amount as per Books of account | Amount as reported in quarterly statements | Amount of difference            |
|---------------|------------------------------------|---------|--------------------------------|--------------------------------------------|---------------------------------|
| Bank of India | Debtors                            | Mar-21  | 7,686.50                       | 7,706.09                                   | due to exchange rate difference |

## 24. Current Financial Liabilities - Trade Payables

| Particulars                                                                      | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------------------------------|----------------------|----------------------|
| Outstanding dues to creditors other than micro enterprises and small enterprises | 446.62               | 387.27               |
| Outstanding dues to micro enterprises and small enterprises                      | 171.79               | 157.26               |
| <b>Total</b>                                                                     | <b>618.41</b>        | <b>544.53</b>        |

### Dues to Small and Medium Enterprises:

|                                                                                                         |        |        |
|---------------------------------------------------------------------------------------------------------|--------|--------|
|                                                                                                         | 171.79 |        |
| (a) Principal amount and interest due thereon remaining unpaid                                          | -      | 157.26 |
| (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                          | -      | -      |

### 24a. Ageing Schedules of Trade payables as at 31st March, 2022

| Particulars                 | Outstanding for following periods from due date of payment |           |           |                   | Total  |
|-----------------------------|------------------------------------------------------------|-----------|-----------|-------------------|--------|
|                             | Less than 1 year                                           | 1-2 years | 2-3 years | More than 3 years |        |
| (i) MSME                    | 171.79                                                     | -         | -         | -                 | 171.79 |
| (ii) Others                 | 446.62                                                     | -         | -         | -                 | 446.62 |
| (iii) Disputed dues – MSME  | -                                                          | -         | -         | -                 | -      |
| (iv) Disputed dues - Others | -                                                          | -         | -         | -                 | -      |

### 24a. Ageing Schedules of Trade payables as at 31st March, 2021

| Particulars                 | Outstanding for following periods from due date of payment |           |           |                   | Total  |
|-----------------------------|------------------------------------------------------------|-----------|-----------|-------------------|--------|
|                             | Less than 1 year                                           | 1-2 years | 2-3 years | More than 3 years |        |
| (i) MSME                    | 157.26                                                     |           |           |                   | 157.26 |
| (ii) Others                 | 384.97                                                     | 2.30      |           |                   | 387.27 |
| (iii) Disputed dues – MSME  |                                                            |           |           |                   |        |
| (iv) Disputed dues - Others |                                                            |           |           |                   |        |

### 24b. There are no unbilled dues as at 31st March 2022 (Previous year: Rs. Nil)

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, 2022 | As at March 31, 2021 |
|----------------------------------------|----------------------|----------------------|
| Outstanding dues towards Capital works | 256.35               | 8.35                 |
| Unclaimed dividends                    | 68.49                | 44.09                |
| Other liabilities                      | 233.67               | 158.56               |
| <b>Total</b>                           | <b>558.51</b>        | <b>211.00</b>        |

## 26. Current Provisions

| Particulars                                             | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------------------|----------------------|----------------------|
| Provision for employee benefits:<br>- Gratuity (Funded) | 27.91                | 15.87                |
| <b>Total</b>                                            | <b>27.91</b>         | <b>15.87</b>         |

## 27. Other Current Liabilities

| Particulars                     | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|----------------------|----------------------|
| Advances received against sales | 13.37                | 69.02                |
| Statutory dues payable          | 102.65               | 86.21                |
| Other liabilities               | 296.80               | 191.09               |
| <b>Total</b>                    | <b>412.82</b>        | <b>346.32</b>        |

## 28. Revenue from Operations

| Particulars                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------|--------------------------------------|--------------------------------------|
| <b>Sale of Products</b>        |                                      |                                      |
| Income from Sale of Shrimp     | 44,127.72                            | 38,150.52                            |
| <b>Other Operating Revenue</b> |                                      |                                      |
| Export Incentives              | 1,932.82                             | 2,068.93                             |
| <b>Revenue from Operations</b> | <b>46,060.54</b>                     | <b>40,219.45</b>                     |

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

| Particulars           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------|--------------------------------------|--------------------------------------|
| Fixed price contracts | 44,127.72                            | 38,150.52                            |
| <b>Total</b>          | <b>44,127.72</b>                     | <b>38,150.52</b>                     |

**(B) Revenue disaggregation by geography is as follows:**

| Particulars  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------|--------------------------------------|--------------------------------------|
| a. Domestic  | -                                    | -                                    |
| b. Exports   | 44,127.72                            | 38,150.52                            |
| <b>Total</b> | <b>44,127.72</b>                     | <b>38,150.52</b>                     |

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

| Particulars                                                       | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Gross Revenue                                                     | 44,163.70                            | 38,150.52                            |
| Less: Sales Returns                                               | 0.00                                 | 0.00                                 |
| <b>Less:</b> Amounts adjusted for Discounts, rebates, refunds etc | 35.98                                | 0.00                                 |
| <b>Revenue recognised in the statement of profit and loss</b>     | <b>44,127.72</b>                     | <b>38,150.52</b>                     |

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

| Particulars                                 | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------------|--------------------------------------|--------------------------------------|
| Balance at the beginning of the year        | -                                    | -                                    |
| Add: Amounts received during the year       | -                                    | -                                    |
| Less: Revenue recognised during the year    | -                                    | -                                    |
| <b>Balance at the end of the year (Net)</b> | <b>-</b>                             | <b>-</b>                             |

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

| Particulars                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Revenue from 1st top customer | 8617.14                              | 6,891.93                             |
| Revenue from 2nd top customer | 5419.92                              | 4,652.51                             |
| Revenue from 3rd top customer | 3001.35                              | 4,540.96                             |

(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 short-term duration.

## 29. Other Income

| Particulars                                           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| Sale of agriculture produce                           | 3.50                                 | -                                    |
| Lease rental income                                   | 33.97                                | 32.80                                |
| Interest Income from:                                 |                                      |                                      |
| - Financial assets at amortised cost                  | 159.96                               | 263.93                               |
| - Others                                              |                                      |                                      |
| Net Gain on Foreign Exchange Fluctuations             | 871.32                               | 410.00                               |
| Refund of Anti Dumping Duty                           | -                                    | -                                    |
| Unclaimed credit balances written back                | 4.40                                 | 0.26                                 |
| Net gain on disposal of property, plant and equipment | 0.74                                 | -                                    |
| Net gain on disposal of Investments                   | 21.30                                | -                                    |
| Grants Received under PMRPY Scheme                    | 12.25                                | 12.56                                |
| Grants Received From MPDA for exporters               | 50.51                                | 70.26                                |
| Freezing & Processing Charges                         | 34.35                                | 8.75                                 |
| Insurance Claims                                      | -                                    | 34.30                                |
| <b>Total</b>                                          | <b>1,192.31</b>                      | <b>832.86</b>                        |

## 30. Cost of Materials Consumed

| Particulars                                        | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| Raw Materials Consumed                             |                                      |                                      |
| Opening stock at the beginning of the year         | 0.00                                 | 0.00                                 |
| Add : Purchases                                    | 31,571.17                            | 28,366.99                            |
| Less : Sale of materials                           | 0.00                                 | 0.00                                 |
|                                                    | 31,571.17                            | 28,366.99                            |
| Less : Closing stock at the end of the year/period | 0.00                                 | 0.00                                 |
|                                                    | 31,571.17                            | 28,366.99                            |



### (A) Details of Raw Materials consumed

| Particulars | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------|--------------------------------------|--------------------------------------|
| Raw Shrimps | 31,571.17                            | 28,366.99                            |

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

| Particulars                                                 | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Opening stock of inventories<br>Finished goods of Shrimp    | 8,547.31                             | 7,486.46                             |
| Closing stock of inventories<br>Finished goods of Shrimp    | 9,328.72                             | 8,547.31                             |
| <b>Decrease/(Increase) in inventories of finished goods</b> | <b>-781.41</b>                       | <b>-1,060.85</b>                     |

### 32. Operating expenses

| Particulars                                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
| Consumption of stores, spares and consumables | 1,824.42                             | 1,624.78                             |
| Processing charges                            | 2,132.79                             | 1,898.39                             |
| Power and Fuel                                | 570.64                               | 569.39                               |
| Repairs and maintenance:                      |                                      |                                      |
| - Plant and Machinery                         | 360.83                               | 385.98                               |
| - Vehicles                                    | 451.93                               | 343.75                               |
| Other operating charges                       | 573.83                               | 605.91                               |
| <b>Total</b>                                  | <b>5,914.45</b>                      | <b>5,428.20</b>                      |

### 33. Employee Benefits Expenses

| Particulars                                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and allowances                        | 1,025.87                             | 911.28                               |
| Contribution to provident fund and other funds | 152.99                               | 127.43                               |
| Gratuity expense                               | 72.79                                | 32.49                                |
| Managerial remuneration                        | 183.66                               | 165.12                               |
| Staff welfare expenses                         | 35.33                                | 29.60                                |
| <b>Total</b>                                   | <b>1,470.65</b>                      | <b>1,265.91</b>                      |

## 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                                             | 2021-22 | 2020-21 |
|---------------------------------------------------------|---------|---------|
| Employer's Contributions to Provident and Pension Funds | 118.6   | 97.9    |

### Defined Benefit Plans:

A. The company provides for gratuity to the employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity is payable on retirement/resignation. The gratuity 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)<br>This year | Gratuity (Funded)<br>This year |
|-----------------------------------------------------|--------------------------------|--------------------------------|
| Defined Benefit obligation at beginning of the year | 371.06                         | 260.06                         |
| Interest Cost                                       | 25.53                          | 17.51                          |
| Current Service Cost                                | 67.53                          | 51.86                          |
| Benefits paid                                       | (3.20)                         | (5.94)                         |
| Actuarial loss / (gain) on obligation               | 24.33                          | 47.58                          |
| Defined Benefit obligation at year end              | 485.25                         | 371.06                         |

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

| Particulars                                                   | Gratuity (Funded)<br>This year | Gratuity (Funded)<br>This year |
|---------------------------------------------------------------|--------------------------------|--------------------------------|
| Fair value of plan assets at beginning of the year            | 263.46                         | 160.29                         |
| Interest Income                                               | 20.27                          | 10.71                          |
| Contributions                                                 | 62.93                          | 105.29                         |
| Benefits paid                                                 | (3.20)                         | (5.94)                         |
| Remeasurements - Return on Assets (Excluding Interest Income) | (1.47)                         | (6.88)                         |
| Fair value of plan assets as at the end of the year           | 341.99                         | 263.46                         |

### III. Reconciliation of fair value of assets and obligations as at 31.3.2022

| Particulars                                     | Gratuity (Funded)<br>31 March, 2022 | Gratuity (Funded)<br>31 March, 2021 |
|-------------------------------------------------|-------------------------------------|-------------------------------------|
| Fair value of plan assets                       | 341.99                              | 263.46                              |
| Present value of obligation                     | 485.25                              | 371.06                              |
| Amount recognized as liability in Balance sheet | (143.26)                            | (107.59)                            |

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)<br>This year | Gratuity (Funded)<br>This year |
|-------------------------------------------------------|--------------------------------|--------------------------------|
| Current Service Cost                                  | 67.53                          | 25.70                          |
| Interest Cost                                         | 25.53                          | 17.51                          |
| Expected return on plan assets                        | (20.27)                        | (10.71)                        |
| Actuarial (gain)/ loss                                |                                |                                |
| Expenses recognized in the statement of Profit & Loss | 72.79                          | 32.49                          |

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

| Particulars                                                        | Gratuity (Funded)<br>This year | Gratuity (Funded)<br>This year |
|--------------------------------------------------------------------|--------------------------------|--------------------------------|
| Remeasurements of the net defined benefit liability/ (asset)       | 24.34                          | 47.58                          |
| (Return)/loss on plan assets excluding interest income             | 1.47                           | 6.88                           |
| Expenses recognized in the statement of Other Comprehensive Income | 25.81                          | 54.47                          |

| Particulars                                        | Gratuity (Funded)<br>This year | Gratuity (Funded)<br>This year |
|----------------------------------------------------|--------------------------------|--------------------------------|
| (Gain)/loss from change in demographic assumptions | -                              | -                              |
| (Gain)/loss from change in financial assumptions   | (28.31)                        | (5.01)                         |
| (Gain)/loss from change in experience adjustments  | 52.64                          | 52.59                          |

### VI. Significant estimates: actuarial assumptions

| Particulars            | March 31, 2022 | March 31, 2021 |
|------------------------|----------------|----------------|
| Discount rate          | 7.34%          | 6.91%          |
| 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  | Gratuity  |
|----------------------------|-----------|-----------|
|                            | This year | This year |
| Expected outflow in year1  | 27.91     | 15.87     |
| Expected outflow in year2  | 26.73     | 15.71     |
| Expected outflow in year3  | 14.96     | 21.93     |
| Expected outflow in year4  | 27.05     | 11.33     |
| Expected outflow in year5  | 21.98     | 21.35     |
| Expected outflow in year6  | 31.20     | 16.28     |
| Expected outflow in year7  | 21.45     | 25.73     |
| Expected outflow in year8  | 36.72     | 16.20     |
| Expected outflow in year9  | 39.33     | 28.62     |
| Expected outflow in year10 | 33.75     | 30.60     |

## VIII. Significant estimates : Sensitivity analysis

Discount rate, Salary Escalation Rate and Attrition/Withdrawal 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<br>(+increase/ - decrease) | Effect on gratuity valuation<br>This year | Effect on gratuity valuation<br>Previous year |
|----------------------------------------------------------|-------------------------------------------------|-------------------------------------------|-----------------------------------------------|
| Impact on present value of defined benefit obligation if |                                                 |                                           |                                               |
| - discount rate increase by                              | +1%                                             | 428.11                                    | 326.13                                        |
| - discount rate decrease by                              | -1%                                             | 555.17                                    | 426.14                                        |
| - salary increase by                                     | +1%                                             | 546.28                                    | 418.92                                        |
| - salary decrease by                                     | -1%                                             | 431.26                                    | 328.96                                        |
| - withdrawal/attrition increase by                       | +1%                                             | 473.79                                    | 360.56                                        |
| - withdrawal/attrition decrease by                       | -1%                                             | 498.75                                    | 383.46                                        |

## IX. Other Disclosures

| Particulars                                        | Gratuity  | Gratuity  |
|----------------------------------------------------|-----------|-----------|
|                                                    | This year | This year |
| a) Best Estimate Contribution during the next year | 143.26    | 107.59    |
| b) Discontinuance liability                        | 362.43    | 252.98    |

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<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Interest Expense                      | 496.06                               | 293.64                               |
| Interest expense on lease liabilities | 2.50                                 | 28.83                                |
| Bank charges                          | 92.80                                | 83.07                                |
| <b>Total</b>                          | <b>591.36</b>                        | <b>405.54</b>                        |

### 35. Depreciation and Amortisation

| Particulars                                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation on plant, property and equipment | 404.16                               | 327.11                               |
| Depreciation on investment property           | 10.65                                | 9.56                                 |
| Amortisation on right-of-use assets           | 9.68                                 | 8.06                                 |
| <b>Total</b>                                  | <b>424.49</b>                        | <b>344.73</b>                        |

### 36. Other Expenses

| Particulars                                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Rates & Taxes                                  | 668.47                               | 506.86                               |
| Insurance                                      | 230.32                               | 183.41                               |
| Directors' Sitting Fees                        | 4.85                                 | 4.75                                 |
| Auditors' Remuneration                         |                                      |                                      |
| for Audit Fees                                 | 3.50                                 | 3.50                                 |
| for Taxation Matters                           | 0.50                                 | 0.50                                 |
| Travelling & Conveyance expenses               | 49.58                                | 33.40                                |
| Donations                                      | 0.00                                 | 1.15                                 |
| Legal and Professional fees                    | 168.98                               | 172.85                               |
| Commission on Sales                            | 185.13                               | 95.27                                |
| Selling and distribution expenses              | 4,400.83                             | 2,320.34                             |
| Corporate Social Responsibility (CSR) Expenses | 218.07                               | 138.54                               |
| Loss on sale of Assets                         | 0.00                                 | 0.81                                 |
| Miscellaneous Expenses                         | 40.01                                | 43.34                                |
| <b>Total</b>                                   | <b>5,970.24</b>                      | <b>3,504.72</b>                      |



### 37. Income Tax Expense

| Particulars                                                  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Current tax</b>                                           |                                      |                                      |
| - Based on provisions u/s 115BAA of the Income Tax Act, 1961 | 555.50                               | 725.31                               |
| <b>Deferred tax</b>                                          |                                      |                                      |
| Decrease /(increase) in Deferred Tax Assets                  | (1.98)                               | (3.79)                               |
| Increase /(decrease) in Deferred Tax Liability               | 23.76                                | 28.33                                |
| <b>Total Income Tax Expense</b>                              | <b>577.28</b>                        | <b>749.85</b>                        |

#### (A) Deferred Tax Expense/ (Income)

| Expense/ (Income) recognised for the year ended                           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Deferred tax (liability)/ Asset recognised in statement of profit or loss | 28.28                                | 38.25                                |
| Deferred tax (liability)/ Asset recognised in Other Comprehensive Income  | (6.50)                               | (13.71)                              |
| Deferred tax recognised in Total Comprehensive Income                     | 21.78                                | 24.54                                |

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

| Particulars                                                                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit from continuing operation before income tax expense                    | 2,071.70                             | 2,797.07                             |
| Profit from discontinuing operation before income tax expense                 |                                      |                                      |
| <b>Total</b>                                                                  | <b>2,071.70</b>                      | <b>2,797.07</b>                      |
| <b>Tax @ 25.168%</b>                                                          | <b>521.41</b>                        | <b>703.97</b>                        |
| <b>Tax effect of amount which are not deductible (taxable) in calculating</b> |                                      |                                      |
| Goodwill impairment                                                           | -                                    | -                                    |
| Amortization of other intangibles                                             | -                                    | -                                    |
| Weighted deduction on research and development expenditure                    | -                                    | -                                    |
| Corporate social responsibility expenditure                                   | 54.88                                | 34.87                                |
| Employee share based payment expense                                          | -                                    | -                                    |
| Contingent consideration                                                      | -                                    | -                                    |
| Other Items                                                                   | 0.99                                 | 11.02                                |
| Differences in Domestic tax rates                                             | -                                    | -                                    |
| 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       | -                                    | -                                    |
| <b>Income Tax expense</b>                                                     | <b>577.28</b>                        | <b>749.85</b>                        |

### (C) Components of Tax expense

| Particulars                                                                                                                                                               | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| a) Current tax expense                                                                                                                                                    | 555.50                               | 925.31                               |
| b) Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences                                                              | 21.78                                | 24.54                                |
| c) Amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes                                                                | -                                    | -                                    |
| 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        | -                                    | -                                    |

The company has opted to pay corporate income tax rate at 22% plus applicable surcharge and cess as permitted under section 115BAA of the Income tax Act .

### 38. Particulars of Earnings Per Share

| Particulars                                                                             | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit attributable to equity holders:                                                  |                                      |                                      |
| Continuing operations                                                                   | 1,499.25                             | 2,024.18                             |
| Discontinued operation                                                                  | 0.00                                 | 0.00                                 |
| Profit attributable to equity holders of the parent for basic earnings                  | 1,499.25                             | 2,024.18                             |
| Interest on convertible preference shares                                               |                                      | 0.00                                 |
| Profit attributable to equity holders of the parent adjusted for the effect of dilution | 1,499.25                             | 2,024.18                             |

| Particulars                                                                         | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Weighted average number of Equity shares for basic EPS*</b>                      | <b>1,07,97,156</b>                   | <b>1,01,70,197</b>                   |
| Effect of dilution:                                                                 |                                      |                                      |
| Equity shares allocated for Share warrents                                          | 7,81,643.84                          | 1,20,821.92                          |
| Convertible preference shares                                                       |                                      | 0.00                                 |
| <b>Weighted average number of Equity shares adjusted for the effect of dilution</b> | <b>1,15,78,800</b>                   | <b>1,02,91,019</b>                   |

\* 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

As stated in Note ( c ) of "Statement of Changes in Equity" , all the warrant holders have excersice their option on the warrents for their conversion in to equity shares on 11th February 2022.

| Earnings per equity share (for continuing operations) | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| a) Basic                                              | 13.89                                | 19.90                                |
| b) Diluted                                            | 12.95                                | 19.67                                |

### 39. The details of Indian rupee term loans from banks are as under:

| Name of the Bank                                               | Outstanding as on March 31, 2022 | Outstanding as on March 31, 2021 | No. of Instalments                      | Commencement of instalments | Security                                                             |
|----------------------------------------------------------------|----------------------------------|----------------------------------|-----------------------------------------|-----------------------------|----------------------------------------------------------------------|
| a) Secured loan from Bank of India - car- Audi                 | 5.45                             | 16.00                            | 36 equal monthly instalments of Rs.0.95 | October -2019               | Hypothecation of the Car                                             |
| b) Secured loan from Bank of India - car- Creta                | 1.41                             | 5.83                             | 36 monthly instalments of Rs.0.39       | August- 2019                | Hypothecation of the Car                                             |
| c) Secured Loan From HDFC Bank- Term loan for KSEZ Plant       | 2012.23                          | 1538.47                          | 20 quarterly instalments of Rs.100.00   | September -2022             | Exclusive Charge on Plant&Macchinery, Personal gurantee of directors |
| d)Secured Loan From HDFC Bank- Term Loan for Solar Power Plant | 1006.16                          | 0.00                             | 60 Monthly installments of Rs16.66      | September- 2022             | Exclusive Charge on Plant & Macchinery and Immovable Property        |
| <b>Total</b>                                                   | <b>3,025.25</b>                  | <b>1,560.30</b>                  |                                         |                             |                                                                      |



#### 40. Details of CSR expenditure

| Particulars                                                                                        | For the year ended March 31, 2022   | For the year ended March 31, 2021    |
|----------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|
| (a) Amount required to be spent by the Company during the year:                                    | 93.17                               | 100.48                               |
| (b) Amount of expenditure incurred during the year on:                                             |                                     |                                      |
| - Construction/acquisition of any asset                                                            | 3.00                                | 27.53                                |
| - On purposes other than above                                                                     | 215.07                              | 136.94                               |
| (c) Shortfall at the end of the year                                                               | 3.44                                | 128.34                               |
| (d) Total of Previous years shortfall                                                              | 128.34                              | 192.33                               |
| (e) Reason for shortfall                                                                           | To be spent on an on-going project. | To be spent on an on-going projects. |
| (f) Details of related party transactions                                                          | Nil                                 | Nil                                  |
| (g) No provision is created as there is no liability to be incurred due to contractual obligation. |                                     |                                      |

#### Description of the CSR Expenses spent under various Heads

| Particulars                                                                                                                                                                   | For the year ended March 31, 2022 |        | For the year ended March 31, 2021 |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------|-----------------------------------|--------|
|                                                                                                                                                                               | Details                           | Rs.    | Details                           | Rs.    |
| Purchase of new Ambulance and Ambulance Repairs & Maintenance                                                                                                                 |                                   | 1.38   |                                   | 4.93   |
| Expenditure on health care equipments – Purchase of humidifier & oxygen machine.                                                                                              |                                   | 6.01   |                                   | 2.60   |
| Supply of Food grains to needy                                                                                                                                                |                                   | -      |                                   | 13.94  |
| Amount paid Alluri Sitaramaraju Vignana Kendram towards Construction of Library                                                                                               |                                   | -      |                                   | 20.00  |
| Amount paid to Arunodaya Trust towards – Women Empowerment – through skills training towards economic support and self-reliance.                                              |                                   | 95.00  |                                   | 50.00  |
| Contribution towards Suraksha Old age and Health Society – Health, Poverty & Eradication of Hunger – oldage homes/orphan homes/ free covid/ medical camps/ food distribution. |                                   | 82.70  |                                   | 20.00  |
| Amount paid to Global Helping Hands INC – Medical & health on present issues pandemic COVID – 19.                                                                             |                                   | -      |                                   | 20.00  |
| Payments to M/s Association Saikorian – Campus Challenge on account of CSR expenses                                                                                           |                                   | 5.40   |                                   | 5.40   |
| Payments to Touch Stone Charities for Eradicating hunger & poverty livelihood- for providing breakfast to govt. schools situated around factory premises.                     |                                   | 14.01  |                                   | 3.00   |
| Payments for bottle crusher – sanitization                                                                                                                                    |                                   | -      |                                   | 4.48   |
| Supply of blankets                                                                                                                                                            |                                   | -      |                                   | 0.12   |
| PM Relief Fund                                                                                                                                                                |                                   | -      |                                   | 20.00  |
| Expenditure on health care equipments -Apollo Hospital Enterprises (T BalaKrishna ) Medical Treatment Purpose                                                                 |                                   | 5.00   |                                   | -      |
| Contribution towards Sri Gurudeva Charitable Trust- Artificial Limbs                                                                                                          |                                   | 5.00   |                                   | -      |
| Contribution towards Visa Foundation – for construction of public toilets                                                                                                     |                                   | 3.00   |                                   | -      |
| Beach Cleaning                                                                                                                                                                |                                   | 0.57   |                                   | -      |
| Total                                                                                                                                                                         |                                   | 218.07 |                                   | 164.47 |

The amount unspent as at March 31, 2022 is Rs. 3.44 lakhs , March 31, 2021 is Rs.128.34 lakhs

## 41. Financial Ratios

| Particulars                              | Numerator                                                                    | Denominator                                                                | Current Period | Previous Period | % of variance* | Remarks for change in the ratio by more than 25%                                                       |
|------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------|-----------------|----------------|--------------------------------------------------------------------------------------------------------|
| <b>Liquidity Ratio</b>                   |                                                                              |                                                                            |                |                 |                |                                                                                                        |
| Current Ratio (times)                    | Total Current assets                                                         | Total Current liabilities                                                  | 1.17           | 1.47            | (20.40)        | Due to Increase in working capital limits                                                              |
| <b>Solvency Ratio</b>                    |                                                                              |                                                                            |                |                 |                |                                                                                                        |
| Debt-Equity Ratio (times)                | Total debt, debt consists of borrowings and lease liabilities                | Total equity                                                               | 0.78           | 0.73            | 6.97           | -                                                                                                      |
| Debt Service Coverage Ratio (times)      | Earnings before interest, tax, depreciation & non cash expenditure, income   | Debt service = Interest and lease payments + Principal repayments          | 5.97           | 5.64            | 5.82           | -                                                                                                      |
| <b>Profitability ratio</b>               |                                                                              |                                                                            |                |                 |                |                                                                                                        |
| Net Profit Ratio (%)                     | Total comprehensive income                                                   | Revenue from operations                                                    | 2.98           | 5.09            | (41.49)        | Due to abnormal increase in occen fright, by 375% when compared to previous year.                      |
| Return on Equity Ratio (%)               | Total comprehensive income                                                   | Average total equity                                                       | 6.36           | 10.97           | (42.01)        | Due to abnormal increase in occen fright, by 375% when compared to previous year.                      |
| Return on Capital employed (%)           | Earnings before interest and tax                                             | Capital Employed                                                           | 10.26          | 14.85           | (30.88)        | Due to abnormal increase in occen fright, by 375% when compared to previous year.                      |
| Return on Investment (%)                 | Income generated from invested funds & change in market value of investments | Average Invested funds                                                     | 0.12           | 0.09            | 28.54          | Due to decrease in term deposit interest rates                                                         |
| <b>Utilization Ratio</b>                 |                                                                              |                                                                            |                |                 |                |                                                                                                        |
| Trade Receivables turnover ratio (times) | Revenue from operations                                                      | Average trade receivables                                                  | 12.94          | 11.72           | 10.40          | -                                                                                                      |
| Inventory turnover ratio (times)         | Revenue from operations                                                      | Average Inventory                                                          | 5.15           | 5.02            | 2.72           | -                                                                                                      |
| Trade payables turnover ratio (times)    | Net credit purchases                                                         | Average Trade Payables                                                     | 54.30          | 39.53           | 37.35          | due to increase in raw materials procurement & cost of the materials.                                  |
| Net capital turnover ratio (times)       | Revenue from operations                                                      | working capital (i.e. Total current assets less Total current liabilities) | 16.87          | 6.45            | 161.31         | Due to higher utilisation of working capital limits and reduced rate of interest sub-vention from GOI. |



## 42. Contingent liabilities/claims not provided for

| Particulars                                                                                                          | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>a. Unexpired Bank Guarantee issued in favour of:</b>                                                              |                      |                      |
| Against letters of credit (SBLC)                                                                                     | 600.00               | 600.00               |
| b. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances): | 328.00               | 3333.14              |
| c) Bank guarantees issued by the company to the MPEDA as a performance bank guarantee                                | 9.78                 | 9.79                 |

## 43. Assets pledged as security

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

| Particulars                         | Notes | March 31, 2022 | March 31, 2021 |
|-------------------------------------|-------|----------------|----------------|
| <b>Current assets</b>               |       |                |                |
| <b>Financial assets</b>             |       |                |                |
| Trade receivables                   | 11    | 4,104.50       | 3,015.70       |
| Bank balances other than above (ii) | 13    | 2,083.84       | 1,341.46       |
| <b>Non-financial assets</b>         |       |                |                |
| Inventories                         | 10    | 9,616.07       | 8,924.64       |
| Other Current assets                | 16    | 620.52         | 1,040.36       |

## 44. 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.

## 45. 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                                                                     |
| (f) Sri T. Viswanath                        | Relative of KMP                                                                     |
| (g) M/s.Continental Fisheries India Limited | Wholly Owned Subsidiary & Common Directors                                          |
| (h) M/s.Coastal Biotech Private Limited     | Wholly Owned Subsidiary & Common Directors                                          |
| (i) M/s.Seacrest Seafoods Inc               | Wholly Owned Subsidiary                                                             |
| (j) M/s. Coastal Developers Pvt Ltd         | Common Director                                                                     |
| (k) M/s.Ting Tai India Private Ltd          | Managing director holding substantial shares in the company.                        |
| (l) M/s.Balaji Sea Foods Ltd                | Whole time directors and their relatives holding substantial shares in the company. |
| (m) M/s.Coromandel Expopack Pvt Ltd         | Managing director holding substantial shares in the company.                        |
| (n) M/s.TVR Estates & Resorts Pvt Ltd       | Managing director holding substantial shares in the company.                        |

## 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 |
| (c) M/s.Coastal Biotech Private Limited     | 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, 2022 | For the year ended March 31, 2021 |
|---------|-----------------------------------------|----------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 1)      | Sri T. Valsaraj                         | KMP (MD)                                                             | Remuneration                                                       | 105.15                            | 107.07                            |
| 2)      | Sri G.V.V.Satyanarayana                 | KMP (WTD)                                                            | Remuneration                                                       | 57.51                             | 58.03                             |
| 3)      | Smt. Jeeja Valsaraj                     | Relative of KMP                                                      | Sitting fees                                                       | 1.30                              | 1.55                              |
|         |                                         |                                                                      | commission on profits under section 197 of the companies Act 2013. | 4.46                              | -                                 |
| 4)      | Sri M.V.Surya Narayana                  | Independent Director                                                 | Sitting fees                                                       | 1.00                              | 1.10                              |
|         |                                         |                                                                      | commission on profits under section 197 of the companies Act 2013. | 4.46                              |                                   |
| 5)      | Sri K Venkateswara Rao                  | Independent Director                                                 | Sitting fees                                                       | 0.90                              | 1.00                              |
|         |                                         |                                                                      | commission on profits under section 197 of the companies Act 2013. | 4.46                              |                                   |
| 6)      | Sri P R Kalyanaraman                    | Independent Director                                                 | Sitting fees                                                       | 1.00                              | 1.10                              |
|         |                                         |                                                                      | commission on profits under section 197 of the companies Act 2013. | 4.46                              |                                   |
| 7)      | Sri.E Shankara Rao                      | Independent Director                                                 | Sitting fees                                                       | 0.65                              | -                                 |
|         |                                         |                                                                      | commission on profits under section 197 of the companies Act 2013. | 4.46                              | -                                 |
| 8)      | M/s Continental Fisheries India Pvt Ltd | Wholly owned subsidiary incorporated in India                        | Investment in Equity                                               | 201.84                            | -                                 |
|         |                                         |                                                                      | Purchase of shrimps                                                | -                                 | 287.00                            |
|         |                                         |                                                                      | Balance in current account.                                        | 12.52                             | 3.37                              |
|         |                                         |                                                                      | Demand loan amount given                                           | 369.48                            | -                                 |
|         |                                         |                                                                      | Loan amount repaid                                                 | -                                 | 1,140.50                          |
| 9)      | M/s Seacrest Seafoods Inc.              | Wholly owned subsidiary incorporated in The United States of America | Investment in Equity                                               | -                                 | -                                 |
|         |                                         |                                                                      | Sale of Shrimp                                                     | 459.23                            | 1,018.91                          |
|         |                                         |                                                                      | Amount received against Sales                                      | 842.21                            | 575.07                            |
|         |                                         |                                                                      | Loan                                                               | -                                 | 146.10                            |
| 10)     | M/s.Coastal Biotech Private Limited     | Wholly owned subsidiary incorporated in India                        | Investment in Equity                                               | 500.00                            | -                                 |
|         |                                         |                                                                      | Demand loan amount given                                           | 336.34                            | -                                 |
| 11)     | Smt. Swaroopa Meruva                    | KMP (Company Secretary)                                              | Salary                                                             | 13.47                             | 11.59                             |
|         |                                         |                                                                      | Amount paid                                                        |                                   |                                   |
| 12)     | Smt. Vineesha Valsaraj                  | Relative of KMP                                                      | Salary                                                             | 0.23                              | 3.00                              |
|         |                                         |                                                                      | Amount paid                                                        |                                   |                                   |
| 13)     | Sri T. Vishwanath                       | Relative of KMP                                                      | contract labour charges paid                                       | 289.91                            | 251.40                            |

### (iii) Balance outstanding

| Sl. No. | Name of the Party                       | Relationship            | Nature of transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---------|-----------------------------------------|-------------------------|-----------------------|-----------------------------------|-----------------------------------|
| 1)      | Sri T. Valsaraj                         | KMP (MD)                | Remuneration          | 38.2 Cr                           | 10.05Cr                           |
| 2)      | Sri G.V.V.Satyanarayana                 | KMP (WTD)               | Remuneration          | 18.9 Cr                           | 0.07Cr                            |
| 3)      | M/s Continental Fisheries India Pvt Ltd | Wholly owned subsidiary | Investment in Equity  | 504.6 Dr                          | 302.76 Dr                         |
|         |                                         |                         | Loan O/s              | 808.23 Dr                         | 438.75 Dr                         |
| 4)      | M/s Seacrest Seafoods Inc.              | Wholly owned subsidiary | Investment in Equity  | 2259.30 Dr                        | 2191.50Dr                         |
|         |                                         |                         | Loan O/s              | 155.93 Dr                         | 146.10Dr                          |
| 5)      | M/s.Coastal Biotech Private Limited     | Wholly owned subsidiary | Investment in Equity  | 500 Dr                            |                                   |
|         |                                         |                         | Loan O/s              | 336.34 Dr                         |                                   |

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

### 46. 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'

### 47. CIF value of imports:

(` in lakhs)

| Particulars                | This Year | Previous Year |
|----------------------------|-----------|---------------|
| Capital goods              | 2,317.62  | 2,347.76      |
| Components and spare parts | 58.40     | 58.26         |

### 48. Details of imported and indigeneous raw materials and spares consumed

| Particulars     | This Year  |   | Previous Year |   |
|-----------------|------------|---|---------------|---|
|                 | ` in lakhs | % | ` in lakhs    | % |
| Raw Materials   |            |   |               |   |
| Imported        | -          |   |               |   |
| Indigenous      | 31,571.17  |   | 28,366.99     |   |
| Stores & Spares |            |   |               |   |
| Imported        |            |   |               |   |
| Indigenous      | 360.83     |   | 385.98        |   |

### 49. Foreign Currency disclosures

(` in lakhs)

| Particulars                                                                  | This Year | Previous Year |
|------------------------------------------------------------------------------|-----------|---------------|
| Expenditure in foreign currency on account of:                               |           |               |
| Bank charges, Subscriptions, Foreign Tour expenses and cost of services etc. | 1,317.97  | 1,110.62      |
| Earnings in foreign currency:                                                | 44,127.72 | 38,150.52     |

## 50. 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.

## 51. Balances Outstanding

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

## 52. Other additional Regulatory information

"a) The company has no transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956."

b) As per the search report generated from the MCA portal, satisfaction of charges in respect of 5 charges created since 1990, are appearing as "open", though the company has filed the forms towards satisfaction of charges with Registrar of Companies in respect of the same, within the statutory period prescribed under the Act.

c) The Company has complied with the number of layers as prescribed under clause (87) of the section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

d) There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of the Companies Act, 2013.

e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f) The company has not granted any Loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, other than the three wholly owned subsidiary companies (including one, incorporated outside India), that are repayable on demand or without specifying any terms or period of repayment.

g) There are no transactions that are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

### Loans or Advances to Specified Persons:

| Types Of Borrowers                                                                                        | Current Period     |            | Previous Period    |            |
|-----------------------------------------------------------------------------------------------------------|--------------------|------------|--------------------|------------|
|                                                                                                           | Amount outstanding | % in Total | Amount outstanding | % in Total |
| Promoters                                                                                                 | -                  |            | -                  |            |
| Directors                                                                                                 | -                  |            | -                  |            |
| KMP's                                                                                                     | -                  |            | -                  |            |
| Interest free demand loans given to two wholly owned subsidiary companies incorporated in India.          | 1,144.58           | 88.01%     | 441.34             | 75.13%     |
| Interest bearing demand loan given to another wholly owned subsidiary company incorporated outside India. | 155.93             | 11.99%     | 146.10             | 24.87%     |
| Total                                                                                                     | 1,300.51           |            | 587.44             |            |

### 53. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### **Ind AS 16-Property Plant and equipment-**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss, but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment amounts. The company does not expect the amendment to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity can include when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

54. 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/-**  
**Partner**  
**C.V. Ramana Rao**  
**Partner Membership No. 018545**  
Place: Visahakapatnam  
Date: 30th May, 2022

**for, and on behalf of the Board**

**Sd/-**  
**T.Valsaraj**  
**Vice Chairman & Managing Director**  
**(DIN: 00057558)**

**Sd/-**  
**Swaroop Meruva**  
**Company Secretary**  
**Place: Visahakapatnam**  
**Date: 30th May, 2022**

**Sd/-**  
**G.V.V.Satyanarayana**  
**Director (Finance) & CFO**  
**(DIN: 00187006)**



## 49. FINANCIAL INSTRUMENTS

### 49.1 Statement showing the fair value hierarchy of the financial assets and liabilities measured at fair value on a recurring basis

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

| Particulars                 | Amortized cost   | Measured at fair value through profit or loss |               | Measured at fair value through OCI  |                 | Total carrying value | Total Fair value |
|-----------------------------|------------------|-----------------------------------------------|---------------|-------------------------------------|-----------------|----------------------|------------------|
|                             |                  | Designated upon initial recognition           | Mandatory     | Designated upon initial recognition | Mandatory       |                      |                  |
| <b>Assets:</b>              |                  |                                               |               |                                     |                 | 1,280.69             | 1,280.69         |
| Cash and cash equivalents   | 1,280.69         | -                                             |               | -                                   |                 |                      |                  |
| Investments:                |                  |                                               |               |                                     |                 |                      |                  |
| Unquoted equity instruments |                  | -                                             |               | 98.00                               | -               | 98.00                | 98.00            |
| Trade receivables           |                  | -                                             |               |                                     | 4,104.50        | 4,104.50             | 4,104.50         |
| Loans                       | 1,300.51         | -                                             |               |                                     |                 | 1,300.51             | 1,300.51         |
| Other financial assets      | 2,621.88         | -                                             | 214.99        |                                     | 2.86            | 2,839.74             | 2,839.74         |
| <b>Total</b>                | <b>5,203.08</b>  | <b>-</b>                                      | <b>214.99</b> | <b>98.00</b>                        | <b>4,107.36</b> | <b>9,623.44</b>      | <b>9,623.44</b>  |
| <b>Liabilities:</b>         |                  |                                               |               |                                     |                 |                      |                  |
| Trade payables              | 618.41           | -                                             | -             | -                                   | -               | 618.41               | 618.41           |
| Other financial liabilities | 17,825.52        | -                                             | -             | -                                   | -               | 17,825.52            | 17,825.52        |
| <b>Total</b>                | <b>18,443.93</b> | <b>-</b>                                      | <b>-</b>      | <b>-</b>                            | <b>-</b>        | <b>18,443.93</b>     | <b>18,443.93</b> |

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

| Particulars                 | Amortized cost   | Measured at fair value through profit or loss |               | Measured at fair value through OCI  |                 | Total carrying value | Total Fair value |
|-----------------------------|------------------|-----------------------------------------------|---------------|-------------------------------------|-----------------|----------------------|------------------|
|                             |                  | Designated upon initial recognition           | Mandatory     | Designated upon initial recognition | Mandatory       |                      |                  |
| <b>Assets:</b>              |                  |                                               |               |                                     |                 |                      |                  |
| Cash and cash equivalents   | 1,897.74         | -                                             |               | -                                   |                 | 1,897.74             | 1,897.74         |
| Investments:                |                  |                                               |               |                                     |                 |                      |                  |
| Unquoted equity instruments |                  | -                                             |               | 218.30                              | -               | 218.30               | 218.30           |
| Trade receivables           |                  | -                                             |               |                                     | 3,015.70        | 3,015.70             | 3,015.70         |
| Loans                       | 584.85           | -                                             |               |                                     |                 | 584.85               | 584.85           |
| Other financial assets      | 3,668.15         | -                                             | 129.17        |                                     | 27.29           | 3,847.60             | 3,874.60         |
| <b>Total</b>                | <b>6,150.74</b>  | <b>-</b>                                      | <b>129.17</b> | <b>218.30</b>                       | <b>3,042.99</b> | <b>9,541.21</b>      | <b>9,541.21</b>  |
| <b>Liabilities:</b>         |                  |                                               |               |                                     |                 |                      |                  |
| Trade payables              | 544.53           | -                                             | -             | -                                   | -               | 544.53               | 544.53           |
| Other financial liabilities | 14,082.78        | -                                             | -             | -                                   | -               | 14,082.78            | 14,082.78        |
| <b>Total</b>                | <b>14,627.31</b> | <b>-</b>                                      | <b>-</b>      | <b>-</b>                            | <b>-</b>        | <b>14,627.31</b>     | <b>14,627.31</b> |



## 49.2 Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A) The following methods and assumptions were used to estimate the fair values

The fair value of cash and cash equivalents, trade receivables and payables, financial liabilities and assets approximate their carrying amount largely due to the short-term maturities of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. The fair value of unquoted equity investments designated and recognised through Other Comprehensive Income has been determined by using the Cost approach technique through the net assets value method.

B) Fair value hierarchy

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Level 1 hierarchy includes inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs that are observable either directly or indirectly for the asset or liability, other than quoted prices included within level 1.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

**C) Statement showing the fair value hierarchy of the financial assets and liabilities measured at fair value on a recurring basis**

| Particulars                               | Fair Values as at |           | Fair Value Hierarchy |
|-------------------------------------------|-------------------|-----------|----------------------|
|                                           | 31/3/2022         | 31/3/2021 |                      |
| <b>Financial Assets</b>                   |                   |           |                      |
| Investment in unquoted Equity Instruments | 98.00             | 218.30    | Level 3              |
| Trade receivables                         | 4,104.50          | 3,015.70  | Level 2              |
| Other financial assets                    | 217.85            | 156.47    | Level 2              |

**D) Management's approach and the key assumptions used to determine the fair value under Level 3 hierarchy:**

Cost approach is the valuation technique used for determination of the fair value of the unquoted equity instruments. It considers the present net worth of those companies. The latest audited financial statements, prevailing market/ recoverable values for the assets of respective companies and the amounts payable to discharge its liabilities are the unobservable inputs considered to arrive the fair values of the unquoted equity instruments.

**E) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:**

| Particulars                             | Amount in Lakhs |
|-----------------------------------------|-----------------|
| Balance as at 1 April 2021              | 218.30          |
| Re-measurement recognised in OCI        | (28.00)         |
| Purchases                               | -               |
| Reclassified in discontinued operations | -               |
| Sales                                   | (92.30)         |
| Balance as at 31 March 2022             | 98.00           |

**49 Offsetting financial assets and financial liabilities as on March 31, 2022**

| Particulars                      | Effects of offsetting on the balance sheet |                                            |                                            | Related amounts not set off                    |                                  | Net amount |
|----------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|------------------------------------------------|----------------------------------|------------|
|                                  | Gross amount                               | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instruments collateral |            |
| <b>Financial assets</b>          |                                            |                                            |                                            |                                                |                                  |            |
| Cash and cash equivalents        | 1,280.69                                   | -                                          | 1,280.69                                   | -                                              | 4,104.50                         | 1,280.69   |
| Trade receivables                | 4,104.50                                   | -                                          | 4,104.50                                   | -                                              | 2,083.84                         | -          |
| Other financial assets           | 4,235.38                                   | -                                          | 4,235.38                                   | -                                              |                                  | 2,151.54   |
| Derivative financial instruments | 2.86                                       | -                                          | 2.86                                       | -                                              |                                  | 2.86       |
| <b>Financial liabilities</b>     |                                            |                                            |                                            |                                                |                                  |            |
| Trade payables                   | 618.41                                     | -                                          | 618.41                                     | -                                              |                                  | 618.41     |
| Borrowings                       | 17,151.62                                  | -                                          | 17,151.62                                  | -                                              | 6,188.34                         | 10,963.28  |
| Other financial liabilities      | 673.89                                     | -                                          | 673.89                                     | -                                              |                                  | 673.89     |

## Offsetting financial assets and financial liabilities as on March 31, 2021

| Particulars                      | Effects of offsetting on the balance sheet |                                            |                                            | Related amounts not set off                    |                                  | Net amount |
|----------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|------------------------------------------------|----------------------------------|------------|
|                                  | Gross amount                               | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instruments collateral |            |
| Financial assets                 |                                            |                                            |                                            |                                                |                                  |            |
| Cash and cash equivalents        | 1,897.74                                   | -                                          | 1,897.74                                   | -                                              |                                  | 1,897.74   |
| Trade receivables                | 3,015.70                                   | -                                          | 3,015.70                                   | -                                              | 3,015.70                         | -          |
| Other financial assets           | 4,600.48                                   | -                                          | 4,600.48                                   | -                                              | 1,341.46                         | 3,259.02   |
| Derivative financial instruments | 27.29                                      | -                                          | 27.29                                      | -                                              |                                  | 27.29      |
| Financial liabilities            |                                            |                                            |                                            |                                                |                                  |            |
| Trade payables                   | 544.53                                     | -                                          | 544.53                                     | -                                              |                                  | 544.53     |
| Borrowings                       | 13,756.19                                  | -                                          | 13,756.19                                  | -                                              | 4,357.16                         | 9,399.03   |
| Other financial liabilities      | 326.59                                     | -                                          | 326.59                                     | -                                              |                                  | 326.59     |
| Derivative financial instruments | -                                          | -                                          | -                                          | -                                              |                                  | -          |

### 49.4 Financial risk management framework

A) The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management framework aims at,

- i) Improve financial risk awareness and risk transparency
- ii) Identify, control and monitor key risks
- iii) Identify risk accumulations
- iv) Provide management with reliable information on the Company's risk situation
- v) Improve financial returns

B) The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.



| Risk                              | Exposure arising from                                                                                             | Measurement                                   | Management                                                      |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------|
| Credit risk                       | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost                         | Aging analysis, credit ratings                | Credit Limits and Letters of Credit                             |
| Liquidity risk                    | Borrowings and other liabilities                                                                                  | Rolling cash flow forecasts                   | Availability of committed credit lines and borrowing facilities |
| Market risk<br>- Foreign exchange | Future commercial transactions. Recognised financial assets and liabilities not denominated in Indian Rupee (INR) | Cash flow forecasting<br>Sensitivity analysis | Cash flows hedging - Forward foreign exchange contracts         |
| Market risk<br>- Interest rate    | Long term borrowings at fixed rates for one year                                                                  | Sensitivity analysis                          | Credit rating                                                   |
| Market risk<br>-Commercial risk   | Price variations                                                                                                  | Sensitivity analysis                          | Product manufacturing planning                                  |

**a) Credit risk:**

i) Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), from cash and cash equivalents, deposits with banks. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis

**ii) Financial assets that are neither past due nor impaired**

"Cash and cash equivalents, deposits with banks, security deposits, investments in securities are neither past due nor impaired. Cash and cash equivalents, deposits are held with banks which are reputed and credit worthy banking institutions. Hence the expected credit loss is negligible.

Investments in securities - the fair value of the securities determined are higher than the cost incurred by the company and having sufficient margin. Hence the expected credit loss is negligible."

**iii) Financial assets that are past due but not impaired**

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products is less than 90 days. All





trade receivables are reviewed and assessed for default on a quarterly basis. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is as follows:

| Ageing                     | Expected Credit Loss (%) |
|----------------------------|--------------------------|
| With in the Credit Period  | 0%                       |
| Up to 60 days past due     | 0.25%                    |
| 60-90 days past due        | 0.5%                     |
| More than 90 days past due | 1%                       |

#### b) Liquidity risk:

i) Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit line to meet obligations. Due to the dynamic nature of underlying business, company maintains flexibility in funding by maintaining availability under committed credit lines.

#### ii) Maturities of financial liabilities

The table below analyses the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities:

#### As on March 31, 2022

| Current maturities of financial liabilities | Less than 6 months | 6 months to 12 months | Greater than 12 months | Total    |
|---------------------------------------------|--------------------|-----------------------|------------------------|----------|
| <b>Non derivatives</b>                      |                    |                       |                        |          |
| Borrowings                                  | 14,384.49          | 258.10                | 2,509.03               | 17151.63 |
| Trade payables                              | 618.41             | -                     | -                      | 618.41   |
| Other financial liabilities                 | 558.51             | -                     | 115.38                 | 673.89   |

#### As on March 31, 2021

| Current maturities of financial liabilities | Less than 6 months | 6 months to 12 months | Greater than 12 months | Total    |
|---------------------------------------------|--------------------|-----------------------|------------------------|----------|
| <b>Non derivatives</b>                      |                    |                       |                        |          |
| Borrowings                                  | 12,203.99          | 8.10                  | 1,544.10               | 13756.19 |
| Trade payables                              | 544.53             | -                     | -                      | 544.53   |
| Other financial liabilities                 | 211.00             | -                     | 115.59                 | 326.59   |

**c) Market Risk**

**i) Interest Rate Risk -**

The company's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Sensitivity to changes in interest rates**

(` in Lakhs)

| Particulars                                            | Impact on profit |            |
|--------------------------------------------------------|------------------|------------|
|                                                        | FY 2021-22       | FY 2020-21 |
| Sensitivity Analysis of Borrowings                     |                  |            |
| Rate of Interest Increase by 1%<br>Packing Credit Loan | 140.00           | 140.00     |
|                                                        | 140.00           | 140.00     |
| Rate of Interest Decrease by 1%<br>Packing Credit Loan | (140.00)         | (140.00)   |
|                                                        | (140.00)         | (140.00)   |

**ii) Commercial risk -**

The commercial risk is the risk due to the change in market prices of raw materials and finished goods and it is measured through sensitivity analysis by taking variance of 5%

**1. Selling price risk**

(` in Lakhs)

| Particulars                            | Impact on profit |            |
|----------------------------------------|------------------|------------|
|                                        | FY 2021-22       | FY 2020-21 |
| Selling Price Increase by 5%<br>Shrimp | 2,206.39         | 1,907.53   |
|                                        | 2,206.39         | 1,907.53   |
| Selling Price Decrease by 5%<br>Shrimp | (2,206.39)       | (1,907.53) |
|                                        | (2,206.39)       | (1,907.53) |

## 2. Raw materials price risk

(' in Lakhs)

| Particulars                               | Impact on profit |            |
|-------------------------------------------|------------------|------------|
|                                           | FY 2021-22       | FY 2020-21 |
| <b>Raw materials price Increase by 5%</b> |                  |            |
| Shrimp                                    | (1,578.56)       | (1,418.35) |
|                                           | (1,578.56)       | (1,418.35) |
| <b>Raw materials price Decrease by 5%</b> |                  |            |
| Shrimp                                    | 1578.56          | 1418.35    |
|                                           | 1578.56          | 1418.35    |

### iii) Foreign currency risk -

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US\$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge around 5% to 10% of forecasted foreign currency sales for subsequent 12 months and accordingly, foreign exchange forward contracts are taken to hedge the foreign exchange fluctuations on forecasted sales.

### Foreign currency risk exposure at the end of the reporting periods:

(In US \$)

| Particulars                               | 31st March 2022 | 31st March 2021 |
|-------------------------------------------|-----------------|-----------------|
| Financial assets                          | 30.00           | 30.00           |
| Investments in foreign subsidiary company | 2.00            | 2.00            |
| Loan to wholly owned foreign subsidiary   | 53.86           | 80.62           |
| Trade receivables                         | 85.86           | 112.62          |
| Derivative liabilities                    | 52.50           | 30.00           |
| Foreign exchange forward contracts        |                 |                 |
| - Sell foreign currency                   | 52.50           | 30.00           |

### Sensitivity analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

| Particulars               | Impact on Profit |                 | Impact on OCI   |                 |
|---------------------------|------------------|-----------------|-----------------|-----------------|
|                           | 31st March 2022  | 31st March 2021 | 31st March 2022 | 31st March 2021 |
| <b>USD sensitivity</b>    |                  |                 |                 |                 |
| INR/USD - Increase by 10% | 4412.77          | 3815.05         | (2.44)          | 2.73            |
| INR/USD - Decrease by 10% | (4,412.77)       | (3,815.05)      | 2.44            | (2.73)          |

## 50. Impact of hedging activities

### a. Disclosure of effects of hedge accounting on financial position:

| Particulars                                                                               | Foreign exchange forward contracts |                         |
|-------------------------------------------------------------------------------------------|------------------------------------|-------------------------|
|                                                                                           | 31st March 2022                    | 31st March 2021         |
| Nominal Value                                                                             |                                    |                         |
| Assets                                                                                    |                                    |                         |
| Liabilities                                                                               | 4,015.97                           | 2242.15                 |
| Carrying amount of hedging instrument                                                     |                                    |                         |
| Assets                                                                                    | 2.86                               | 27.29                   |
| Liabilities                                                                               |                                    |                         |
| Maturity date                                                                             | April to November 2022             | April to September 2021 |
| Hedge ratio                                                                               | 0.09                               | 0.04                    |
| Weighted average strike price/rate                                                        | 76.49                              | 74.74                   |
| Changes in fair value of hedging instruments                                              | 2.86                               | 27.29                   |
| Changes in the value of hedged item used as the basis for recognising hedge effectiveness | (24.43)                            | 27.29                   |

### b. Disclosure of effects of hedge accounting on financial performance:

| Particulars                                                                         | Foreign exchange risk |                 |
|-------------------------------------------------------------------------------------|-----------------------|-----------------|
|                                                                                     | 31st March 2022       | 31st March 2021 |
| Changes in the value of hedging instrument recognised in Other comprehensive income | (24.43)               | 27.29           |
| Hedge ineffectiveness recognised in profit or loss                                  | 0.00                  | 0.00            |
| Amount reclassified from cash flow hedging reserve to profit or loss                | 27.29                 | (129.40)        |
| Line item affected in statement of profit and loss due to reclassification          | 0.00                  | 0.00            |

### c. Movements in cash flow hedging reserve

(Rs in Lakhs)

| Risk Category                                                | Foreign exchange risk              |          |
|--------------------------------------------------------------|------------------------------------|----------|
| Derivative instruments                                       | Foreign exchange forward contracts |          |
| Balance at the beginning of the year                         | 27.29                              | (129.40) |
| Add: Changes in discounted spot element of forward contracts | 2.86                               | 27.29    |
| Less: Amounts reclassified to profit or loss                 | 27.29                              | (129.40) |
| Balance at the end of the year                               | 2.86                               | 27.29    |

## 50. Capital management

The company's objectives when managing capital is to safeguard their ability to continue as a going concern, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The company sets the amount of capital required on the basis of annual business and long term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The company tries to maintain an optimal capital structure to reduce cost of capital and monitors capital on the basis of debt-equity ratio.



## Debt Equity Ratio

(Rs in Lakhs)

| Particulars                          | FY 2021-22 | FY 2020-21 |
|--------------------------------------|------------|------------|
| Debt                                 |            |            |
| Borrowings-Non current               | 2509.03    | 1544.10    |
| Current maturities of long term debt | 516.20     | 16.20      |
| Total Debt                           | 3025.23    | 1560.30    |
| Equity Share Capital                 | 1157.88    | 1067.88    |
| Other Equity                         | 20949.96   | 17969.54   |
| Total Equity                         | 22107.84   | 19037.42   |
| Debt to equity Ratio                 | 0.14       | 0.08       |





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# Notes to the Standalone Ind AS financial statements for the year ended March 31, 2022

## 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, Maharanipecta, 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), Paradesipale Panchayat, Visakhapatnam. Plant Unit 2 : P.Dharmavaram Village, S.Rayavaram Mandal, Visakhapatnam.

The financial statements for the year ended March 31, 2022 were approved by the Board of Directors and authorized for issue on May 30, 2022.

### 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 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.

#### 1.2.3 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.



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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.

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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.

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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 man-

agement, 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. Up-keep 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



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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

(Consolidated)

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, Visakhapatnam ("the Holding Company") and three of its subsidiaries, two incorporated in India, out of which one subsidiary is audited by us and one incorporated outside India (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, 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, 2022, 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       | <b>Valuation of Investments in Unquoted Equity Shares of M/s Coastal Developers Pvt Ltd:</b> <p>The valuation of the investments involves judgement and continues to be an area of inherent risk because quoted prices are not readily available.</p> <p>Refer: Note 55.2 to the Standalone Ind AS financial statements</p>                                                                                                                                                                                                                         | <p>We assessed the managements' approach to valuation for these investments by performing the following procedures:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the procedure followed by the management to gather the data inputs used in the valuation models.</li> <li>• We assessed the appropriateness of the methodology applied in determining the fair value of the investments.</li> <li>• 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.</li> <li>• We tested the calculation of the fair value based on the assumptions applied.</li> <li>• We found the disclosures in the standalone Ind AS financial statements to be appropriate.</li> </ul> <p><i>Conclusion: Based on the work performed and the evidence obtained, we consider the methodology and assumptions used by management to be appropriate.</i></p> |
| 2       | <b>Purchase cost of Raw Shrimps</b> <p>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.</p> <p>The tentative prices of the raw shrimps are published by the local farmers of aquaculture through online app. acubrahma.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.</p> | <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• We have performed test of details through correlating the raw materials procured with that of the material processed based on the production reports.</li> <li>• We tested the payments made to the suppliers based on the credit terms of payments.</li> </ul> <p><i>Conclusion: Based on the work performed, we found the raw material costs recorded to be correct based on available evidence.</i></p>                                       |

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### Information Other than the Standalone 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 Standalone 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 are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective 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 financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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, makes 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.

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## Other Matters

We did not audit the financial statements of two wholly owned subsidiary companies one situated in India and the other situated outside India, included in the consolidated financial results, namely,

1. M/s. Seacrest Seafood Inc., incorporated outside India,
2. M/s. Coastal Biotech Private Limited, incorporated within India.

whose financial statements reflect total assets of Rs 1952.52 Lakhs as at 31st March 2022, and total revenues of Rs. 3292.59 Lakhs for the year ended March 31, 2022 and total net loss of Rs. 148.65 Lakhs for the year ended March 31, 2022 and net cash inflows of Rs. 120.44 Lakhs for the year ended March 31, 2022 as considered in the statements. These financial statements have been audited by other auditors 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 these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, is based solely on the reports of the other auditors.

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 reports of the other auditors and the financial statements/financial information certified by the Management.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("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 to the extent applicable.

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 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, 2022 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, 2022 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 consolidated financial statements of the Holding company and its subsidiary companies incorporated in India 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 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:
- h) 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 to its directors 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.

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.
- iv. a. The Management of the group has represented that, to the best of its knowledge and belief, except as disclosed in the note 5.42 (A) to the consolidated accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any other person(s) or entity(i.e.), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the holding or subsidiary Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b. The Management of the group has represented, that, to the best of its knowledge and belief, as disclosed in the note 5.42 (B) to the consolidated accounts, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(i.e.), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the holding or subsidiary Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Companies Act 2013 to the extent it applies to payment of dividend. Further, the interim dividend declared and paid by the Company until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

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

**Sd/-**  
**C.V. RAMANA RAO**  
**Partner**  
**Partner Membership No. 018545**  
**UDIN: 21018545AAAADY1636**

Place: Visahakapatnam  
Date: 30.05.2022

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## ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of COASTAL CORPORATION LIMITED of even date)

Clause (xxi): a) According to the information and explanations given to us, in respect of the 1st subsidiary company, which is incorporated outside India namely M/s Seacrest Seafood Inc. included in the consolidated financial statements, the Companies (Audit Report) Order reporting not applicable and their auditor has not issued the same.

b) According to the information and explanations given to us, in respect of the 2nd subsidiary company incorporated in India, namely M/s Coastal Biotech Private Limited, the Companies (Audit Report) does not have any qualifications or adverse remarks by the respective auditor, except information regarding the resignation of the statutory auditors during the year under review who have not made any observations/comments by the resigned auditor.

c) In respect of the 3rd company incorporated in India namely M/s Continental Fisheries Limited, the Companies (Audit Report), audited by us does not have any qualifications or adverse remarks in the audit report.

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

**Sd/-**  
**C.V. RAMANA RAO**  
**Partner**  
**Partner Membership No. 018545**  
**UDIN: 21018545AAAADY1636**

Place: Visahakapatnam  
Date: 30.05.2022

## Annexure “B” 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 consolidated 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, 2022, 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



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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, 2022, 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.

Place: Visahakapatnam  
Date: 30.05.2022

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

**Sd/-**  
**C.V. RAMANA RAO**  
**Partner**  
**Partner Membership No. 018545**  
**UDIN: 21018545AAAADY1636**

# Consolidated Balance Sheet as at March 31, 2022

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

| Particulars                            | Note   | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2021 |
|----------------------------------------|--------|------------------------------------|------------------------------------|
| <b>I. ASSETS</b>                       |        |                                    |                                    |
| <b>(1) Non Current Assets</b>          |        |                                    |                                    |
| (a) Property, plant and equipment      | 2      | 4,440.52                           | 4,418.21                           |
| (b) Capital work in progress           | 3      | 9,153.08                           | 3,232.45                           |
| (c) Right of Use asset                 | 4      | 1,103.63                           | 628.06                             |
| (d) Investment Property                | 5      | 1,331.79                           | 1,176.83                           |
| (e) Financial assets                   |        |                                    | -                                  |
| (i) Investments                        | 6      | 98.00                              | 218.30                             |
| (ii) Loans                             | 7      | 214.99                             | 129.17                             |
| (iii) Other financial assets           | 8      | 965.00                             | 647.11                             |
| (h) Other non current assets           |        | 1.39                               | 1.22                               |
| <b>Deferred tax assets (Net)</b>       | 9      | 1,650.24                           | 1,266.88                           |
| <b>(f) Other non current assets</b>    |        | 18,958.65                          | 11,718.23                          |
| <b>(2) Current Assets</b>              |        |                                    |                                    |
| (a) Inventories                        | 10     | 10,904.45                          | 10,094.88                          |
| (b) Financial assets:                  |        |                                    |                                    |
| (i) Trade receivables                  | 11     | 3,950.15                           | 2,867.41                           |
| (ii) Cash & cash equivalents           | 12     | 1,421.50                           | 1,918.11                           |
| (iii) Bank balances other than above   | 13     | 1,401.57                           | 2,944.54                           |
| (iv) Current financial assets - others | 14     | 282.11                             | 176.45                             |
| (c) Current Tax Assets (Net)           | 15     | 99.63                              | 76.62                              |
| (d) Other current assets               | 16     | 2,740.36                           | 2,992.96                           |
|                                        |        | 20,799.77                          | 21,070.97                          |
| <b>Total Assets</b>                    |        | 39,758.42                          | 32,789.20                          |
| <b>II. EQUITY AND LIABILITIES</b>      |        |                                    |                                    |
| <b>(1) Equity</b>                      |        |                                    |                                    |
| (a) Equity share capital               | 17     | 1,157.88                           | 1,067.88                           |
| (b) Other equity                       | 18     | 19,299.30                          | 16,509.31                          |
| <b>Total Equity</b>                    |        | 20,457.18                          | 17,577.19                          |
| <b>(2) Non Current Liabilities</b>     |        |                                    |                                    |
| (a) Financial liabilities:             |        |                                    |                                    |
| (i) Borrowings                         | 19     | 2,509.02                           | 1,544.10                           |
| (iii) Lease liabilities                | 4a(i)B | 70.57                              | 47.72                              |
| (iv) Other financial liabilities       | 20     | 115.38                             | 117.05                             |
| (b) Provisions                         | 21     | 115.35                             | 91.72                              |
| (c) Deferred Tax Liability (Net)       | 22     | 192.74                             | 171.28                             |
|                                        |        | 3,003.07                           | 1,971.87                           |

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

| Particulars                                                                               | Note   | As at 31 <sup>st</sup> March, 2022 | As at 31 <sup>st</sup> March, 2021 |
|-------------------------------------------------------------------------------------------|--------|------------------------------------|------------------------------------|
| <b>(3) Current Liabilities</b>                                                            |        |                                    |                                    |
| (a) Financial liabilities                                                                 |        |                                    |                                    |
| (i) Borrowings                                                                            | 23     | 14,682.23                          | 12,250.54                          |
| (ii) Trade payables                                                                       | 24     | 570.34                             | 386.18                             |
| (iii) Lease liabilities                                                                   | 4a(i)B | 7.37                               | 6.58                               |
| (iv) Other financial liabilities                                                          | 25     | 593.32                             | 229.37                             |
| (b) Provisions                                                                            | 26     | 27.91                              | 15.87                              |
| (c) Other Current Liabilities                                                             | 27     | 417.00                             | 351.60                             |
|                                                                                           |        | 16,298.17                          | 13,240.14                          |
| <b>Total Equity and Liabilities</b>                                                       |        | 39,758.42                          | 32,789.20                          |
| <b>Summary of significant accounting policies</b>                                         | 1      |                                    |                                    |
| <b>The accompanying notes are an integral part of the standalone financial statements</b> |        |                                    |                                    |

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

As per our report of even date

for, and on behalf of the Board

for, Brahmayya & Co.  
Chartered Accountants  
Firm Reg No. 000513S

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

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)

Sd/-  
Partner  
C.V. Ramana Rao  
Partner Membership No. 018545  
Place: Visahakapatnam  
Date: 30th May, 2022

Sd/-  
Swaroop Meruva  
Company Secretary  
Place: Visahakapatnam  
Date: 30th May, 2022

# Consolidated Statement of Profit and Loss for the period ended March 31, 2022

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

| Particulars                                                                            | Note | For the year ended 31 <sup>st</sup><br>March, 2022 | For the year ended<br>31 <sup>st</sup> March, 2021 |
|----------------------------------------------------------------------------------------|------|----------------------------------------------------|----------------------------------------------------|
| <b>I. INCOME</b>                                                                       |      |                                                    |                                                    |
| Revenue from Operations                                                                | 28   |                                                    |                                                    |
| Sale Of Manufactured goods                                                             |      | 45,945.89                                          | 39,219.66                                          |
| Sale of Trading Goods                                                                  |      | 3,163.62                                           | 8,128.17                                           |
| Other Income                                                                           | 29   | 1,328.79                                           | 845.97                                             |
| <b>Total Revenue ( I )</b>                                                             |      | <b>50,438.30</b>                                   | <b>48,193.80</b>                                   |
| <b>II. EXPENSES</b>                                                                    |      |                                                    |                                                    |
| Cost of Materials Consumed                                                             | 30   | 32,060.04                                          | 28,093.66                                          |
| Cost of Sale of Trading goods                                                          |      | 2,473.99                                           | 7,010.25                                           |
| (Increase)/Decrease in Inventories of Finished Goods                                   | 31   | (1,031.89)                                         | (806.08)                                           |
| Operating expenses                                                                     | 32   | 5,936.07                                           | 5,430.34                                           |
| Employee Benefits Expenses                                                             | 33   | 1,724.18                                           | 1,416.43                                           |
| Finance cost                                                                           | 34   | 605.70                                             | 429.52                                             |
| Depreciation and Amortisation                                                          | 35   | 430.78                                             | 353.20                                             |
| Other Expenses                                                                         |      | 20.21                                              |                                                    |
| <b>Total Expenses ( II )</b>                                                           | 36   | <b>6,284.51</b>                                    | <b>3,653.32</b>                                    |
|                                                                                        |      | <b>48,503.59</b>                                   | <b>45,580.64</b>                                   |
| <b>III. Profit Before Tax ( I - II )</b>                                               |      | <b>1,934.71</b>                                    | <b>2,613.16</b>                                    |
| <b>IV. Tax Expense</b>                                                                 | 37   |                                                    |                                                    |
| Current tax                                                                            |      | 559.25                                             | 723.77                                             |
| Tax relating to earlier years                                                          |      | (6.42)                                             | 10.98                                              |
| Deferred tax charge/ (credit)                                                          |      | 26.57                                              | 37.07                                              |
|                                                                                        |      | <b>579.40</b>                                      | <b>771.82</b>                                      |
| <b>V. Profit for the year ( III - IV )</b>                                             |      | <b>1,355.31</b>                                    | <b>1,841.34</b>                                    |
| <b>VI. OTHER COMPREHENSIVE INCOME (OCI)</b>                                            |      |                                                    |                                                    |
| <b>A. Items that will not be reclassified to profit or loss in subsequent periods:</b> |      |                                                    |                                                    |
| (i) Remeasurement gains/(losses) on the defined benefit plans                          |      | (25.81)                                            | (54.47)                                            |
| Income tax effect on the above                                                         |      | 6.50                                               | 13.71                                              |
| (ii) Remeasurement gains/(losses) on Equity instruments measured at FVTOCI             |      | (28.00)                                            | 77.30                                              |
| (iii) Net gains/(losses) on sale of Equity instruments measured at FVTOCI              |      | (21.30)                                            |                                                    |

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

| Particulars                                                                        | Note | For the year ended<br>31 <sup>st</sup> March, 2022 | For the year ended<br>31 <sup>st</sup> March, 2021 |
|------------------------------------------------------------------------------------|------|----------------------------------------------------|----------------------------------------------------|
| <b>B. Items that will be reclassified to profit or loss in subsequent periods:</b> |      |                                                    | -                                                  |
| (i) Remeasurement gain/(loss) on the cash flow hedging instrument                  |      | (24.43)                                            | 27.29                                              |
| (ii) Exchange differences on translation of foreign operations                     |      | 25.82                                              | (21.22)                                            |
| <b>Total other comprehensive income for the year, net of tax</b>                   |      | <b>(67.22)</b>                                     | <b>42.61</b>                                       |
| <b>Total comprehensive income for the year, net of tax ( V + VI )</b>              |      | <b>1,288.09</b>                                    | <b>1,883.95</b>                                    |
| <b>Earnings Per Equity Share</b>                                                   | 38   |                                                    |                                                    |
| Basic (Rs.)                                                                        |      | 12.55                                              | 18.10                                              |
| Diluted (Rs.)                                                                      |      | 11.71                                              | 17.89                                              |
| <b>Summary of significant accounting policies</b>                                  | 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. 0005135

Sd/-  
Partner  
C.V. Ramana Rao  
Partner Membership No. 018545  
Place: Visahakapatnam  
Date: 30th May, 2022

for, and on behalf of the Board

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

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)

Sd/-  
Swaroop Meruva  
Company Secretary  
Place: Visahakapatnam  
Date: 30th May, 2022



# Consolidated Statement of Cash Flows for year ended March 31, 2022

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

| Particulars                                                            | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                            | 1934.71                              | 2613.16                              |
| Profit before tax                                                      |                                      |                                      |
| Adjustments for :                                                      |                                      |                                      |
| Depreciation of property, plant and equipment                          | 408.11                               | 335.40                               |
| Depreciation on investment property                                    | 10.65                                | 9.56                                 |
| Amortisation of intangible assets                                      | 0                                    |                                      |
| Amortisation of right of-use asset                                     | 12.02                                | 8.24                                 |
| Profit on sale of fixed assets (net)                                   | -0.74                                |                                      |
| Loss on sale of fixed assets (net)                                     | 0                                    | 1.25                                 |
| Interest income                                                        | (161.32)                             | (263.93)                             |
| Interest expense                                                       | 507.66                               | 293.64                               |
| Unrealised foreign exchange gain (foreign subsidiary)                  |                                      | (21.22)                              |
| Interest expense on lease liabilities                                  | 4.74                                 | 28.83                                |
| Gratuity and compensated absences                                      | 9.86                                 | (66.21)                              |
| Operating profit before working capital changes                        | 2,725.68                             | 2,938.71                             |
| Movement in working capital:                                           |                                      |                                      |
| (increase)/decrease in inventories                                     | (809.57)                             | 235.05                               |
| (increase)/decrease in trade receivables                               | -1082.74                             | 887.88                               |
| (increase)/decrease in other receivables                               | (749.89)                             | (1,238.58)                           |
| increase/(decrease) in trade payables                                  | 184.16                               | (1,123.32)                           |
| increase/(decrease) in other payables                                  | 427.68                               | (66.93)                              |
| Cash generated from operations                                         | 695.32                               | 1,632.80                             |
| Income tax paid                                                        | (571.71)                             | -771.05                              |
| Net cash flows from operating activities (A)                           | 123.61                               | 861.75                               |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                            |                                      |                                      |
| Purchase of property, plant and equipment, including intangible assets | (618.49)                             | (1,310.70)                           |
| Increase in Capital work in progress                                   | (5,920.63)                           | (3,002.52)                           |
| Proceeds from sale of property, plant and equipment                    | 23.20                                | 9.66                                 |
| Government Grant Received                                              | 650                                  |                                      |
| Proceeds from sale of investments                                      | 92.30                                |                                      |
| Interest received                                                      | 161.32                               | 263.93                               |
| Net cash flows used in investing activities (B)                        | (5,612.30)                           | (4,039.63)                           |

| Particulars                                            | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>            |                                      |                                      |
| Proceeds from issue of Equity shares                   | 1262.25                              | 953.70                               |
| Repayment of long - term borrowings (net)              | 964.92                               | 1523.21                              |
| Repayment from short - term borrowings (net)           | 2431.69                              | 1081.86                              |
| Payment towards lease rentals                          | (356.43)                             | (306.20)                             |
| Issue of equity Share Warrants                         | -                                    | 420.75                               |
| Dividend paid                                          | (320.36)                             |                                      |
| Tax on dividend                                        |                                      |                                      |
| Interest paid                                          | (507.66)                             | (293.64)                             |
| Net cash flows from financing activities (C)           | 3,474.41                             | 3,379.67                             |
| Net decrease in cash and cash equivalents (A+B+C)      | (2,014.28)                           | 201.79                               |
| Cash and cash equivalents at the beginning of the year | 4,743.23                             | 4,541.45                             |
| Cash and cash equivalents at the year end              | 2,728.95                             | 4,743.23                             |

#### Components of cash and cash equivalents:

|                                        |                 |                 |
|----------------------------------------|-----------------|-----------------|
| Cash on hand                           | 0.89            | 1.06            |
| Balances with banks                    |                 |                 |
| -On current accounts                   | 1,420.61        | 1,917.05        |
| -On deposits accounts                  | 1,307.45        | 2,825.12        |
| <b>Total cash and cash Equivalents</b> | <b>2,728.95</b> | <b>4,743.23</b> |

As per our report of even date

for, Brahmayya & Co.  
Chartered Accountants  
Firm Reg No. 0005135

Sd/-  
Partner  
C.V. Ramana Rao  
Partner Membership No. 018545  
Place: Visahakapatnam  
Date: 30th May, 2022

for, and on behalf of the Board

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

Sd/-  
Swaroop Meruva  
Company Secretary  
Place: Visahakapatnam  
Date: 30th May, 2022

Sd/-  
G.V.V.Satyanarayana  
Director (Finance) & CFO  
(DIN: 00187006)

# Consolidated Statement of Changes in Equity for the period ended March 31, 2022

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

## 1. EQUITY SHARE CAPITAL AS ON 31ST MARCH, 2022.

| Particulars                                       | No.                | Amount          |
|---------------------------------------------------|--------------------|-----------------|
| <b>Equity Shares of Rs.10 each fully paid up</b>  |                    |                 |
| Balance at the beginning of the reporting period  | 1,01,68,800        | 1,016.88        |
| Changes in equity share capital during the year   | 9,00,000           | 90.00           |
| <b>Balance at the end of the reporting period</b> | <b>1,10,68,800</b> | <b>1,106.88</b> |

## 1. EQUITY SHARE CAPITAL AS ON 31ST MARCH, 2021.

| Particulars                                       | No.                | Amount          |
|---------------------------------------------------|--------------------|-----------------|
| <b>Equity Shares of Rs.10 each fully paid up</b>  |                    |                 |
| Balance at the beginning of the reporting period  | 1,01,68,800        | 1,016.88        |
| Changes in equity share capital during the year   | 5,10,000           | 51.00           |
| <b>Balance at the end of the reporting period</b> | <b>1,06,78,800</b> | <b>1,067.88</b> |

## B. OTHER EQUITY

| Particulars                                                           |                            | Balance as on 01.04.2021 | Total comprehensive income for the year | Dividends       | Transfer to retained earnings* | Any other change (to be specified) | Balance as on 31.03.2022 |
|-----------------------------------------------------------------------|----------------------------|--------------------------|-----------------------------------------|-----------------|--------------------------------|------------------------------------|--------------------------|
| <b>Reserves &amp; Surplus</b>                                         | Securities Premium Reserve | 949.65                   | 1,593.00                                | -               | -                              | -                                  | 2,542.65                 |
|                                                                       | Capital Reserve            | -                        | 650.00                                  | -               | -                              | -                                  | 650.00                   |
|                                                                       | General Reserve            | 108.61                   | -                                       | -               | -                              | -                                  | 108.61                   |
|                                                                       | Retained Earnings          | 14,944.26                | 1,355.31                                | (320.36)        | -                              | -                                  | 15,979.21                |
| Cash Flow Hedging Reserve                                             |                            | 27.29                    | (24.43)                                 | -               | -                              | -                                  | 2.86                     |
| Foreign Currency Translation Reserve                                  |                            | 63.74                    | 25.82                                   | -               | -                              | -                                  | 89.56                    |
| Share Application Money                                               |                            | 420.75                   | (420.75)                                | -               | -                              | -                                  | -                        |
| Remeasurement gains/(losses) on Equity instruments measured at FVTOCI |                            | 77.30                    | (49.30)                                 | -               | -                              | -                                  | 28.00                    |
| Remeasurement gains/(losses) on the defined benefit obligations       |                            | (82.29)                  | (19.31)                                 | -               | -                              | -                                  | (101.60)                 |
| <b>Total</b>                                                          |                            | <b>16,509.31</b>         | <b>3,110.35</b>                         | <b>(320.36)</b> | <b>-</b>                       | <b>-</b>                           | <b>19,299.30</b>         |

## B. OTHER EQUITY

| Particulars                                                           |                            | Balance as on 01.04.2020 | Total comprehensive income for the year | Dividends | Transfer to retained earnings* | Any other change (to be specified) | Balance as on 31.03.2021 |
|-----------------------------------------------------------------------|----------------------------|--------------------------|-----------------------------------------|-----------|--------------------------------|------------------------------------|--------------------------|
| Reserves & Surplus                                                    | Securities Premium Reserve | 46.95                    | 902.70                                  | -         | -                              | -                                  | 949.65                   |
|                                                                       | General Reserve            | 108.61                   | -                                       | -         | -                              | -                                  | 108.61                   |
|                                                                       | Retained Earnings          | 13,232.33                | 1,841.34                                | -         | (129.41)                       | -                                  | 14,944.26                |
| Cash Flow Hedging Reserve                                             |                            | (129.41)                 | 27.29                                   | -         | 129.41                         | -                                  | 27.29                    |
| Foreign Currency Translation Reserve                                  |                            | 84.96                    | (21.22)                                 | -         | -                              | -                                  | 63.74                    |
| Share Application Money                                               |                            |                          | 420.75                                  |           |                                |                                    | 420.75                   |
| Remeasurement gains/(losses) on Equity instruments measured at FVTOCI |                            |                          | 77.30                                   |           |                                |                                    | 77.30                    |
| Remeasurement gains/(losses) on the defined benefit obligations       |                            | (41.53)                  | (40.76)                                 |           |                                |                                    | (82.29)                  |
| <b>Total</b>                                                          |                            | <b>13,301.92</b>         | <b>3,207.40</b>                         | <b>-</b>  | <b>-</b>                       | <b>-</b>                           | <b>16,509.31</b>         |

\* Represents the restatement of company's investment in its wholly owned foreign 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



# Consolidated Notes to Financial Statements for the period ended March, 2021

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

## 2. Property, plant and equipment as on 31st March, 2022.

| Fixed Assets           | Gross Block              |               |              | Depreciation             |                 |               | Net Block    |                          |
|------------------------|--------------------------|---------------|--------------|--------------------------|-----------------|---------------|--------------|--------------------------|
|                        | Balance as at 01.04.2021 | Additions     | (Disposals)  | Balance as at 31.03.2022 | Upto 01.04.2021 | For the year  | On disposals | Balance as at 31.03.2022 |
| Freehold land          | 545.08                   | 10.59         | 22.46        | 533.21                   | -               | -             | -            | 533.21                   |
| Buildings              | 2,039.61                 | 157.48        | -            | 2,197.09                 | 461.61          | 65.79         | -            | 1,669.69                 |
| Plant and equipment    | 2,919.50                 | 258.96        | -            | 3,178.46                 | 1,203.82        | 232.42        | -            | 1,742.22                 |
| Furniture and Fixtures | 110.34                   | 1.39          | -            | 111.73                   | 78.03           | 5.91          | -            | 27.79                    |
| Computers              | 31.00                    | 5.59          | -            | 36.59                    | 26.93           | 2.34          | -            | 7.32                     |
| Vehicles               | 889.60                   | 4.86          | -            | 894.46                   | 401.46          | 89.90         | -            | 403.10                   |
| Office Equipment       | 135.70                   | 14.01         | -            | 149.71                   | 80.77           | 11.75         | -            | 57.19                    |
| Roads                  | 4.06                     | -             | -            | 4.06                     | 4.06            | -             | -            | -                        |
| <b>Total</b>           | <b>6,674.89</b>          | <b>452.88</b> | <b>22.46</b> | <b>7,105.31</b>          | <b>2,256.68</b> | <b>408.11</b> | <b>-</b>     | <b>4,440.52</b>          |

| Fixed Assets           | Gross Block              |                 |               | Depreciation             |                 |               | Net Block     |                          |
|------------------------|--------------------------|-----------------|---------------|--------------------------|-----------------|---------------|---------------|--------------------------|
|                        | Balance as at 01.04.2020 | Additions       | (Disposals)   | Balance as at 31.03.2021 | Upto 01.04.2020 | For the year  | On disposals  | Balance as at 31.03.2020 |
| Freehold land          | 275.45                   | 269.63          | -             | 545.08                   | -               | -             | -             | 545.08                   |
| Buildings              | 1,923.79                 | 115.82          | -             | 2,039.61                 | 401.34          | 60.27         | -             | 1,578.00                 |
| Plant and equipment    | 2,418.40                 | 501.10          | -             | 2,919.50                 | 1,016.40        | 187.42        | -             | 1,715.68                 |
| Furniture and Fixtures | 105.14                   | 5.20            | -             | 110.34                   | 68.92           | 9.11          | -             | 32.31                    |
| Computers              | 28.74                    | 2.26            | -             | 31.00                    | 24.78           | 2.15          | -             | 4.07                     |
| Vehicles               | 763.33                   | 336.61          | 210.34        | 889.60                   | 487.90          | 71.14         | 157.58        | 488.14                   |
| Office Equipment       | 105.22                   | 30.48           | -             | 135.70                   | 75.46           | 5.31          | -             | 54.93                    |
| Roads                  | 4.06                     | -               | -             | 4.06                     | 4.06            | -             | -             | -                        |
| <b>Total</b>           | <b>5,624.13</b>          | <b>1,261.10</b> | <b>210.34</b> | <b>6,674.89</b>          | <b>2,078.86</b> | <b>335.40</b> | <b>157.58</b> | <b>4,418.21</b>          |

Note 2.a: No Property, plant and equipment was kept temporarily idle during the year under report.

Note 2.b: All the Property, plant & equipments are owned by the company. Further, no proceedings have been initiated or pending against the company, for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended from time to time) and the rules made thereunder."

Note 2.c: The company has not revalued its Property, plant & equipment (including Right of Use assets) and intangible assets during the year under report and the immediately preceding previous year.

Note 2.d: The title deeds of all the immovable properties are held in the name of the company.

Note 2.e: There are no intangible assets under development as at 31st March 2022. (Previous year - Nil)



## 5 Investment properties as on 31st March, 2022

|                | Gross Block              |           |             | Depreciation             |                 |              | Net Block    |                       |                          |          |
|----------------|--------------------------|-----------|-------------|--------------------------|-----------------|--------------|--------------|-----------------------|--------------------------|----------|
|                | Balance as at 01.04.2021 | Additions | (Disposals) | Balance as at 31.03.2022 | Upto 01.04.2021 | For the year | On disposals | Total upto 31.03.2022 | Balance as at 31.03.2022 |          |
| Fixed Assets   |                          |           |             |                          |                 |              |              |                       |                          |          |
| Freehold land* | 743.88                   | 165.61    | -           | 909.49                   | -               | -            | -            | -                     | 909.49                   | 743.88   |
| Buildings      | 472.67                   |           | -           | 472.67                   | 39.72           | 10.65        |              | 50.37                 | 422.30                   | 432.95   |
| Total          | 1,216.55                 | 165.61    | -           | 1,382.16                 | 39.72           | 10.65        | -            | 50.37                 | 1,331.79                 | 1,176.83 |

\*Freehold land includes land of 28.49 acres situated in survey no: 206-4E1 in Tenerata 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.

## Investment properties as on 31st March, 2021

|                | Gross Block              |           | Depreciation |                          |                 | Net Block    |              |                       |                          |
|----------------|--------------------------|-----------|--------------|--------------------------|-----------------|--------------|--------------|-----------------------|--------------------------|
|                | Balance as at 01.04.2020 | Additions | (Disposals)  | Balance as at 31.03.2021 | Upto 01.04.2020 | For the year | On disposals | Total upto 31.03.2021 | Balance as at 31.03.2021 |
| Fixed Assets   |                          |           |              |                          |                 |              |              |                       |                          |
| Freehold land* | 733.39                   | 10.49     | -            | 743.88                   | -               | -            | -            | -                     | 733.39                   |
| Buildings      | 392.06                   | 80.61     | -            | 472.67                   | 30.16           | 9.56         |              | 39.72                 | 432.95                   |
| Total          | 1,125.45                 | 91.10     | -            | 1,216.55                 | 30.16           | 9.56         | -            | 39.72                 | 1,176.83                 |
|                |                          |           |              |                          |                 |              |              |                       | 1,095.29                 |

## 5a Information regarding income and expenditure of Investment properties

| Particulars                                                                                          | 2021-22 | 2020-21 |
|------------------------------------------------------------------------------------------------------|---------|---------|
| Rental income derived from investment properties                                                     | 33.97   | 32.80   |
| Direct operating expenses (including repairs and maintainance) generating rental income              | 1.58    | 3.62    |
| Direct operating expenses (including repairs and maintainance) that did not generating rental income | 3.12    | 0.00    |
| Profit arising from Investment properties before depreciation and indirect expenses                  | 29.28   | 29.18   |
| Less: Depreciation                                                                                   | 10.65   | 9.56    |
| Profit arising from Investment Properties before indirect expenses                                   | 18.63   | 19.62   |

## 5b Disclosure of Fair values of the Investment properties

| Particulars   | 31st March 2022 | 31st March 2021 |
|---------------|-----------------|-----------------|
| Freehold Land | 1,870.04        | 1,704.43        |
| Buildings     | 454.55          | 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, & Techno Design 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. However, in case of properties acquired during the year, transaction price is considered as fair value.

## 4 Right of Use assets - Leasehold lands

| Particulars                         | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------|----------------------|----------------------|
| Balance as at beginning of the year | 628.06               | 7.36                 |
| Additions                           | 790.72               | 628.76               |
| Disposals                           | 302.41               | -                    |
| Amortisation                        | 12.74                | 8.06                 |
| Balance as at the end of the year   | 1,103.63             | 628.06               |

## 4a. Leases

### (i) As Lessee

#### A. Movement in lease liabilities

| Particulars                             | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------|----------------------|----------------------|
| Balance as at the beginning of the year | 54.30                | 8.62                 |
| Additional lease obligations recognised | 71.39                | 308.10               |
| Unused amounts reversed                 | 50.79                | 0                    |
| Interest expense on lease liabilities   | 5.13                 | 28.83                |
| Amounts paid during the year            | 2.09                 | 291.25               |
| Balance as at the end of the year       | 77.94                | 54.30                |

## B. Maturity analysis of lease liabilities

| Particulars                                                                          | Leasehold Land |
|--------------------------------------------------------------------------------------|----------------|
| Less than 1 year                                                                     | 7.37           |
| 1 to 5 years                                                                         | 23.21          |
| More than 5 years                                                                    | 403.90         |
| Total undiscounted lease liabilities at 31 March 2022                                | 434.48         |
| Lease liabilities included in the statement of financial position at 31st March 2022 | 77.94          |
| <b>Current</b>                                                                       | 7.37           |
| <b>Non Current</b>                                                                   | 70.57          |

## C. Amounts recognised in profit or loss

| Particulars                                                                                      | Amount in Lakhs |
|--------------------------------------------------------------------------------------------------|-----------------|
| Interest on lease liabilities                                                                    | 4.74            |
| 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. 33.97 Lakhs (31 March 2021: Rs. 32.80 Lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

| Particulars                                 | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------|----------------------|----------------------|
| Within one year                             | 17.12                | 16.80                |
| After one year but not more than five years | 1.00                 | 0.00                 |
| More than five years                        | 0.00                 | 0.00                 |

## 3. Capital work in progress

| Particulars                   | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------|----------------------|----------------------|
| Capital works in progress:    |                      |                      |
| a. Civil works under progress | 9,153.08             | 3,232.45             |
| b. Capital stock in Stores    |                      | -                    |
| <b>Total</b>                  | <b>9,153.08</b>      | <b>3,232.45</b>      |

### 3a. CWIP Ageing Schedule As on 31st March, 2022

| CWIP                                                 | Amount in CWIP for a period of |           |           |                   | Total    |
|------------------------------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
|                                                      | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |          |
| Projects in progress:                                |                                |           |           |                   |          |
| - Shrimps Processing unit at KSEZ                    | 4,746.80                       | 2,947.70  | -         | -                 | 7,694.50 |
| - Solar Power Plant                                  | 1,267.35                       | 2.36      | -         | -                 | 1,269.71 |
| - 33KV line transformer at Marikavalsa plant         | 20.65                          | -         | -         | -                 | 20.65    |
| - Replacement of Air compressor at Marikavalsa plant | 33.23                          | -         | -         | -                 | 33.23    |
| - Rain water drains & parking area civil works       | 34.74                          | -         | -         | -                 | 34.74    |
| - Effluent treatment plant at Yelamanchili plant     | 61.41                          | -         | -         | -                 | 61.41    |
| - 33KV line transformer at Yelamanchili plant        | 25.00                          | -         | -         | -                 | 25.00    |
| - Others                                             | 7.00                           | -         | -         | -                 | 7.00     |
|                                                      |                                |           |           |                   | -        |
| Projects temporarily suspended                       | -                              | -         | -         | -                 | -        |

### As on 31st March, 2021

| CWIP                                                     | Amount in CWIP for a period of |           |           |                   | Total    |
|----------------------------------------------------------|--------------------------------|-----------|-----------|-------------------|----------|
|                                                          | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years |          |
| Projects in progress:                                    |                                |           |           |                   |          |
| -Shrimps Processing unit at KSEZ                         | 2,947.70                       |           |           |                   | 2,947.70 |
| -Solar Power Plant                                       | 2.36                           |           |           |                   | 2.36     |
| -Effluent treatment plant at Marikavalasa plant          | 40.53                          |           |           |                   | 40.53    |
| -Conference hall at Marikavalasa plant                   | 5.74                           |           |           |                   | 5.74     |
| -Peion gas cold storage compressor at Marikavalsa plant  | 108.54                         |           |           |                   | 108.54   |
| -Peion gas cold storage compressor at Yelamanchili plant | 26.09                          |           |           |                   | 26.09    |
| - Store room at Yelamanchili plant                       | 101.50                         |           |           |                   | 101.50   |
|                                                          |                                |           |           |                   | -        |
| Projects temporarily suspended                           | -                              |           |           |                   | -        |

### 3b. CWIP Completion schedule As on 31st March, 2022

| CWIP                                                       | To be completed in |           |           |                   | Remarks                                                                                 |
|------------------------------------------------------------|--------------------|-----------|-----------|-------------------|-----------------------------------------------------------------------------------------|
|                                                            | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |                                                                                         |
| Projects in progress:<br>- Shrimps Processing unit at KSEZ | 7,694.50           |           |           |                   | Cost exceeded its initial estimation due to increase in prices of steel and cement      |
| - Solar Power Plant                                        | 1,269.71           |           |           |                   | Project completion is not overdue and also has not exceeded its initial estimated costs |
| - 33KV line transformer at Marikavalsa plant               | 20.65              |           |           | -                 |                                                                                         |
| - Replacement of Air compressor at Marikavalsa plant       | 33.23              |           |           |                   |                                                                                         |
| - Rain water drains & parking area civil works             | 34.74              |           |           |                   |                                                                                         |
| - Effluent treatment plant at Yelamanchili plant           | 61.41              |           |           |                   |                                                                                         |
| - 33KV line transformer at Yelamanchili plant              | 25.00              |           |           |                   |                                                                                         |
| - Others                                                   | 7.00               |           |           |                   |                                                                                         |
|                                                            | -                  |           |           |                   |                                                                                         |

### 3b. CWIP Completion schedule As on 31st March, 2021

| CWIP                                                       | To be completed in |           |           |                   | Remarks                                                                                 |
|------------------------------------------------------------|--------------------|-----------|-----------|-------------------|-----------------------------------------------------------------------------------------|
|                                                            | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |                                                                                         |
| Projects in progress:<br>- Shrimps Processing unit at KSEZ | -                  | 2,947.70  |           |                   | Project completion is not overdue and also has not exceeded its initial estimated costs |
| - Solar Power Plant                                        | -                  | 2.36      |           |                   |                                                                                         |
| - Effluent treatment plant at Marikavalasa plant           | 40.53              |           |           |                   |                                                                                         |
| - Conference hall at Marikavalasa plant                    | 5.74               |           |           |                   |                                                                                         |
| - Freon gas cold storage compressor at Marikavalsa plant   | 108.54             |           |           |                   |                                                                                         |
| - Freon gas cold storage compressor at Yelamanchili plant  | 26.09              |           |           |                   |                                                                                         |
| - Store room at Yelamanchili plant                         | 101.50             |           |           |                   |                                                                                         |

## 6 . Non Current Financial assets - Investments

| Particulars                                                                                              | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Other unquoted investments (designated at FVTOCI)</b>                                                 |                      |                      |
| (i) 7,00,000 (March 31, 2019: 7,00,000) Equity Shares of Rs.10 each of Coastal Developers Pvt Ltd        | 98.00                | 126.00               |
| (ii) 7,10,000 (March 31, 2019: 7,10,000) Equity Shares of Rs.10 each of Seagold Aqua Farms India Pvt Ltd | -                    | 92.30                |
| <b>Total</b>                                                                                             | <b>98.00</b>         | <b>218.30</b>        |



## 6a Details of Material Subsidiaries

| Name and Principal Place of Business                                                                                                 | Proportion of Ownership Interest/ Voting Rights |                      |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|----------------------|
|                                                                                                                                      | As at March 31, 2022                            | As at March 31, 2021 |
| "Continental Fisheries India Pvt Ltd<br>Principal Place of Business: 15-1-37/2, Jayaprada Apartments, Nowroji Road, Visakahapatnam-" | 100.00%                                         | 100.00%              |
| "Seacrest Seafoods Inc.<br>Principal Place of Business: 7855 NW 12th Street, Suite 221, Miami, Florida"                              | 100.00%                                         | 100.00%              |
| Coastal Bio -Tech Pvt Ltd<br>Principal Place of Business: Plot No.E/304, Sector-7, Market Nagar, CD Cuttack, Odisha                  | 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, 2022 | As at March 31, 2021 |
|-----------------------------------------------------|----------------------|----------------------|
| Unsecured, considered good unless otherwise stated: |                      |                      |
| Security Deposits                                   | 214.99               | 129.17               |
| Loans to subsidiary company                         | -                    | -                    |
| <b>Total</b>                                        | <b>214.99</b>        | <b>129.17</b>        |

## 8. Non Current Financial assets - Others

| Particulars                                              | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------|----------------------|----------------------|
| Balances with Banks                                      |                      |                      |
| - Deposits with original maturity of more than 12 months | 931.62               | 594.08               |
| Interest Accrued on Deposits                             | 33.38                | 53.03                |
| <b>Total</b>                                             | <b>965.00</b>        | <b>647.11</b>        |

| Particulars                                                                       | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------------------------------------------------|----------------------|----------------------|
| Major component of Deferred Tax Asset arising on account of timing difference is: | 1.39                 | -0.32                |
| Difference between tax and book depreciation                                      | -                    | 1.54                 |
| MAT Credit Entitlement                                                            |                      |                      |
| <b>Total</b>                                                                      | <b>1.39</b>          | <b>1.22</b>          |

## 9. Other non current assets

| Particulars                                         | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------------------|----------------------|----------------------|
| Unsecured, considered good unless otherwise stated: |                      |                      |
| Capital Advances                                    | 1,631.96             | 1250.58              |
| Other Advances                                      | 18.28                | 16.30                |
| <b>Total</b>                                        | <b>1,650.24</b>      | <b>1,266.88</b>      |

## 10. Inventories

| Particulars                                 | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------|----------------------|----------------------|
| (At lower of cost and net realisable value) |                      |                      |
| Raw Materials                               | -                    | -                    |
| Finished Goods                              | 10,615.09            | 9715.04              |
| Stores, spares and packing materials        | 289.36               | 379.84               |
| <b>Total</b>                                | <b>10,904.45</b>     | <b>10,094.88</b>     |

## 11. Trade Receivables

| Particulars                                                 | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------------------------------|----------------------|----------------------|
| Trade receivables                                           |                      |                      |
| Unsecured, Considered Good and due for less than six months | 3,956.85             | 2865.78              |
| Doubtful                                                    | -                    | 4.23                 |
|                                                             | 3,956.85             | 2,870.01             |
| <b>Less: Allowance for credit losses</b>                    | <b>6.70</b>          | <b>2.60</b>          |
|                                                             | <b>3,950.15</b>      | <b>2,867.41</b>      |

### 11a. Ageing schedule of Trade Receivables as at 31st March, 2022

| Particulars                                                                        | To be completed in |                   |           |           |                   | Total    |
|------------------------------------------------------------------------------------|--------------------|-------------------|-----------|-----------|-------------------|----------|
|                                                                                    | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years |          |
| (i) Undisputed Trade receivables – considered good                                 | 3,646.22           | 98.37             | -         | -         | -                 | 3,945.24 |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | -                  | -                 | -         | -         | -                 | -        |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                  | -                 | -         | -         | -                 | -        |
| (iv) Disputed Trade Receivables–considered good                                    | -                  | -                 | -         | -         | -                 | -        |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                  | -                 | -         | -         | -                 | -        |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                  | -                 | 11.61     | -         | -                 | 11.61    |

### Ageing schedule of Trade Receivables as at 31st March, 2021

| Particulars                                                                        | To be completed in |                  |           |           |                   | Total    |
|------------------------------------------------------------------------------------|--------------------|------------------|-----------|-----------|-------------------|----------|
|                                                                                    | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years |          |
| (i) Undisputed Trade receivables – considered good                                 |                    |                  |           |           |                   |          |
| (ii) Undisputed Trade Receivables – which have significant increase in credit risk | 2,770.34           | 99.67            | -         | -         | -                 | 2,870.01 |
| (iii) Undisputed Trade Receivables – credit impaired                               | -                  | -                | -         | -         | -                 | -        |
| (iv) Disputed Trade Receivables–considered good                                    | -                  | -                | -         | -         | -                 | -        |
| (v) Disputed Trade Receivables – which have significant increase in credit risk    | -                  | -                | -         | -         | -                 | -        |
| (vi) Disputed Trade Receivables – credit impaired                                  | -                  | -                | -         | -         | -                 | -        |

### 11b. There are no unbilled dues as at 31st March 2022 (Previous year: Rs. Nil)

### 12. Cash & cash equivalents

| Particulars                                                                | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------------------------|----------------------|----------------------|
| Balances with Banks:                                                       |                      |                      |
| - On Current Accounts                                                      | 1,352.00             | 1872.92              |
| - On Earmarked Balances (Unpaid Dividend accounts - less than seven years) | 68.61                | 44.13                |
| Cash on hand                                                               | 0.89                 | 1.06                 |
|                                                                            | 1,421.50             | 1,918.11             |

### 13. Bank balances other than above

| Particulars                                                                         | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------------------------------------------------------|----------------------|----------------------|
| Balances with Banks:                                                                |                      |                      |
| - Deposits with original maturity of more than three months but less than 12 months | 1,307.45             | 2825.12              |
| Interest Accrued on Deposits                                                        | 94.11                | 119.42               |
|                                                                                     | 1,401.57             | 2,944.54             |

#### 14. Current Financial assets - Others

| Particulars                           | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------|----------------------|----------------------|
| Advance Recoverable                   | 51.06                | 51.06                |
| Less: Provision for doubtful advances | 17.18                | 1.08                 |
|                                       | 33.88                | 49.98                |
| Cash flows in hedging instruments     | 2.86                 | 27.29                |
| Interest Receivable                   | 245.37               | 99.18                |
| Total                                 | 282.11               | 176.45               |

#### 15. Current Tax Assets (Net)

| Particulars                     | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|----------------------|----------------------|
| Current tax assets              | 628.00               | 775.09               |
| Advance payment of Direct Taxes | 30.60                | 26.84                |
| Income tax deducted at source   | 658.60               | 801.93               |
| Less:                           |                      |                      |
| Current tax liabilities         |                      |                      |
| Provision for Income Tax        | 558.97               | 725.31               |
|                                 | 99.63                | 76.62                |

#### 16. Other current assets

| Particulars                             | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------|----------------------|----------------------|
| Advances made to suppliers              | 209.16               | 291.29               |
| Export and other incentives receivable* | 628.53               | 1040.36              |
| Income tax Refund Receivable            | 274.19               | 274.92               |
| Balances with revenue authorities       | 668.84               | 497.79               |
| Prepaid expenses                        | 425.59               | 223.31               |
| Other assets                            | 534.05               | 665.29               |
|                                         |                      | 0.00                 |
|                                         | 2,740.36             | 2,992.96             |

\* 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.

## 17. Equity share capital

| Particulars                                                                                                                   | As at March 31, 2022 | As at March 31, 2021 |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Authorised</b><br>1,50,00,000 (March 31, 2020: 1,50,00,000) Equity shares of Rs.10/- each                                  | 1,500.00             | 1,500.00             |
| <b>Total</b>                                                                                                                  | <b>1,500.00</b>      | <b>1,500.00</b>      |
| <b>Issued, Subscribed and Paid Up</b><br>1,06,78,800 (March 31, 2020: 1,01,68,800) Equity share of Rs.10/- each fully paid up | 1,057.88             | 1,067.88             |
| <b>Total</b>                                                                                                                  | <b>1,057.88</b>      | <b>1,067.88</b>      |

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

| Particulars                               | As at March 31, 2022  |                 | As at March 31, 2021  |                 |
|-------------------------------------------|-----------------------|-----------------|-----------------------|-----------------|
|                                           | No.                   | Rs.             | No.                   | Rs.             |
| Outstanding at the beginning of the year  | 1,06,78,800.00        | 1,067.88        | 1,01,68,800.00        | 1,016.88        |
| Add : shares issued during the year       | 9,00,000.00           | 90.00           | 5,10,000.00           | 51.00           |
| <b>Outstanding at the end of the year</b> | <b>1,15,78,800.00</b> | <b>1,157.88</b> | <b>1,06,78,800.00</b> | <b>1,067.88</b> |

### 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 eligible to receive share in the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

### 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, 2022 |           | As at March 31, 2021 |           |
|-----------------------------------------------|----------------------|-----------|----------------------|-----------|
|                                               | % Holding            | No.       | % Holding            | No.       |
| <b>Equity Shares of Rs. 10/- each Held By</b> |                      |           |                      |           |
| Haribabu Kambampati                           | 6.75                 | 7,81,600  | 7.32                 | 7,81,600  |
| T.V.R.Estates & Resorts Pvt Ltd               | 5.87                 | 6,79,288  | 6.36                 | 6,79,288  |
| Satyasree Achanta                             | -                    | -         | 8.93                 | 9,54,146  |
| Aditya Achanta                                | 5.85                 | 6,77,507  | 9.43                 | 10,07,240 |
| T Valsaraj                                    | 11.22                | 12,99,152 | 9.59                 | 10,24,152 |

#### c. Shareholding of Promoters: As at 31st March, 2022

| Promoter name              | No. of Shares held | % of total shares | % Change during the year |
|----------------------------|--------------------|-------------------|--------------------------|
| KAMBHAMPATI HARI BABU(HUF) | 7,81,865           | 6.75%             |                          |
| JEEJA VALSARAJ             | 3,74,200           | 3.23%             |                          |
| KAMBHAMPATI HARIBABU       | 2,56,085           | 2.21%             |                          |
| THOTTOLI VALSARAJ          | 12,99,152          | 11.22%            |                          |
| VISWANATH THOTTOLI         | 48,000             | 0.41%             |                          |
| JAYASREE K                 | 1,34,400           | 1.16%             |                          |
| VALSARAJ VIJETA            | 4,30,400           | 3.72%             |                          |
| VINEESHA VALSARAJ          | 4,30,400           | 3.72%             |                          |
| CHETANA CHUKKAPALLI        | 1,11,200           | 0.96%             |                          |
| KAMBHAMPATI VENKATESH      | 1,91,200           | 1.65%             |                          |
| CHANDANA KAMBHAMPATI       | 21,200             | 0.18%             |                          |
| TVR ESTATES & RESORTS      | 6,79,288           | 5.87%             |                          |
| Total                      | 47,57,390          | 41.09%            |                          |

#### As at 31st March, 2021

| Promoter name              | No. of Shares held | % of total shares | % Change during the year |
|----------------------------|--------------------|-------------------|--------------------------|
| KAMBHAMPATI HARI BABU(HUF) | 7,81,865           | 7.32%             |                          |
| JEEJA VALSARAJ             | 1,99,200           | 1.87%             |                          |
| KAMBHAMPATI HARIBABU       | 6,085              | 0.06%             |                          |
| THOTTOLI VALSARAJ          | 10,24,152          | 9.59%             |                          |
| VISWANATH THOTTOLI         | 48,000             | 0.45%             |                          |
| JAYASREE K                 | 34,400             | 0.32%             |                          |
| VALSARAJ VIJETA            | 4,30,400           | 4.03%             |                          |
| VINEESHA VALSARAJ          | 4,30,400           | 4.03%             |                          |
| CHETANA CHUKKAPALLI        | 11,200             | 0.10%             |                          |
| KAMBHAMPATI VENKATESH      | 1,91,200           | 1.79%             |                          |
| CHANDANA KAMBHAMPATI       | 21,200             | 0.20%             |                          |
| TVR ESTATES & RESORTS      | 6,79,288           | 6.36%             |                          |
| Total                      | 38,57,390          | 36.12%            |                          |

## 18. Other Equity

| Particulars                                                  | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------------------------------|----------------------|----------------------|
| a) Securities Premium                                        | 2,542.65             | 949.65               |
| b) General Reserve                                           | 108.61               | 108.61               |
| c) Retained Earnings                                         | 15,979.21            | 14,944.26            |
| d) Money received against share warrants                     | 420.75               | 420.75               |
| <b>e) Other Comprehensive Income</b>                         |                      |                      |
| Foreign Exchange Translation Reserve                         | 89.56                | 63.74                |
| Re-measurement of Defined benefit plans                      | -101.60              | -82.29               |
| Re-measurement gain on Equity instruments measured at FVTOCI | 2.86                 | 27.29                |
| Cash flows hedging reserve                                   | 77.30                | 77.30                |
| <b>Total</b>                                                 | <b>19,119.34</b>     | <b>16,509.31</b>     |

### 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 transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956.

c) Capital Reserve: It represents the grant-in-aid received under the Scheme "Integrated Cold Chain and Value addition Infrastructure" from MOFPI of Government of India.

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

#### e) Money received against share warrants

a. The company at its extraordinary general meeting held on 11th February, 2021 issued 14,10,000 number of share warrants convertible into 14,10,00 equity shares of the Company of the face value of Rs.10/- each.

b. All the warrants holders have exercised their option for conversion of the warrants into fully paid-up equity shares of Rs.10 each by 11th February 2022. Further the company has issued 14,10,000 number of equity shares of Rs. 10 each fully paid up on 11th February 2022, which shall rank pari passu in all respects with the existing equity shares of the company.

#### f) 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.

## 19. Non Current Financial Liabilities - Borrowings

| Particulars                                                                                                                                                                                  | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Secured Loans                                                                                                                                                                                |                      |                      |
| Term Loans from a bank on hypothecation of Plant and machinery and equipment, present & future and specific Motor Vehicles owned by the company.<br>( Terms of repayment: Refer note no. 38) | 2509.02              | 1544.10              |
| <b>Total</b>                                                                                                                                                                                 | <b>2,509.02</b>      | <b>1,544.10</b>      |

## 20. Non Current Financial Liabilities - Others

| Particulars         | As at March 31, 2022 | As at March 31, 2021 |
|---------------------|----------------------|----------------------|
| Deposits Refundable | 115.38               | 117.05               |
| <b>Total</b>        | <b>115.38</b>        | <b>117.05</b>        |

## 21. Non Current Provisions

| Particulars                      | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------|----------------------|----------------------|
| Provision for employee benefits: |                      |                      |
| - Gratuity (Funded)              | 115.35               | 91.72                |
| <b>Total</b>                     | <b>115.35</b>        | <b>91.72</b>         |

## 22. Deferred Tax Liability (Net)

| Particulars                                                                                                           | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Major components of Deferred Tax Liabilities and Assets arising on account of timing difference are:                  |                      |                      |
| <b>Liability:</b>                                                                                                     |                      |                      |
| - Difference between tax and book depreciation                                                                        | 228.86               | 205.42               |
| <b>Asset:</b>                                                                                                         |                      |                      |
| - Expenditure charged to Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis | 36.06                | 27.08                |
| - Difference between Lease rentals charged to Profit & Loss account and claimed for tax purposes                      | 0.06                 | 7.06                 |
| <b>Deferred Tax Liability (net)</b>                                                                                   | <b>192.74</b>        | <b>171.28</b>        |

### 23. Current Financial Liabilities - Borrowings

| Particulars                                                                                                                                                                          | As at March 31, 2022 | As at March 31, 2021 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Secured</b>                                                                                                                                                                       |                      |                      |
| Loans repayable on demand:<br>from Banks                                                                                                                                             | 14166.03             | 12234.34             |
| (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). | 516.20               | 16.20                |
| Current maturities of long term debts                                                                                                                                                |                      |                      |
| <b>Total</b>                                                                                                                                                                         | <b>14,682.23</b>     | <b>12,250.54</b>     |

#### Note 23a

- (a) The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- (b) The quarterly returns / statements of current assets filed by the Company with banks are in agreement with the books of accounts except for the quarters ended 31st March, 2022 & 31st March, 2021. Summary of reconciliations are detailed as under:

| Name of Bank  | Particulars of Securities provided | Quarter | Amount as per Books of account | Amount as reported in quarterly statements | Amount of difference            |
|---------------|------------------------------------|---------|--------------------------------|--------------------------------------------|---------------------------------|
| Bank of India | Debtors                            | Mar-21  | 7,686.50                       | 7,706.09                                   | due to exchange rate difference |

### 24. Current Financial Liabilities - Trade Payables

| Particulars                                                                      | As at March 31, 2022 | As at March 31, 2021 |
|----------------------------------------------------------------------------------|----------------------|----------------------|
| Outstanding dues to creditors other than micro enterprises and small enterprises | 398.55               | 228.92               |
| Outstanding dues to micro enterprises and small enterprises                      | 171.79               | 157.26               |
| <b>Total</b>                                                                     | <b>570.34</b>        | <b>386.18</b>        |

#### Dues to Small and Medium Enterprises:

|                                                                                                         |        |        |
|---------------------------------------------------------------------------------------------------------|--------|--------|
| (a) Principal amount and interest due thereon remaining unpaid                                          | 171.79 | 157.26 |
| (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.

#### 24a. Ageing Schedules of Trade payables as at 31st March, 2022

| Particulars                 | Outstanding for following periods from due date of payment |           |           |                   | Total  |
|-----------------------------|------------------------------------------------------------|-----------|-----------|-------------------|--------|
|                             | Less than 1 year                                           | 1-2 years | 2-3 years | More than 3 years |        |
| (i) MSME                    | 171.79                                                     | -         | -         | -                 | 171.79 |
| (ii) Others                 | 398.55                                                     | -         | -         | -                 | 398.55 |
| (iii) Disputed dues – MSME  | -                                                          | -         | -         | -                 | -      |
| (iv) Disputed dues - Others | -                                                          | -         | -         | -                 | -      |

#### 24a. Ageing Schedules of Trade payables as at 31st March, 2021

| Particulars                 | Outstanding for following periods from due date of payment |           |           |                   | Total  |
|-----------------------------|------------------------------------------------------------|-----------|-----------|-------------------|--------|
|                             | Less than 1 year                                           | 1-2 years | 2-3 years | More than 3 years |        |
| (i) MSME                    | 157.26                                                     | -         | -         | -                 | 157.26 |
| (ii) Others                 | 226.62                                                     | 2.30      | -         | -                 | 228.92 |
| (iii) Disputed dues – MSME  | -                                                          | -         | -         | -                 | -      |
| (iv) Disputed dues - Others | -                                                          | -         | -         | -                 | -      |

24b There are no unbilled dues as at 31st March 2022 (Previous year: Rs. Nil)

#### 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, 2022 | As at March 31, 2021 |
|----------------------------------------|----------------------|----------------------|
| Outstanding dues towards Capital works | 256.35               | 8.35                 |
| Cash flows in hedging instruments      | 0.00                 | 0.00                 |
| Unclaimed dividends                    | 68.50                | 44.09                |
| Other liabilities                      | 268.47               | 176.93               |
| Total                                  | 593.32               | 229.37               |



## 26. Current Provisions

| Particulars                                             | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------------------------------|----------------------|----------------------|
| Provision for employee benefits:<br>- Gratuity (Funded) | 27.91                | 15.87                |
| <b>Total</b>                                            | <b>27.91</b>         | <b>15.87</b>         |

## 27. Other Current Liabilities

| Particulars                     | As at March 31, 2022 | As at March 31, 2021 |
|---------------------------------|----------------------|----------------------|
| Advances received against sales | 13.37                | 69.02                |
| Statutory dues payable          | 102.98               | 86.21                |
| Other liabilities               | 300.65               | 196.37               |
| <b>Total</b>                    | <b>417.00</b>        | <b>351.60</b>        |

## 28. Revenue from Operations

| Particulars                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|--------------------------------|--------------------------------------|--------------------------------------|
| <b>Sale of Products</b>        |                                      |                                      |
| Income from Sale of Shrimp     | 43,995.46                            | 37,150.74                            |
| <b>Other Operating Revenue</b> |                                      |                                      |
| Export Incentives              | 1,950.43                             | 2,068.93                             |
| <b>Revenue from Operations</b> | <b>45,945.89</b>                     | <b>39,219.66</b>                     |

### 28(1) Revenue from Operations

| Particulars                       | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Income from Sale of Trading Goods | 3,163.62                             | 8,128.17                             |
| Revenue from Operations           | 3,163.62                             | 8,128.17                             |

## 29. Other Income

| Particulars                                           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| Sale of agriculture produce                           | 3.50                                 |                                      |
| Lease rental income                                   | 33.97                                | 32.80                                |
| Interest Income from:                                 |                                      |                                      |
| - Financial assets at amortised cost                  | 161.32                               | 265.29                               |
| - Others                                              |                                      |                                      |
| Net Gain on Foreign Exchange Fluctuations             | 877.46                               | 411.31                               |
| Refund of Anti Dumping Duty                           |                                      |                                      |
| Unclaimed credit balances written back                | 4.40                                 | 0.26                                 |
| Net gain on disposal of property, plant and equipment | 0.74                                 |                                      |
| Net gain on Sale of Investments                       | 21.30                                |                                      |
| Grants Received under PMRPY Scheme                    | 12.25                                | 12.56                                |
| Grants Received under TMA Scheme for exporters        | 50.51                                | 64.41                                |
| Refund of GST paid for earlier years                  |                                      |                                      |
| Other Misc Income                                     | 128.97                               | 10.44                                |
| Freezing & Processing charges                         | 34.35                                | 8.75                                 |
| Insurance Claims                                      |                                      | 34.30                                |
| Grants received from MPDA for exports                 |                                      | 5.85                                 |
| <b>Total</b>                                          | <b>1,328.79</b>                      | <b>845.97</b>                        |

## 30. Cost of Materials Consumed

| Particulars                                        | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| Raw Materials Consumed                             |                                      |                                      |
| Opening stock at the beginning of the year         | 0.00                                 | 0.00                                 |
| Add : Purchases                                    | 32,060.04                            | 28,093.66                            |
| Less : Sale of materials                           | 0.00                                 | 0.00                                 |
|                                                    | 32,060.04                            | 28,093.66                            |
| Less : Closing stock at the end of the year/period | 0.00                                 |                                      |
|                                                    | 32,060.04                            | 28,093.66                            |

## 30A Cost of Sale of Trading goods

| Particulars                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------|--------------------------------------|--------------------------------------|
| Cost of Sale of Trading goods | 2,473.99                             | 7,010.25                             |

### (A) Details of Raw Materials consumed

| Particulars | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------|--------------------------------------|--------------------------------------|
| Raw Shrimps | 32,060.04                            | 28,366.99                            |

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

| Particulars                                                 | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Opening stock of inventories<br>Finished goods of Shrimp    | 9,258.26                             | 8,452.18                             |
| Closing stock of inventories<br>Finished goods of Shrimp    | 10,290.15                            | 9,258.26                             |
| <b>Decrease/(Increase) in inventories of finished goods</b> | <b>(1,031.89)</b>                    | <b>(806.08)</b>                      |

### 32. Operating expenses

| Particulars                                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
| Consumption of stores, spares and consumables | 1,829.56                             | 1,625.53                             |
| Processing charges                            | 2,142.26                             | 1,898.39                             |
| Power and Fuel                                | 570.64                               | 569.39                               |
| Repairs and maintenance:                      |                                      |                                      |
| - Plant and Machinery                         | 360.83                               | 385.98                               |
| - Vehicles                                    | 451.93                               | 344.88                               |
| Other operating charges                       | 580.84                               | 606.18                               |
| <b>Total</b>                                  | <b>5,936.07</b>                      | <b>5,430.34</b>                      |

### 33. Employee Benefits Expenses

| Particulars                                    | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Salaries and allowances                        | 1,273.54                             | 1,061.80                             |
| Contribution to provident fund and other funds | 153.23                               | 127.43                               |
| Gratuity expense                               | 74.65                                | 32.49                                |
| Managerial remuneration                        | 189.16                               | 165.12                               |
| Staff welfare expenses                         | 33.59                                | 29.60                                |
| <b>Total</b>                                   | <b>1,724.18</b>                      | <b>1,416.43</b>                      |

### 34. Finance cost

| Particulars                           | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Interest Expense                      | 507.66                               | 311.94                               |
| Interest expense on lease liabilities | 4.74                                 | 28.83                                |
| Bank charges                          | 93.30                                | 88.75                                |
| <b>Total</b>                          | <b>605.70</b>                        | <b>429.52</b>                        |

### 35. Depreciation and Amortisation

| Particulars                                   | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------|--------------------------------------|--------------------------------------|
| Depreciation on plant, property and equipment | 408.12                               | 335.40                               |
| Depreciation on investment property           | 10.65                                | 9.56                                 |
| Amortisation on right-of-use assets           | 12.01                                | 8.24                                 |
| Amortisation on intangible assets             |                                      |                                      |
| <b>Total</b>                                  | <b>430.78</b>                        | <b>353.20</b>                        |

### 36. Other Expenses

| Particulars                       | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------|--------------------------------------|--------------------------------------|
| Rates & Taxes                     | 669.56                               | 508.36                               |
| Insurance                         | 277.90                               | 201.17                               |
| Directors' Sitting Fees           | 4.85                                 | 5.39                                 |
| Auditors' Remuneration            |                                      | 0.00                                 |
| for Audit Fees                    | 3.90                                 | 3.90                                 |
| for Taxation Matters              | 0.50                                 | 0.58                                 |
| Travelling & Conveyance expenses  | 64.37                                | 60.64                                |
| Donations                         | -                                    | 1.15                                 |
| Legal and Professional fees       | 187.25                               | 203.14                               |
| Commission on Sales               | 192.64                               | 95.27                                |
| Selling and distribution expenses | 4,441.81                             | 2,320.34                             |
| Net Loss on Sale of PPE           |                                      | 0.81                                 |
| Miscellaneous Expenses            | 223.66                               | 114.04                               |
| C.S.R.Expenses                    | 218.07                               | 138.54                               |
| <b>Total</b>                      | <b>6,284.51</b>                      | <b>3,653.32</b>                      |

### 37. Particulars of Earnings Per Share

| Particulars                                                                             | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Profit attributable to equity holders:                                                  |                                      |                                      |
| Continuing operations                                                                   | 1355.31                              | 1841.34                              |
| Discontinued operation                                                                  |                                      |                                      |
| Profit attributable to equity holders of the parent for basic earnings                  | 1355.31                              | 1841.34                              |
| Interest on convertible preference shares                                               |                                      |                                      |
| Profit attributable to equity holders of the parent adjusted for the effect of dilution | 1355.31                              | 1841.34                              |

| Particulars                                                                  | For the year ended<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Weighted average number of Equity shares for basic EPS*                      | 10797156                             | 10170797                             |
| Effect of dilution                                                           |                                      |                                      |
| Equity shares allocated for Share warrents                                   | 781643.84                            | 120821.92                            |
| Convertible preference shares                                                |                                      |                                      |
| Weighted average number of Equity shares adjusted for the effect of dilution | 11578800                             | 10291619                             |

\* 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<br>March 31, 2022 | For the year ended<br>March 31, 2021 |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|
| a) Basic                                              | 12.55                                | 18.10                                |
| b) Diluted                                            | 11.71                                | 17.89                                |



### 38. The details of Indian rupee term loans from banks are as under:

| Name of the Bank                                              | Outstanding as on March 31, 2022 | Outstanding as on March 31, 2021 | No. of Instalments                      | Commencement of instalments | Security                                                               |
|---------------------------------------------------------------|----------------------------------|----------------------------------|-----------------------------------------|-----------------------------|------------------------------------------------------------------------|
| a) Secured loan from Bank of India - car-Audi                 | 5.45                             | 16.00                            | 36 equal monthly instalments of Rs.0.95 | October-2019                | Hypothecation of the Car                                               |
| b) Secured loan from Bank of India - car-Creta                | 1.41                             | 5.83                             | 36 monthly instalments of Rs.0.39       | August-2019                 | Hypothecation of the Car                                               |
| c) Secured Loan From HDFC Bank-Term loan for KSEZ Plant       | 2012.23                          | 1538.47                          | 20 quarterly instalments of Rs.100.00   | September-2022              | Exclusive Charge on Plant & Macchinery, Personal gurantee of directors |
| d)Secured Loan From HDFC Bank-Term Loan for Solar Power Plant | 1006.16                          | 0.00                             | 60 Monthly installments of Rs16.66      | September-2022              | Exclusive Charge on Plant & Macchinery and Immovable Property          |
| <b>Total</b>                                                  | <b>3,025.25</b>                  | <b>1,560.30</b>                  |                                         |                             |                                                                        |

### 39. Details of CSR expenditure

| Particulars                                                                                        | For the year ended March 31, 2022   | For the year ended March 31, 2021    |
|----------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------|
| (a) Amount required to be spent by the Company during the year:                                    | 93.17                               | 100.48                               |
| (b) Amount of expenditure incurred during the year on:                                             |                                     |                                      |
| - Construction/acquistion of any asset                                                             | 3.00                                | 27.53                                |
| - On purposes other than above                                                                     | 215.07                              | 136.94                               |
| (c) Shortfall at the end of the year                                                               | 3.44                                | 128.34                               |
| (d) Total of Previous years shortfall                                                              | 128.34                              | 192.33                               |
| (e) Reason for shortfall                                                                           | To be spent on an on-going project. | To be spent on an on-going projects. |
| (f) Details of related party transactions                                                          | Nil                                 | Nil                                  |
| (g) No provision is created as there is no liability to be incurred due to contractual obligation. |                                     |                                      |

### Description of the CSR Expenses spent under various Heads

| Particulars                                                                                                                                                                   | For the year ended<br>March 31, 2022 |               | For the year ended<br>March 31, 2021 |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------|--------------------------------------|---------------|
|                                                                                                                                                                               | Details                              | Rs.           | Details                              | Rs.           |
| Purchase of new Ambulance and Ambulance Repairs & Maintenance                                                                                                                 |                                      | 1.38          |                                      | 4.93          |
| Expenditure on health care equipments – Purchase of humidifier & oxygen machine.                                                                                              |                                      | 6.01          |                                      | 2.60          |
| Supply of Food grains to needy                                                                                                                                                |                                      | -             |                                      | 13.94         |
| Amount paid Alluri Sitaramaraju Vignana Kendram towards Construction of Library                                                                                               |                                      | -             |                                      | 20.00         |
| Amount paid to Arunodaya Trust towards – Women Empowerment – through skills training towards economic support and self-reliance.                                              |                                      | 95.00         |                                      | 50.00         |
| Contribution towards Suraksha Old age and Health Society – Health, Poverty & Eradication of Hunger – oldage homes/orphan homes/ free covid/ medical camps/ food distribution. |                                      | 82.70         |                                      | 20.00         |
| Amount paid to Global Helping Hands INC – Medical & health on present issues pandemic COVID – 19.                                                                             |                                      | -             |                                      | 20.00         |
| Payments to M/s Association Saikorian – Campus Challenge on account of CSR expenses                                                                                           |                                      | 5.40          |                                      | 5.40          |
| Payments to Touch Stone Charities for Eradicating hunger & poverty livelihood- for providing breakfast to govt. schools situated around factory premises.                     |                                      | 14.01         |                                      | 3.00          |
| Payments for bottle crusher – sanitization                                                                                                                                    |                                      | -             |                                      | 4.48          |
| Supply of blankets                                                                                                                                                            |                                      | -             |                                      | 0.12          |
| PM Relief Fund                                                                                                                                                                |                                      | -             |                                      | 20.00         |
| Expenditure on health care equipments -Apollo Hospital Enterprises (T BalaKrishna ) Medical Treatment Purpose                                                                 |                                      | 5.00          |                                      | -             |
| Contribution towards Sri Gurudeva Charitable Trust- Artificial Limbs                                                                                                          |                                      | 5.00          |                                      | -             |
| Contribution towards Visa Foundation – for construction of public toilets                                                                                                     |                                      | 3.00          |                                      | -             |
| Beach Cleaning                                                                                                                                                                |                                      | 0.57          |                                      | -             |
| <b>Total</b>                                                                                                                                                                  |                                      | <b>218.07</b> |                                      | <b>164.47</b> |

The amount unspent as at March 31, 2022 is Rs. 3.44 lakhs, March 31, 2021 is Rs.128.34 lakhs

## 40. Financial Ratios

| Particulars                              | Numerator                                                                    | Denominator                                                                | Current Period | Previous Period | % of variance* | Remarks for change in the ratio by more than 25%                                                       |
|------------------------------------------|------------------------------------------------------------------------------|----------------------------------------------------------------------------|----------------|-----------------|----------------|--------------------------------------------------------------------------------------------------------|
| <b>Liquidity Ratio</b>                   |                                                                              |                                                                            |                |                 |                |                                                                                                        |
| Current Ratio (times)                    | Total Current assets                                                         | Total Current liabilities                                                  | 1.28           | 1.59            | (19.81)        | Due to Increase in working capital limits                                                              |
| <b>Solvency Ratio</b>                    |                                                                              |                                                                            |                |                 |                |                                                                                                        |
| Debt-Equity Ratio (times)                | Total debt, debt consists of borrowings and lease liabilities                | Total equity                                                               | 0.84           | 0.79            | 7.14           |                                                                                                        |
| Debt Service Coverage Ratio (times)      | Earnings before interest, tax, depreciation & non cash expenditure, income   | Debt service = Interest and lease payments + Principal repayments          | 5.59           | 5.23            | 6.83           |                                                                                                        |
| <b>Profitability ratio</b>               |                                                                              |                                                                            |                |                 |                |                                                                                                        |
| Net Profit Ratio (%)                     | Total comprehensive income                                                   | Revenue from operations                                                    | 2.55           | 3.91            | (34.67)        | Due to abnormal increase in occen fright, by 375% when compared to previous year.                      |
| Return on Equity Ratio (%)               | Total comprehensive income                                                   | Average total equity                                                       | 6.30           | 10.72           | (41.25)        | Due to abnormal increase in occen fright, by 375% when compared to previous year.                      |
| Return on Capital employed (%)           | Earnings before interest and tax                                             | Capital Employed                                                           | 10.43          | 15.11           | (30.97)        | Due to abnormal increase in occen fright, by 375% when compared to previous year.                      |
| Return on Investment (%)                 | Income generated from invested funds & change in market value of investments | Average Invested funds                                                     | 0.12           | 0.09            | 27.76          | Due to decrease in term deposit interest rates                                                         |
| <b>Utilization Ratio</b>                 |                                                                              |                                                                            |                |                 |                |                                                                                                        |
| Trade Receivables turnover ratio (times) | Revenue from operations                                                      | Average trade receivables                                                  | 14.41          | 14.30           | 0.76           |                                                                                                        |
| Inventory turnover ratio (times)         | Revenue from operations                                                      | Average Inventory                                                          | 5.02           | 4.52            | 11.05          |                                                                                                        |
| Trade payables turnover ratio (times)    | Net credit purchases                                                         | Average Trade Payables                                                     | 67.03          | 29.64           | 126.17         | due to increase in raw materials procurement & cost of the materials.                                  |
| Net capital turnover ratio (times)       | Revenue from operations                                                      | working capital (i.e. Total current assets less Total current liabilities) | 10.91          | 6.05            | 80.43          | Due to higher utilisation of working capital limits and reduced rate of interest sub-vention from GOI. |

#### 41. Contingent liabilities/claims not provided for

| Particulars                                                                                                                 | As at March 31, 2022 | As at March 31, 2021 |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>a. Unexpired Bank Guarantee issued in favour of:</b>                                                                     |                      |                      |
| Against letters of credit (SBLC)                                                                                            | 600.00               | 600.00               |
| <b>b. Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances):</b> | 328.00               | 3333.14              |
| <b>c) Bank guarantees issued by the company to the MPEDA as a performance bank guarantee</b>                                | 27.79                | 27.79                |

#### 42. Assets pledged as security

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

| Particulars                         | Notes | March 31, 2022 | March 31, 2021 |
|-------------------------------------|-------|----------------|----------------|
| <b>Current assets</b>               |       |                |                |
| Financial assets                    |       |                |                |
| Trade receivables                   | 11    | 3,950.15       | 2,867.41       |
| Bank balances other than above (ii) | 13    | 2,083.84       | 1,341.46       |
| <b>Non-financial assets</b>         |       |                |                |
| Inventories                         | 10    | 10,904.45      | 0,094.88       |
| Other Current assets                | 15    | 628.53         | 1,040.36       |

#### 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                                                                     |
| (f) Sri T. Viswanath                  | Relative of KMP                                                                     |
| (g) M/s. Coastal Developers Pvt Ltd   | Common Director                                                                     |
| (h) M/s.Ting Tai India Private Ltd    | Managing director holding substantial shares in the company.                        |
| (i) M/s.Balaji Sea Foods Ltd          | whole time directors and their relatives holding substantial shares in the company. |
| (j) M/s.Coromandel Expopack Pvt Ltd   | Managing director holding substantial shares in the company.                        |
| (k) M/s.TVR Estates & Resorts Pvt Ltd | Managing director holding substantial shares in the company.                        |

## 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 |
| (c) M/s.Coastal Biotech Private Limited     | 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, 2022 | For the year ended March 31, 2021 |
|---------|-------------------------|-------------------------|--------------------------------------------------------------------|-----------------------------------|-----------------------------------|
| 1)      | Sri T. Valsaraj         | KMP (MD)                | Remuneration                                                       | 106.04                            | 107.07                            |
| 2)      | Sri G.V.V.Satyanarayana | KMP (WTD)               | Remuneration                                                       | 57.51                             | 58.03                             |
| 3)      | Smt. Jeeja Valsaraj     | Relative of KMP         | Sitting fees                                                       | 1.30                              | 1.55                              |
|         |                         |                         | commission on profits under section 197 of the companies Act 2013. | 4.46                              | -                                 |
| 4)      | Sri M.V.Surya Narayana  | Independent Director    | Sitting fees                                                       | 1.00                              | 1.10                              |
|         |                         |                         | commission on profits under section 197 of the companies Act 2013. | 4.46                              |                                   |
| 5)      | Sri K Venkateswara Rao  | Independent Director    | Sitting fees                                                       | 0.90                              | 1.00                              |
|         |                         |                         | commission on profits under section 197 of the companies Act 2013. | 4.46                              |                                   |
| 6)      | Sri P R Kalyanaraman    | Independent Director    | Sitting fees                                                       | 1.00                              | 1.10                              |
|         |                         |                         | commission on profits under section 197 of the companies Act 2013. | 4.46                              |                                   |
| 7)      | Sri.E Shankara Rao      | Independent Director    | Sitting fees                                                       | 0.65                              |                                   |
|         |                         |                         | commission on profits under section 197 of the companies Act 2013. | 4.46                              |                                   |
| 8)      | Smt. Swaroopa Meruva    | KMP (Company Secretary) | Salary Amount paid                                                 | 13.47                             | 11.59                             |
| 9)      | Smt. Vineesha Valsaraj  | Relative of KMP         | SalaryAmount paid                                                  | 0.23                              | 3.00                              |
| 10)     | Sri T. Vishwanath       | Relative of KMP         | contract labour charges paid                                       | 289.91                            | 251.40                            |

## (iii) Balance outstanding

| Sl. No. | Name of the Party                       | Relationship            | Nature of transaction | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---------|-----------------------------------------|-------------------------|-----------------------|-----------------------------------|-----------------------------------|
| 1)      | Sri T. Valsaraj                         | KMP (MD)                | Remuneration          | 39.11 Cr                          | 10.05Cr                           |
| 2)      | Sri G.V.V.Satyanarayana                 | KMP (WTD)               | Remuneration          | 19.36Cr                           | 0.07Cr                            |
| 3)      | M/s Continental Fisheries India Pvt Ltd | Wholly owned subsidiary | Investment in Equity  | 504.6 Dr                          | 302.76 Dr                         |
|         |                                         |                         | Loan O/s              | 808.23 Dr                         | 438.75 Dr                         |
| 4)      | M/s Seacrest Seafoods Inc.              | Wholly owned subsidiary | Investment in Equity  | 2259.30 Dr                        | 2191.50Dr                         |
|         |                                         |                         | Loan O/s              | 155.93 Dr                         | 146.10Dr                          |
| 5)      | M/s.Coastal Biotech Private Limited     | Wholly owned subsidiary | Investment in Equity  | 500 Dr                            |                                   |
|         |                                         |                         | Loan O/s              | 336.34 Dr                         | -                                 |



#### 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. CIF value of imports:

(` in lakhs)

| Particulars                | This Year | Previous Year |
|----------------------------|-----------|---------------|
| Capital goods              | 2,317.62  | 2,347.76      |
| Components and spare parts | 58.40     | 58.26         |

#### 47. Details of imported and indigenous raw materials and spares consumed

| Particulars     | This Year  |      | Previous Year |      |
|-----------------|------------|------|---------------|------|
|                 | ` in lakhs | %    | ` in lakhs    | %    |
| Raw Materials   |            |      |               |      |
| Imported        | -          |      |               |      |
| Indigenous      | 31,571.17  | 100% | 28,366.99     | 100% |
| Stores & Spares |            |      |               |      |
| Imported        |            |      |               |      |
| Indigenous      | 360.83     |      | 385.98        |      |

#### 48. Foreign Currency disclosures

(` in lakhs)

| Particulars                                                                                                                       | This Year | Previous Year |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------|---------------|
| Expenditure in foreign currency on account of:<br>Bank charges, Subscriptions, Foreign Tour expenses<br>and cost of services etc. | 1,319.29  | 1,110.62      |
| Earnings in foreign currency:                                                                                                     | 43,995.46 | 37,150.74     |

#### 49. 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.

## 50. Balances Outstanding

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

## 51. Other additional Regulatory information

a) The company has no transactions with struck off companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956."

b) As per the search report generated from the MCA portal, satisfaction of charges in respect of 5 charges created since 1990, are appearing as "open", though the company has filed the forms towards satisfaction of charges with Registrar of Companies in respect of the same, within the statutory period prescribed under the Act.

c) The Company has complied with the number of layers as prescribed under clause (87) of the section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

d) There is no Scheme of Arrangements that has been approved in terms of sections 230 to 237 of the Companies Act, 2013.

e) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

f) The company has not granted any Loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013,) either severally or jointly with any other person, other than the three wholly owned subsidiary companies (including one, incorporated outside India), that are repayable on demand or without specifying any terms or period of repayment.

g) There are no transactions that are not recorded in the books of account and have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

h) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

## 52. Additional information on the entities included in the Consolidated Financial Statements

| Name of the entity in the Group            | Net Assets (i.e., total assets minus total liabilities) |        | Net Assets (i.e., total assets minus total liabilities) |         | Net Assets (i.e., total assets minus total liabilities) |        | Net Assets (i.e., total assets minus total liabilities) |        |
|--------------------------------------------|---------------------------------------------------------|--------|---------------------------------------------------------|---------|---------------------------------------------------------|--------|---------------------------------------------------------|--------|
|                                            | As % of Consolidated net assets                         | Amount | As % of Consolidated profit or loss                     | Amount  | As % of consolidated other comprehensive income         | Amount | As % of total comprehensive income                      | Amount |
| Parent Subsidiaries Indian                 |                                                         |        |                                                         |         |                                                         |        |                                                         |        |
| 1) M/s Continental Fisheries India Pvt Ltd | 1.26                                                    | 500.45 | 0.35                                                    | 4.70    | -                                                       | 0.00   | -                                                       | 0.00   |
| 2) M/s. Coastal Biotech Private Limited    | 1.26                                                    | 500.00 | 0.00                                                    | 0.00    | -                                                       | 0.00   | -                                                       | 0.00   |
| Foreign                                    |                                                         |        |                                                         |         |                                                         |        |                                                         |        |
| 1) M/s Seacrest Seafoods Inc.              | 1.54                                                    | 612.78 | -0.11                                                   | -148.65 | -                                                       | 0.00   | -                                                       | 0.00   |

### 53. Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

#### **Ind AS 16–Property Plant and equipment-**

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss, but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment amounts. The company does not expect the amendment to have any impact in its recognition of its property, plant and equipment in its financial statements.

#### **Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

#### **Ind AS 103 – Reference to Conceptual Framework**

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

#### **Ind AS 109 – Annual Improvements to Ind AS (2021)**

The amendment clarifies which fees an entity can include when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

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



## 54. FINANCIAL INSTRUMENTS

### 54.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

| Particulars                 | Amortized cost   | Measured at fair value through profit loss |               | Measured at fair value through OCI  |                 | Total carrying value | Total Fair value |
|-----------------------------|------------------|--------------------------------------------|---------------|-------------------------------------|-----------------|----------------------|------------------|
|                             |                  | Designated upon initial recognition        | Mandatory     | Designated upon initial recognition | Mandatory       |                      |                  |
| <b>Assets:</b>              |                  |                                            |               |                                     |                 |                      |                  |
| Cash and cash equivalents   | 1,421.50         | -                                          |               |                                     | -               | 1,421.50             | 1,421.50         |
| Investments:                |                  |                                            |               |                                     |                 |                      |                  |
| Unquoted equity instruments |                  | -                                          |               | 98.00                               | -               | 98.00                | 98.00            |
| Trade receivables           |                  | -                                          |               |                                     | 3,950.15        | 3,950.15             | 3,950.15         |
| Loans                       |                  | -                                          |               |                                     |                 | -                    | -                |
| Other financial assets      | 2,366.57         | -                                          | 214.99        |                                     | 2.86            | 2,584.42             | 2,584.42         |
| <b>Total</b>                | <b>3,788.07</b>  | <b>-</b>                                   | <b>214.99</b> | <b>98.00</b>                        | <b>3,953.01</b> | <b>8,054.07</b>      | <b>8,054.07</b>  |
| <b>Liabilities:</b>         |                  |                                            |               |                                     |                 |                      |                  |
| Trade payables              | 570.34           | -                                          | -             | -                                   | -               | 570.34               | 570.34           |
| Other financial liabilities | 14,141.06        | -                                          | -             | -                                   | -               | 14,141.06            | 14,141.06        |
| <b>Total</b>                | <b>14,711.40</b> | <b>-</b>                                   | <b>-</b>      | <b>-</b>                            | <b>-</b>        | <b>14,711.40</b>     | <b>14,711.40</b> |

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

| Particulars                 | Amortized cost   | Measured at fair value through profit or loss |               | Measured at fair value through OCI  |                 | Total carrying value | Total Fair value |
|-----------------------------|------------------|-----------------------------------------------|---------------|-------------------------------------|-----------------|----------------------|------------------|
|                             |                  | Designated upon initial recognition           | Mandatory     | Designated upon initial recognition | Mandatory       |                      |                  |
| <b>Assets:</b>              |                  |                                               |               |                                     |                 |                      |                  |
| Cash and cash equivalents   | 1,918.11         | -                                             |               | -                                   |                 | 1,918.11             | 1,918.11         |
| Investments:                |                  |                                               |               |                                     |                 |                      |                  |
| Unquoted equity instruments |                  | -                                             |               | 218.30                              | -               | 218.30               | 218.30           |
| Trade receivables           |                  | -                                             |               |                                     | 2,867.41        | 2,867.41             | 2,867.41         |
| Loans                       |                  | -                                             |               |                                     |                 | -                    | -                |
| Other financial assets      | 3,591.65         | -                                             | 129.17        |                                     | 27.29           | 3,748.11             | 3,748.11         |
| <b>Total</b>                | <b>5,509.76</b>  | <b>-</b>                                      | <b>129.17</b> | <b>218.30</b>                       | <b>2,894.70</b> | <b>8,751.93</b>      | <b>8,751.93</b>  |
| <b>Liabilities:</b>         |                  |                                               |               |                                     |                 |                      |                  |
| Trade payables              | 386.18           | -                                             | -             | -                                   | -               | 386.18               | 386.18           |
| Other financial liabilities | 14,141.06        | -                                             | -             | -                                   | -               | 14,141.06            | 14,141.06        |
| <b>Total</b>                | <b>14,527.24</b> | <b>-</b>                                      | <b>-</b>      | <b>-</b>                            | <b>-</b>        | <b>14,527.24</b>     | <b>14,527.24</b> |

## 54.2 Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

### A) The following methods and assumptions were used to estimate the fair values

The fair value of cash and cash equivalents, trade receivables and payables, financial liabilities and assets approximate their carrying amount largely due to the short-term maturities of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. The fair value of unquoted equity investments designated and recognised through Other Comprehensive Income has been determined by using the Cost approach technique through the net assets value method.

### B) Fair value hierarchy

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

#### The categories used are as follows:

Level 1: Level 1 hierarchy includes inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs that are observable either directly or indirectly for the asset or liability, other than quoted prices included within level 1.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

**C) Statement showing the fair value hierarchy of the financial assets and liabilities measured at fair value on a recurring basis**

| Particulars                               | Fair Values as at |           | Fair Value Hierarchy |
|-------------------------------------------|-------------------|-----------|----------------------|
|                                           | 31/3/2022         | 31/3/2021 |                      |
| <b>Financial Assets</b>                   |                   |           |                      |
| Trade receivables                         | 3,950.15          | 2,867.41  | Level 2              |
| Other financial assets                    | 214.99            | 129.17    | Level 2              |
| Investment in unquoted Equity Instruments | 98.00             | 218.30    | Level 3              |

**D) Management's approach and the key assumptions used to determine the fair value under Level 3 hierarchy:**

Cost approach is the valuation technique used for determination of the fair value of the unquoted equity instruments. It considers the present net worth of those companies. The latest audited financial statements, prevailing market/ recoverable values for the assets of respective companies and the amounts payable to discharge its liabilities are the unobservable inputs considered to arrive the fair values of the unquoted equity instruments.

**E) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:**

| Particulars                             | Amount in Lakhs |
|-----------------------------------------|-----------------|
| Balance as at 1 April 2019              | 218.30          |
| Re-measurement recognised in OCI        | (28.00)         |
| Purchases                               | -               |
| Reclassified in discontinued operations | -               |
| Sales                                   | (92.30)         |
| Balance as at 31 March 2020             | 98.00           |

**54.3 Offsetting financial assets and financial liabilities as on March 31, 2022**

| Particular                       | Effects of offsetting on the balance sheet |                                            |                                            | Related amounts not set off                    |                                  | Net amount |
|----------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|------------------------------------------------|----------------------------------|------------|
|                                  | Gross amount                               | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instruments collateral |            |
| Financial assets                 |                                            |                                            |                                            |                                                |                                  |            |
| Cash and cash equivalents        | 1,421.50                                   | -                                          | 1,421.50                                   |                                                |                                  | 1,421.50   |
| Trade receivables                | 3,950.15                                   | -                                          | 3,950.15                                   |                                                | 3,950.15                         | -          |
| Other financial assets           | 2,679.56                                   | -                                          | 2,679.56                                   |                                                |                                  | 2,679.56   |
| Derivative financial instruments | -                                          | -                                          | -                                          |                                                |                                  | -          |
| Financial liabilities            |                                            |                                            |                                            |                                                |                                  |            |
| Trade payables                   | 570.34                                     | -                                          | 570.34                                     |                                                |                                  | 570.34     |
| Borrowings                       | 17,191.25                                  | -                                          | 17,191.25                                  |                                                | 3,950.15                         | 13,241.10  |
| Other financial liabilities      | 708.70                                     | -                                          | 708.70                                     |                                                |                                  | 708.70     |
| Derivative financial instruments | -                                          | -                                          | -                                          |                                                |                                  | -          |



## Offsetting financial assets and financial liabilities as on March 31, 2021

| Particular                       | Effects of offsetting on the balance sheet |                                            |                                            | Related amounts not set off                    |                                  | Net amount |
|----------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|------------------------------------------------|----------------------------------|------------|
|                                  | Gross amount                               | Gross amounts set off in the balance sheet | Net amounts presented in the balance sheet | Amounts subject to master netting arrangements | Financial instruments collateral |            |
| Financial assets                 |                                            |                                            |                                            |                                                |                                  |            |
| Cash and cash equivalents        | 1,918.11                                   | -                                          | 1,918.11                                   |                                                |                                  | 1,918.11   |
| Trade receivables                | 2,867.41                                   | -                                          | 2,867.41                                   |                                                | 2,867.41                         | -          |
| Other financial assets           | 3,939.12                                   | -                                          | 3,939.12                                   |                                                |                                  | 3,939.12   |
| Derivative financial instruments | -                                          | -                                          | -                                          |                                                |                                  | -          |
| Financial liabilities            |                                            |                                            |                                            |                                                |                                  |            |
| Trade payables                   | 386.18                                     | -                                          | 386.18                                     |                                                |                                  | 386.18     |
| Borrowings                       | 13,794.64                                  | -                                          | 13,810.84                                  |                                                | 2,867.41                         | 10,927.43  |
| Other financial liabilities      | 346.42                                     | -                                          | 330.22                                     |                                                |                                  | 330.22     |
| Derivative financial instruments | -                                          | -                                          | -                                          |                                                |                                  | -          |



## 54.4 Financial risk management framework

**A)** The Group's Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The Board of Directors monitors the compliance with the group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

**The risk management framework aims at,**

- i) Improve financial risk awareness and risk transparency
- ii) Identify, control and monitor key risks
- iii) Identify risk accumulations
- iv) Provide management with reliable information on the Company's risk situation
- v) Improve financial returns

**B)** The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

| Risk                              | Exposure arising from                                                                                             | Measurement                                   | Management                                                      |
|-----------------------------------|-------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------|
| Credit risk                       | Cash and cash equivalents, trade receivables, financial assets measured at amortised cost                         | Aging analysis, credit ratings                | Credit Limits and Letters of Credit                             |
| Liquidity risk                    | Borrowings and other liabilities                                                                                  | Rolling cash flow forecasts                   | Availability of committed credit lines and borrowing facilities |
| Market risk<br>- Foreign exchange | Future commercial transactions. Recognised financial assets and liabilities not denominated in Indian Rupee (INR) | Cash flow forecasting<br>Sensitivity analysis | Cash flows hedging - Forward foreign exchange contracts         |
| Market risk<br>- Interest rate    | Long term borrowings at fixed rates for one year                                                                  | Sensitivity analysis                          | Credit rating                                                   |
| Market risk<br>- Commercial risk  | Price variations                                                                                                  | Sensitivity analysis                          | Product manufacturing planning                                  |

### a) Credit risk:

i) Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables), from cash and cash equivalents, deposits with banks. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis

ii) Financial assets that are neither past due nor impaired

"Cash and cash equivalents, deposits with banks, security deposits, investments in securities are neither past due nor impaired. Cash and cash equivalents, deposits are held with banks which are reputed and credit worthy banking institutions. Hence the expected credit loss is negligible. Investments in securities - the fair value of the securities determined are higher than the cost incurred by the company and having sufficient margin. Hence the expected credit loss is negligible."

iii) Financial assets that are past due but not impaired

Credit risk arising from trade receivables is managed in accordance with the group's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products is less than 90 days. All trade receivables are reviewed and assessed for default on a quarterly basis. For trade receivables, as a practical expedient, the group computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is as follows:

| Ageing                     | Expected Credit Loss (%) |
|----------------------------|--------------------------|
| With in the Credit Period  | 0%                       |
| Up to 60 days past due     | 0.25%                    |
| 60-90 days past due        | 0.5%                     |
| More than 90 days past due | 1%                       |

### b) Liquidity risk:

i) Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet it's cash and collateral requirements at all times. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit line to meet obligations . Due to the dynamic nature of underlying bussiness, company maintains flexibility in funding by maintaining availability under committed credit lines.

ii) Maturities of financial liabilities

The table below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities:

#### As on March 31, 2022

| Current maturities of financial liabilities | Less than 6 months | 6 months to 12 months | Greater than 12 months | Total    |
|---------------------------------------------|--------------------|-----------------------|------------------------|----------|
| <b>Non derivatives</b>                      |                    |                       |                        |          |
| Borrowings                                  | 14,166.03          | -                     | 2,509.02               | 16675.05 |
| Trade payables                              | 570.34             | -                     | -                      | 570.34   |
| Other financial liabilities                 | 851.42             | 258.10                | 115.38                 | 1224.90  |
| <b>Derivatives</b>                          |                    |                       |                        |          |
| Cash flows in hedging instruments           | -                  | -                     | -                      | -        |

## As on March 31, 2021

| Current maturities of financial liabilities | Less than 6 months | 6 months to 12 months | Greater than 12 months | Total    |
|---------------------------------------------|--------------------|-----------------------|------------------------|----------|
| <b>Non derivatives</b>                      |                    |                       |                        |          |
| Borrowings                                  | 12,250.54          | -                     | 1,544.10               | 13794.64 |
| Trade payables                              | 386.18             | -                     | -                      | 386.18   |
| Other financial liabilities                 | 221.27             | 8.10                  | 117.05                 | 346.42   |
| <b>Derivatives</b>                          |                    |                       |                        |          |
| Cash flows in hedging instruments           | -                  | -                     | -                      | -        |

### c) Market Risk

#### i) Interest Rate Risk -

The company's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

#### Sensitivity to changes in interest rates

(` in Lakhs)

| Particulars                                            | Impact on profit |            |
|--------------------------------------------------------|------------------|------------|
|                                                        | FY 2021-22       | FY 2020-21 |
| Sensitivity Analysis of Borrowings                     |                  |            |
| Rate of Interest Increase by 1%<br>Packing Credit Loan | 140.00           | 140.00     |
|                                                        | 140.00           | 140.00     |
| Rate of Interest Decrease by 1%<br>Packing Credit Loan | (140.00)         | (140.00)   |
|                                                        | (140.00)         | (140.00)   |

#### ii) Commercial risk -

The commercial risk is the risk due to the change in market prices of raw materials and finished goods and it is measured through sensitivity analysis by taking variance of 5%

### 1. Selling price risk

(` in Lakhs)

| Particulars                            | Impact on profit |            |
|----------------------------------------|------------------|------------|
|                                        | FY 2021-22       | FY 2020-21 |
| Selling Price Increase by 5%<br>Shrimp | 2,199.77         | 1,857.54   |
|                                        | 2,199.77         | 1,857.54   |
| Selling Price Decrease by 5%<br>Shrimp | (2,199.77)       | (1,857.54) |
|                                        | (2,199.77)       | (1,857.54) |



## 2. Raw materials price risk

(` in Lakhs)

| Particulars                               | Impact on profit |            |
|-------------------------------------------|------------------|------------|
|                                           | FY 2021-22       | FY 2020-21 |
| <b>Raw materials price Increase by 5%</b> |                  |            |
| Shrimp                                    | (1,603.00)       | (1,418.35) |
|                                           | (1,603.00)       | (1,418.35) |
| <b>Raw materials price Decrease by 5%</b> |                  |            |
| Shrimp                                    | 1603.00          | 1418.35    |
|                                           | 1603.00          | 1418.35    |

### iii) Foreign currency risk -

The group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US\$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the group's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The group's risk management policy is to hedge around 5% to 10% of forecasted foreign currency sales for subsequent 12 months and accordingly, foreign exchange forward contracts are taken to hedge the foreign exchange fluctuations on forecasted sales.

### Foreign currency risk exposure at the end of the reporting periods:

(In US \$)

| Particulars                               | 31st March 2022 | 31st March 2021 |
|-------------------------------------------|-----------------|-----------------|
| <b>Financial assets</b>                   |                 |                 |
| Investments in foreign subsidiary company | 30.00           | 30.00           |
| Loan to wholly owned foreign subsidiary   | 2.00            | 2.00            |
| Trade receivables                         | 53.86           | 80.62           |
|                                           | 85.86           | 112.62          |
| <b>Derivative liabilities</b>             |                 |                 |
| Foreign exchange forward contracts        | 52.50           | 30.00           |
| - Sell foreign currency                   | 52.50           | 30.00           |

## Sensitivity analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

| Particulars               | Impact on Profit |                 | Impact on OCI   |                 |
|---------------------------|------------------|-----------------|-----------------|-----------------|
|                           | 31st March 2022  | 31st March 2021 | 31st March 2022 | 31st March 2021 |
| <b>USD sensitivity</b>    |                  |                 |                 |                 |
| INR/USD - Increase by 10% | 4715.91          | 4527.89         | (2.44)          | 2.73            |
| INR/USD - Decrease by 10% | (4,715.91)       | (4,527.89)      | 2.44            | (2.73)          |

## 54.5 Impact of hedging activities

### a. Disclosure of effects of hedge accounting on financial position:

| Particulars                                                                               | Foreign exchange forward contracts |                         |
|-------------------------------------------------------------------------------------------|------------------------------------|-------------------------|
|                                                                                           | 31st March 2022                    | 31st March 2021         |
| Nominal Value                                                                             |                                    |                         |
| Liabilities                                                                               | 4015.97                            | 2242.15                 |
| Carrying amount of hedging instrument                                                     |                                    |                         |
| Assets                                                                                    | 2.86                               | 27.29                   |
| Liabilities                                                                               |                                    |                         |
| Maturity date                                                                             | April to November 2022             | April to September 2020 |
| Hedge ratio                                                                               | 0.09                               | 0.04                    |
| Weighted average strike price/rate                                                        | 76.49                              | 74.74                   |
| Changes in fair value of hedging instruments                                              | 2.86                               | 27.29                   |
| Changes in the value of hedged item used as the basis for recognising hedge effectiveness | (24.43)                            | 27.29                   |

### b. Disclosure of effects of hedge accounting on financial performance:

| Particulars                                                                         | Foreign exchange risk |                 |
|-------------------------------------------------------------------------------------|-----------------------|-----------------|
|                                                                                     | 31st March 2022       | 31st March 2021 |
| Changes in the value of hedging instrument recognised in Other comprehensive income | (24.43)               | 27.29           |
| Hedge ineffectiveness recognised in profit or loss                                  | 0.00                  | 0.00            |
| Amount reclassified from cash flow hedging reserve to profit or loss                | 27.29                 | -129.40         |
| Line item affected in statement of profit and loss due to reclassification          | 0.00                  | 0.00            |



### c. Movements in cash flow hedging reserve

| Risk Category                                                | Foreign exchange risk |                 |
|--------------------------------------------------------------|-----------------------|-----------------|
|                                                              | 31st March 2020       | 31st March 2021 |
| <b>Derivative instruments</b>                                |                       |                 |
| Balance at the beginning of the year                         | 27.29                 | (129.40)        |
| Add: Changes in discounted spot element of forward contracts | 2.86                  | 27.29           |
| Less: Amounts reclassified to profit or loss                 | 27.29                 | (129.40)        |
| Balance at the end of the year                               | 2.86                  | 27.29           |

### 49.6 Capital management

The company's objectives when managing capital is to safeguard their ability to continue as a going concern, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The company sets the amount of capital required on the basis of annual business and long term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The company tries to maintain an optimal capital structure to reduce cost of capital and monitors capital on the basis of debt-equity ratio.

### Debt Equity Ratio

(Rs in Lakhs)

| Particulars                          | FY 2021-22 | FY 2020-21 |
|--------------------------------------|------------|------------|
| Debt                                 |            |            |
| Borrowings-Non current               | 2509.02    | 1544.10    |
| Current maturities of long term debt | 516.20     | 16.20      |
| Total Debt                           | 3025.22    | 1560.30    |
| Equity Share Capital                 | 1157.88    | 1067.88    |
| Other Equity                         | 19299.30   | 16509.31   |
| Total Equity                         | 20457.18   | 17577.19   |
| Debt to equity Ratio                 | 0.15       | 0.09       |



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# Notes to the Consolidated Ind AS financial statements for the year ended March 31, 2022

## 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. Their 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. Up-



keep 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 a mortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cashflows and the contractual terms of the financial asset give rise on specified dates to cashflows 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 cashflows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind.AS109. A financial liability (or a part of a financial liability) is derecognized when the obligation specified in the contract is discharged or can be cancelled or expires.

#### **1.13.5 Impairment of financial assets-**

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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 included is counted cashflow 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 as set 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. Again 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. Again 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 in flows 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.

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### 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.



Dno. 15-1-37/3, Jayaprada Apartments, Nowroji road, Maharanipecta,  
Visakhapatnam – 530002, Andhra Pradesh, India

Phone: 0891-2567118  
Email: [secretarialdept@coastalcorp.co.in](mailto:secretarialdept@coastalcorp.co.in), [cs@coastalcorp.co.in](mailto:cs@coastalcorp.co.in)

[www.coastalcorp.co.in](http://www.coastalcorp.co.in)

