



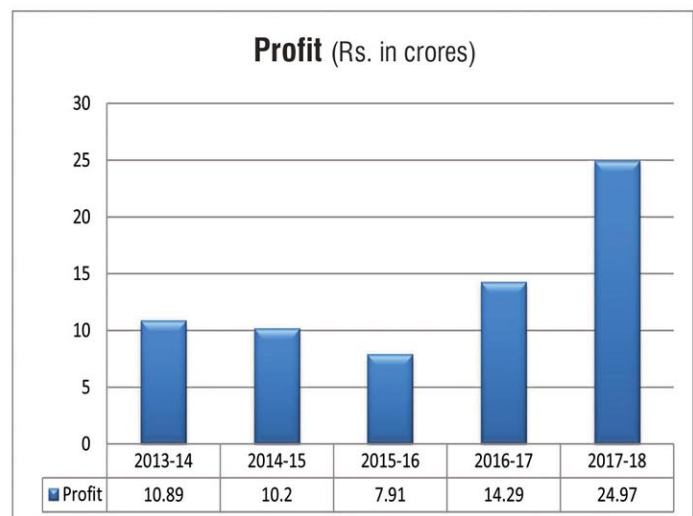
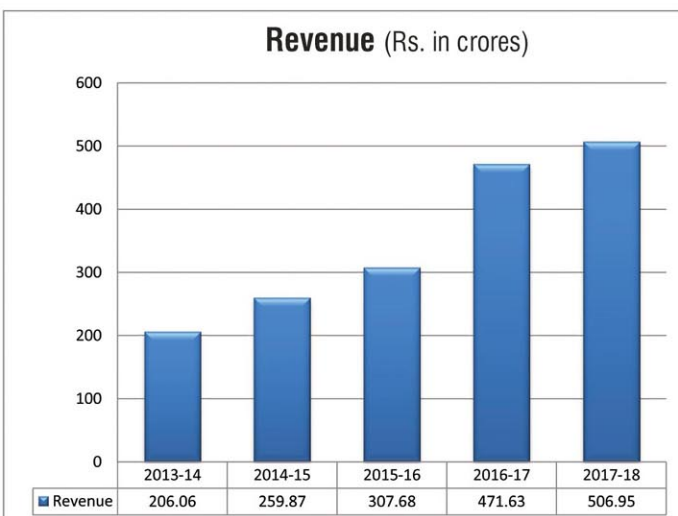
COASTAL CORPORATION LIMITED

37th ANNUAL REPORT 2017-18



Mr. T. Valsaraj, Managing Director receiving the FIEO Regional Export Award for the year 2015-16 under the category of **“Top Multi Product Exporter”** in Andhra Pradesh (Silver) from Shri M. Venkaiah Naidu, Hon'ble Vice President of India.

Growth in Key Performance Indicators



37th Annual General Meeting

on Tuesday, 11th SEPTEMBER, 2018 at 10.30 A.M.
at Plant Office: D.No.6-42, Beside Toyota Showroom,
Marikavalasa, Visakhapatnam-530 041,
Andhra Pradesh, India

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COMPANY INFORMATION

BOARD OF DIRECTORS: 1. Shri. T. Valsaraj, Managing Director 2. Shri. G.V.V. Satyanarayana, Director – Finance & CFO 3. Smt. Jeeja Valsaraj, Non-Executive Director 4. Shri. K. Venkateshwara Rao, Independent Director 5. Shri. M.V.Suryanarayana, Independent Director 6. Shri. Kalyanaraman P.R., Additional Independent Director (w.e.f. 13th Feb, 2018) COMPANY SECRETARY & COMPLIANCE OFFICER: Ms. Swaroopa Meruva REGISTRAR & TRANSFER AGENT: Bigshare Services Private Limited 306, Right wing, Amrutha Ville, Opp: Yashodha Hospital, Somajiguda, Raj Bhavan Road Hyderabad – 500 082 Telephone No : 040 – 2337 4967 Fax : 040 – 2337 0295 Email : bsshyd@bigshareonline.com	STATUTORY AUDITORS: M/s. K.P. Rao & Co. Chartered Accountants Bangalore SECRETARIAL AUDITORS: M/s. ASN Associates Company Secretaries Visakhapatnam INTERNAL AUDITORS: M/s. K.P Rao Associates Chartered Accountants Hyderabad BANKERS: Bank of India Main Branch Visakhapatnam Andhra Pradesh
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BOARD COMMITTEES

AUDIT COMMITTEE:

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

NOMINATION & REMUNERATION COMMITTEE:

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

STAKEHOLDERS RELATIONSHIP COMMITTEE:

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the THIRTY SEVENTH Annual General Meeting of the Members of COASTAL CORPORATION LIMITED will be held on Tuesday, the 11th day of September, 2018 at 10.30 A.M. at the Plant Office of the Company situated at D.No.6-42, beside Toyota Showroom, Marikavalasa, Visakhapatnam-530041, Andhra Pradesh, India.

ORDINARY BUSINESS :

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March, 2018 including audited Balance Sheet as at 31st March, 2018 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 interim dividend of Rs.1.50/- per Equity Share of Rs. 10/- each (i.e.,15%) for the financial year 2017-18 as final dividend.

RESOLVED THAT the interim dividend of Rs.1.50/- per share declared by the Board of Directors of the Company on 7th April 2018 on 25,42,200 equity shares of Rs.10/- each paid to the shareholders, be and is hereby approved and confirmed as final dividend for the year ended 31 March, 2018.

3. To appoint a Director in place of Smt. Jeeja Valsaraj (DIN: 01064411), who retires by rotation and being eligible, offer herself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following Resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 139, 141 and 142 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory amendment(s) or re-enactment(s) thereof, for the time being in force), K.P.Rao & Co., Chartered Accountants, Bangalore (Registration No.003135S), be and are hereby re-appointed as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and that their remuneration be fixed by the Audit Committee in addition to the reimbursement of service tax and actual out of pocket expenses incurred in connection with the audit of accounts of the Company for the financial year ending 31st March, 2019.”

SPECIAL BUSINESS:

5. Appointment of Mr. Kalyanaraman P.R as an Independent Director

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 Sections 149, 150, 152, 160 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Kalyanaraman P.R (holding DIN: 01993027), who was appointed as an

Additional Director of the Company by the Board of Directors at their Meeting held on 13th February, 2018, as per Section 161(1) of the Companies Act, 2013 and who holds office only upto the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, for a period of five consecutive years from the ensuing Annual General Meeting.

Regd. Office:

Door No. : 15-1-37/3,
Jayaprada Apartments,
Nowroji Road, Maharanipeta,
Visakhapatnam-530 002

Place : Visakhapatnam

Date : 31.07.2018

By Order of the Board

For COASTAL CORPORATION LIMITED

Sd/-
T. Valsaraj
Managing Director

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on poll instead of himself/herself and such proxy need not be a member of the Company.
2. The related Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013 which sets out details relating to Special Business at the meeting, is annexed here to and forms part of notes.
3. Proxies in order to be effective must be received by the Company at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 05.09.2018 to 11.09.2018. (both days inclusive)
5. In case you are holding the Company's shares in dematerialized form, please contact your depository participant and give suitable instructions to update your bank details in your demat account and to notify any changes with respect to their addresses, email id, ECS mandate.

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

With reference to SEBI circular no. LIST/COMP/15/2018-19 dated 05th July, 2018 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. 05th December, 2018. Therefore we request all the holders of physical certificates to get them dematerialized.

6. M/s. Bigshare Services Pvt. Ltd, 06, 3rd Floor, Right Wing, Amrutha Ville Opp: Yashoda Hospital, Raj Bhavan Road Somajiguda, Hyderabad – 500082 is the Share Transfer Agent (STA) of the Company. All communications in respect of share transfers and change in the address of the members may be communicated to them.
7. Members holding shares in the same name under different Ledger Folios are requested to apply for consolidation of such Folios and send the relevant share certificates to the Share Transfer Agent/ Company.
8. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
9. Relevant documents referred to in the accompanying Notice are open for inspection by the members at the Registered office of the Company on all working days, between 11.00 A.M. to 1.00 P.M. upto the date of the meeting.
10. Members/Proxies are requested to bring the attendance slip filled in for attending the Meeting.
11. Members who hold shares in physical form can nominate a person in respect of all the shares held by them singly or jointly. Members who hold shares in single name are advised, in their own interest to avail of the nomination facility. Members holding shares in dematerialized form may contact their respective depository participant(s) for recording nomination in respect of their shares.
12. In case of Joint holders attending the meeting, the Member whose name appears as the First Holder in the order of names as per the Register of Members of the Company will be entitled to vote.

13. As per the Circular Number MRD/DOP/CIR-05/2009 DT: May 20, 2009 issued by the Securities Exchange Board of India (SEBI) it is mandatory to quote PAN for transfer/transmission of shares in physical form. Therefore, the transferee(s) / legal heirs requested to furnish a copy of PAN to the Registrar and Share Transfer agents.
14. Details under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, the Director have furnished the requisite declarations for their appointment/ re-appointment.
15. Electronic copy of the Annual Report for the year 2017-18 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for the year 2017-18 is being sent in the permitted mode.
16. Members are requested to kindly register their e-mail-id with the company as you are aware that the Ministry of Corporate Affairs has taken a "Green Initiative with regard to "Corporate Governance" by allowing paperless compliances by the companies and clarified that the service of documents by Companies to shareholders can be made through electronic mode. In compliance thereof, your company proposes to implement the same by sending the Annual report, Notice of Meetings and other communications to share holders in electronic mode to the e-mail address provided by them through company email id: ccinvestors@gmail.com
17. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

18. Transfer of Unclaimed/Unpaid amounts to the Investor Education and Protection Fund (IEPF):

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

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

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

Particulars	Mr. Kalyanaraman P.R	Mrs. Jeeja Valsaraj
Date of Birth	30.03.1948	01.02.1964
Date of Appointment	13.02.2018	01.10.2004
No. of Shares held in the Company	Nil	49800

Annexure to the Notice:

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

Item No. 5

APPOINTMENT OF Mr. KALYANARAMAN P.R AS INDEPENDENT DIRECTOR OF THE COMPANY:

In accordance with the provisions of Section 149 read with Schedule IV to the Companies Act, 2013, appointment of an Independent Director requires approval of members. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors have proposed that Mr. Kalyanaraman P.R be appointed as an Independent Director of the Company.

The appointment of Mr. Kalyanaraman P.R shall be effective upon approval by the members in the Meeting. Mr. Kalyanaraman P.R is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Mr. Kalyanaraman P.R that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act. In the opinion of the Board, Mr. Kalyanaraman P.R fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Kalyanaraman P.R is independent of the management and possesses appropriate skills, experience and knowledge.

Brief resume of Mr. Mr. Kalyanaraman P.R: Mr. Kalyanaraman P.R is a well rounded commercial banker, having an impeccable career record spanning over 45 years in financial services. He have held successful assignments across public and private sector banks, across geographies and functions both in business and in operational areas– across retail and corporate businesses –both in field and at macro levels.

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 have been 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.

He is currently holding directorships in various other companies such as Centrum Infrastructure and Reality Limited, Kogta Financial (India) Limited, etc.,

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

Mr. Kalyanaraman P.R was appointed as an Additional Director by the Board in their meeting held on 13th February, 2018.

Mr. Kalyanaraman P.R is a Member of the Audit Committee and Nomination and Remuneration Committee of the Board of Directors of the Company.

Details of his other directorships are given in Directors' Report. He does not hold any shares in the Company. The Board consider that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Kalyanaraman P.R as an Independent Director, for the approval by the shareholders of the Company. Copy of the draft letter for appointment of Mr. Kalyanaraman P.R as an Independent Director setting out the terms and conditions is available for inspection by members at the registered office of the Company. Except Mr. Kalyanaraman P.R, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5. This Explanatory Statement may also be regarded as a disclosure under Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Your Directors recommend the Resolution for your approval.

Regd. Office:

Door No. : 15-1-37/3,
Jayaprada Apartments,
Nowroji Road, Maharanipeta,
Visakhapatnam-530 002

By Order of the Board

For COASTAL CORPORATION LIMITED

Sd/-
T. Valsaraj
Managing Director

Place: Visakhapatnam

Date: 31.07.2018

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 37th Annual General Meeting. The Company has engaged the services of Central Depository Services India Limited (CDSL) to provide the e voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 4th September, 2018 (cut-off date), are entitled to vote on the resolutions set forth in this Notice. The e-voting period will commence on Saturday, 8th September, 2018 (09:00 hrs) and will end on Monday, 10th September, 2018 (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.Kuchipudi Surendra, Practicing Company Secretary (CP No. 34205) Mem. No. 12732 to act as Scrutinizer to conduct and scrutinize the electronic voting process and poll at the Annual General Meeting in a fair and transparent manner. The members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereunder.

ANNEXURE FOR E-VOTING PROCEDURE

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

In case of members receiving e-mail:

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

EVSN Reference No	180808016	E-Voting Start Date & Time	E-Voting End Date & Time
		08.09.2018 at 9.00 A.M	10.09.2018 at 5.00 P.M

****Shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Tuesday, 4th September, 2018 are entitled to vote on the resolutions set forth in this Notice.**

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

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both Demat shareholders as well as Physical Shareholders) - Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the Serial Number (refer Serial No. printed on the name and Address Sticker/Postal Ballot Form) in the PAN Field. - In case the Serial Number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL Letters. Eg. if your name is Vikas Rao with Serial Number 1 then enter VI00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your Demat account or in the Company Records for the said Demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your Demat account or in the Company Records for the said Demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member ID / Folio Number in the Dividend Bank details field.

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

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.

After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a compliance user should be created using the admin login and password. The compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian,

B. In case of members receiving the physical copy of notice of 37th Annual General meeting by courier (for members whose e-mail ids are not registered with the Company/Depositories):

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

ROUTE MAP AND LANDMARK



DIRECTORS' REPORT

To,

The Members,

Your Directors have pleasure in presenting their Thirty Seventh Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2018 and the report of the Auditors thereon.

1. FINANCIAL SUMMARY (STANDALONE)

(Rs. in Lakhs)

Particulars	Year Ended 31.03.2018 Rs.	Year Ended 31.03.2017 Rs.
Revenue from Operations	50695.54	47163.50
Other Income	305.43	252.80
Total Income	51000.97	47416.30
Profit before Taxation	3893.52	2174.01
Current Tax	1385.00	820.00
Deferred Tax Credit/(Charge)	1.99	13.59
Profit After Tax(PAT)	2506.53	1340.42
Total Other Comprehensive Income net of tax	(8.63)	89.46
Total Other Comprehensive Income for the year net of tax	2497.90	1429.88
Earnings Per Equity Shares of the Face Value of Rs. 10/- each: Basic & Diluted	98.26	56.25

2. DIVIDEND

The interim dividend of Rs.1.50/- per share declared by the Board of Directors of the Company on 7th April 2018, on 25,42,200 equity shares of Rs.10/- each paid to the shareholders, be and is hereby approved as final dividend for the year ended 31 March 2018.

3. AWARDS & RECOGNITIONS

Your Company was presented FIEO Regional Export Award for the year 2015-16 under the Category of "Top Multi Product Exporter in Andhra Pradesh (Silver) on 18th January, 2018 by Shri.M. Venkaiah Naidu, Hon'ble Vice President of India.

During the year under review the company has also received "SILVER" rating under Zero Effect - Zero Defect certification scheme of Ministry of Micro, Small & Medium Enterprises.

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

Continental Fisheries India Private Limited

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

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Revenue from operations	3150.99	nil
Profit for the year after meeting all expenses (before Interest, Depreciation & Tax)	61.82	(5.08)
Less:		
Interest	51.85	
Depreciation and other write offs	6.60	5.95
Deffered Tax	1.49	0.53
Net Profit/Loss	1.88	(11.56)

Seacrest Seafoods Inc.

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

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Revenue from operations	8481.78	4719.89
Profit for the year after meeting all expenses (before Interest, Depreciation & Tax)	339.19	108.50
Less:Operating expenses	459.06	467.58
Net Loss	(119.77)	(359.08)

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

5. NUMBER OF MEETINGS OF THE BOARD

Four (4) meetings of the board were held during the year. For details of the meetings of the board, please refer to the corporate governance report, which forms part of this report.

6. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis.

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

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

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as **Annexure – 2** to this report.

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

7. DEPOSITS

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

8. STATUTORY AUDITORS

M/s. K.P. Rao & Co, Chartered Accountants, Bangalore (Firm Reg. No. 03135S) will be re-appointed as Statutory Auditors, to hold office from the conclusion of this Annual General Meeting till the next Annual General Meeting. The Auditor's observations are suitably explained in notes to the Accounts and are self-explanatory.

9. SECRETARIAL AUDITORS

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

10. INTERNAL AUDITORS

The Board of Directors based on the recommendations of the Audit Committee have appointed M/s. K.P Rao Associates, Chartered Accountants, Hyderabad for the financial year 2018-19, who has to act in an independent manner and also responsible for regulatory and legal requirements relating to operational processes and internal systems.

11. CREDIT & GUARANTEE FACILITIES

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

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

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

13. MANAGEMENT DISCUSSION ANALYSIS

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

14. CORPORATE GOVERNANCE

The Company has been making every endeavor to bring more transparency in the conduct of its business. As per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a compliance report on Corporate Governance for the year 2017-18 and a Certificate from the Statutory Auditors of the Company are furnished which form part of this Annual Report as **Annexure – 6 & 7**.

15. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

The Report on CSR activities is annexed herewith as **Annexure-8** to this report. The CSR Policy is posted on the website of the Company.

16. EXTRACT OF ANNUAL RETURN

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

17. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors has appointed Mr. Kalyanaraman P.R as an Additional Director (Non- Executive Independent Category) of the Company who holds office till the ensuing Annual General Meeting. The Board based on the recommendation of Nomination and Remuneration Committee considered the appointment of Mr. Kalyanaraman P.R as an Independent Director subject to the approval of shareholders. Accordingly a resolution seeking approval of shareholders for his appointment as an Independent Director for a period of five years is included at Item No. 5 of the Notice convening the Annual General Meeting.

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

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

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

Shri. S. Rajaram has resigned to the position of Independent Director of the Company w.e.f. 13th February, 2018.

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

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

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is herewith annexed as **Annexure - 11** to this report.

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

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

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts for the financial year 2017-18 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.

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

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

21. MATERIAL CHANGES AND COMMITMENT

There were no material changes and commitments affecting the financial position of the Company that have occurred between the end of the Financial Year 2017-18 of the Company and the date of the report.

22. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

23. RISK MANAGEMENT

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

24. POLICY ON DIRECTORS' APPOINTMENTS AND REMUNERATION, INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, ETC.

Policy on Director's Appointment and Remuneration and other matters

(a) Procedure for Nomination and Appointment of Directors:

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

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

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

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

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

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

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

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

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit and other Committees.

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

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

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

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

28. HUMAN RESOURCES:

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

29. DECLARATION BY INDEPENDENT DIRECTORS:

Mr. K. Venkateswara Rao, Mr. M.V. Suryanarayana and Mr. Kalyanaraman P.R, Independent Directors of the company had submitted their declaration that they meet the criteria of independence as per Section 149 (6) of the Companies Act, 2013.

30. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:

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

31. ACKNOWLEDGEMENTS:

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

Your Directors gratefully acknowledge the ongoing co-operation and support provided by the Central and State Governments, Stock Exchanges, SEBI, RBI and other Regulatory Bodies.

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

Sd/-
(T. VALSARAJ)
MANAGING DIRECTOR

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

Place: Visakhapatnam
Date: 31.07.2018

ANNEXURE 1

Form AOC-1

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

Part "A": Wholly Owned Subsidiaries

(Rs. in Lakhs)

Sl. No.	Particulars	Continental Fisheries India Private Limited	Seacrest Seafoods Inc.
1.	CIN of the Subsidiary	U05000AP2014PTC094907	---
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01.04.2017 to 31.03.2018	01.04.2017 to 31.03.2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rupee (INR)	Rupee (INR) (USD converted to INR)
4.	Share capital	302.76	1294.20
5.	Reserves & surplus	(49.15)	(584.00)
6.	Total assets	2456.69	2466.42
7.	Total Liabilities	2456.69	2466.42
8.	Investments	Nil	Nil
9.	Turnover	3150.99	8481.98
10.	Profit before taxation	3.36	(119.87)
11.	Provision for taxation	Nil	Nil
12.	Profit/Loss after taxation	1.87	(119.97)
13.	Proposed Dividend	Nil	Nil
14.	% of shareholding	100%	100%

Part "B": Associates and Joint Ventures

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

As per our Report

For K.P. Rao & Co
Chartered Accountants

Sd/-
K. Viswanath
Partner
M.No: 0022812

Place: Visakhapatnam
Date: 31.07.2018

By order of the Board

Sd/-
T.Valsaraj
Managing Director

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

ANNEXURE 2

FORM NO. AOC -2

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

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

Name of the Related Party	Nature of Relationship	Duration of Contracts	Salient Terms	Amount (Rs. in Lakhs)
Shri T. Valsaraj	Managing Director	Ongoing	Remuneration Amount Paid Amount Received	134.89 85.00 85.00
Shri. G.V.V. Satyanarayana	Director – Finance & CFO	Ongoing	Remuneration Amount Paid Amount Received	71.94 120.00 120.00
M/s. Continental Fisheries India Private Limited	Wholly Owned Subsidiary	Ongoing	Investment in Equity Opening Balance Advance	300.00 917.29
M/s. Seacrest Seafoods Inc.	Wholly Owned Subsidiary	Ongoing	Investment in Equity Sale of Shrimp Amount received against sales	648.08 1097.26 1441.08
Jeeja Valsaraj	Director	--	Sitting Fees	0.36
Vijeta Valsaraj	Relative of Director	--	Salary	0.09

As per our Report

For K.P. Rao & Co
Chartered Accountants

Sd/-
K. Viswanath
Partner
M.No: 0022812

Place: Visakhapatnam
Date: 31.07.2018

By order of the Board

Sd/-
T.Valsaraj
Managing Director

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

ANNEXURE - 3

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st March, 2018

To,

The Members,

M/s Coastal Corporation Limited

15-1-37/3, Nowroji Road,

Jayapradha Apartments, Maharanipecta,

Visakhapatnam – 530 002, Andhra Pradesh

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Coastal Corporation Limited (CIN: L63040AP1981PLC003047) (here-in-after called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its Officers, Agents and Authorized Representatives during the conduct of Secretarial Audit, We hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on 31st March, 2018, complied with the Statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s Coastal Corporation Limited for the Financial Year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 - Not Applicable as the Company has not issued any ESOP during the financial year under review;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities during the financial year under review;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - not applicable;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted its equity shares from any stock exchange during the financial year under review; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not applicable as the Company did not buy back its equity shares from any stock exchange during the financial year under review;
- (vi) We have relied on the representation made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company.

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

- (a) Factories Act, 1948
- (b) Industrial Disputes Act, 1947
- (c) The Payment of Wages Act, 1936
- (d) The Minimum Wages Act, 1948
- (e) Employees Provident Funds and Miscellaneous Provisions Act, 1952
- (f) The Payment of Bonus Act, 1965
- (g) The Payment of Gratuity Act, 1972
- (h) The Contract Labour (Regulation & Abolition) Act, 1970
- (i) The Child Labour (Prohibition & Regulation) Act, 1986
- (j) The Industrial Employment (Standing Order) Act, 1946
- (k) The Employee Compensation Act, 1923
- (l) Trade Marks Act, 1999
- (m) Customs Act, 1962
- (n) The Water (Prevention and Control of Pollution) Act, 1974
- (o) The Air (Prevention and Control of Pollution) Act, 1981
- (p) Prevention of Food Adulteration Act, 1954
- (q) Export (Quality and Inspection) Act, 1963
- (r) The Sexual Harassment of Workmen at Workplace (Prevention, Prohibition & Redressal) Act, 2013

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

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

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

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

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

**For ASN Associates
Company Secretaries**

**Sd/-
Satyanarayana A**
Partner
FCS No.: 3986
C P No.: 2354

Place: Visakhapatnam

Date: 31.07.2018

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

ANNEXURE A'

To,

The Members,
Coastal Corporation Limited
Visakhapatnam – 530002.

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

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

For ASN Associates

Sd/-

SATYANARAYANA. A
Practicing Company Secretary
FCS No.3986
C P No.:2354

Date: 31.07.2018

Place: Visakhapatnam

ANNEXURE - 4

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

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

(A) CONSERVATION OF ENERGY

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

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

(A)	POWER AND FUEL CONSUMPTION :	Current Year 31.03.2018	Previous year 31.03.2017
a)	Electricity : Purchase Units Total Amount (in Rs.) Rate/Unit (in Rs.)	69,01,850 5,35,62,621 7.76	65,73,418 4,81,23,779 7.32
b)	Own Generation : Through D.G. Units Total Amount (in Rs.) Unit/Lt. of Diesel Oil Cost/Unit (in Rs.)	1,75,755.90 33,90,129.11 3.14 19.29	191303.4 39,26,158 3.15 20.52

(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: (Rs. in Lakhs)

Particulars	2017-18	2016-17
Foreign Exchange Earnings	45,663.33	42,707.94
Foreign Exchange Outgo	1,016.09	1,378.34

Sd/-

Date : 31.07.2018
Place: Visakhapatnam

G.V.V.SATYANARAYANA
Director-Finance

ANNEXURE - 5

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Structure And Developments

Seafood Processing in India is entirely export oriented. Marine products have created a huge demand in the world market. With the high unit value, seafood has been acclaimed as one of the fastest moving commodity in the world market. India with its long coast line, availability of raw materials, and an exclusive economic zone has enormous potential for developing the fisheries and aquaculture on large scale in coastal states.

For the first time, India's seafood exports touched \$7.08 billion while its shipments touched 13,77,244 MT during the financial year 2017-18. In rupee terms, the exports of marine products were at Rs 45,106.89 crore as against Rs 37,870.90 crore in FY 2016-17 registering a growth of 19.11 per cent.

Frozen shrimp continued to be the flagship export items. The US and South East Asia continued to be the major importers of Indian seafood with a share of 32.76 per cent and 31.59 per cent, followed by the EU (15.77 per cent), Japan (6.29 per cent), Middle East (4.10 per cent) and China (3.21 per cent).

In the face of continued uncertainties in the global seafood trade, India has been able to cling on to its position as a leading supplier of frozen shrimp and frozen fish in the international markets. With a string of initiatives and policy support, it is anticipated an export target of \$10 billion by 2022.

Frozen shrimp maintained its position as the key contributor to the seafood export basket, accounting for 41.10 per cent in quantity and 68.46 per cent of the total dollar earnings. The overall exports of shrimp during 2017-18 were 5,65,980 MT worth \$4,848.19 million, with the US continuing to be the largest market. Vizag, Kochi, Kolkata, Pipavav, Krishnapatanam and JNP were the major ports for the marine products cargo.

India is well positioned to take advantage of an increase in global seafood consumption because of our long coast line,

Business Review

Your Company has already established its long standing presence in the international markets. The Company endeavours through its quality control division to enhance the quality of products by taking careful steps and to give the products at best prices to the customers.

Mile Stones

The Company has marked its presence in the field of aquaculture by engaging in processing and exporting shrimps. The enhanced production of the plants situated at Marikavalasa and Yelamanchili in Visakhapatnam District of Andhra Pradesh and also the multidimensional presence of the company will help cater to the increased demand for Shrimp in international markets. The global shrimp consumption is also expected to increase in future, assuring consistent market.

Your Company is consistently working towards its goal. The hard work of the management was truly recognized when the company was presented FIEO Regional Export Award for the year 2015-16 under the Category of "Top Multi Product Exporter in Andhra Pradesh (Silver) on 18th January, 2018 by **Shri.M. Venkaiah Naidu, Hon'ble Vice President of India.**

Opportunities and Threats

Opportunities:

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

Threats:

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

The two factories of your company are well equipped and approved by USFDA and European Union. Three decades in the trade, the Company's brands namely "Coastal", "Coastal Gold", Coastal Premium" are well established in the International Markets and have lot of scope for exploring new markets as its ongoing process.

Internal Control Systems and Their Adequacy:

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

Discussion on financial performance with respect to operational performance:

The company performed excellently well in its export, wholesale and retail business and posted an impressive profit after tax of Rs. 25.02 Crores as compared to Rs. 13.40 Crores during last year an all time high revenues of Rs. 510.00 Crores as compared to Rs. 437.00 Crores during the last year.

The Company expects increased turnover and profitability in the current year with the availability of abundant quantity of raw material, devaluation of rupee and high price realization for the products in the international markets due to demand and supply position.

ANNEXURE - 6

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-2018 (As required under Regulation 27(2) of the SEBI (LODR) Regulations, 2015)

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

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

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

2. BOARD OF DIRECTORS

SIZE OF THE BOARD

The composition of Board is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The strength of Board as on 31st March, 2018 is Six Directors. The Board comprises of Executive and NonExecutive Directors. The Managing Director and a Whole-time Director are the two Executive Directors. There are Four Non-Executive Directors, of which three Directors, are Independent Directors and one Non – Executive/ Woman Director.

(a) Composition and Category of Directors:

As on 31st March, 2018, the strength of the Board of Directors is Six (6) and its composition is as follows:

(i) Executive Directors		
Mr. T. Valsaraj	-	Managing Director - Promoter
Mr. G.V.V.Satyanarayana	-	Whole-time Director designated as Director Finance cum CFO
(ii) Non-Executive Director		
Smt Jeeja Valsaraj	-	Non-Executive Director
(iii) Non- Executive Independent Directors		
Mr. Kamireddi Venkateswara Rao	-	Independent Director
Mr. Sirangu Rajaram(Upto 13 th February, 2018)	-	Independent Director
Mr. M.V. Suryanarayana	-	Independent Director
Mr. Kalyanaraman P.R (w.e.f. 13 th February, 2018)	-	Additional Director

(b) Board Meetings & Related Information:

During the year, 4 (Four) meetings of the Board of Directors were held on:

29.05.2017	08.08.2017	10.11.2017	13.02.2018
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Every Director has personally attended at least one Board/Committee of Directors' Meeting in the financial year 2017-18.

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 31.03.2018	No. of Committee Membership in other public Companies as on 31.03.2018	
		Held	Attended			Member	Chairman
Mr. T. Valsaraj (DIN No. 00057558)	Managing Director	4	4	Present	--	--	--
Mr. G.V.V.Satyanarayana (DIN No. 00187006)	Whole time Director	4	4	---	--	--	--
Mrs. Jeeja Valsaraj (DIN No. 01064411)	Director	4	4	Present	--	--	--
Mr. S.Rajaram (DIN No. 01679004) (Resigned w.e.f 13.02.2018)	Independent Director	4	2	Present	--	--	--
Mr. K. Venkateswara Rao (DIN No. 01678973)	Independent Director	4	3	Present	--	--	--
Mr. M.V.Suryanarayana (DIN No. 00372812)	Independent Director	4	4	Present	1	2	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. Disclosure of Shareholding of Non-Executive Directors:

Name of the Director Shares held as on 31.03.2018

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

Mrs. Jeeja Valsaraj#	49800 Equity Shares
Mr. K. Venkateswara Rao	Nil
Mr. M.V.Suryanarayana	Nil
Mr. Kalyanaraman P.R#	Nil
Mr. S. Rajaram (Resigned w.e.f 13.02.2018)	Nil

Director seeking appointment / re-appointment at this Annual General Meeting.

Orientation of newly elected directors and updation strategy

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

Access to information

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

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

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

The familiarization programme for our Directors is also given on the website.

Code of Conduct for Board of Directors and Senior Management

The Company has adopted a Code of Conduct for Board of Directors and Senior Management (the Code). The Code has been communicated to the Directors and the members of Senior Management. The Code has also been posted on the Company's website at www.coastalcorp.co.in. All Board members and senior management have confirmed compliance with the Code for the year ended 31st March, 2018. The Annual Report contains a declaration to this effect signed by the Managing Director.

COMMITTEES:

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, 2018.

(i) 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 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. S. Rajaram is the Chairman of the Audit Committee. However, Mr. S. Rajaram resigned from the Board on 13.02.2018. After re-constitution, Mr. Kalyanaraman was appointed as Chairman of the Committee w.e.f. 13.02.2018. During the period under review, Four(4) meetings of the Audit committee were held on 25.05.2017, 07.08.2017, 09.11.2017, and 10.02.2018, necessary quorum was present at all the meetings;

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

Sl. No.	Name of the Director	Designation	Category	No. of Audit Committee meetings attended
01.	Mr.S.Rajaram(Upto 13.02.2018)	Chairman	Independent Director	4
02.	Mr. K Venkateswara Rao	Member	Independent Director	4
03.	Mrs. Jeeja Valsaraj	Member	Director	4
04.	Mr. Kalyanaraman P.R (w.e.f 13.02.2018)	Chairman	Additional Director (Non-Executive Independent Category)	-

Besides this, another meeting of the Audit Committee was held on 25.05.2018 at which meeting the Audited Annual Accounts for the year ended 31st March, 2018, 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 terms of reference of the Nomination & Remuneration Committee are:

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

All the members of the Nomination and Remuneration Committee are Non-Executive and Independent Directors. However, Mr. S.Rajaram, Independent Director of the Company resigned from the Board on 13.02.2018. After re-constitution, Mr. M.V. Suryanarayana was appointed as Chairman of the Committee w.e.f. 13.02.2018.

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

The members of the Committee are Mr. M.V.Suryanarayana, Mrs. Jeeja Valsaraj, Mr. Kalyanaraman P.R. The Chairman of the Nomination & Remuneration Committee, Mr. S. Rajaram was present at the last Annual General Meeting held on 29th September, 2017.

There were 3 meetings of the Nomination & Remuneration Committee during the year ended 27.05.2017, 07.08.2017 & 03.02.2018.

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

Sl. No.	Name of the Director	Designation	Category	No. of Remuneration Committee meetings attended
01.	Mr. Sirangu Rajaram(upto 13.02.2018)	Chairman	Independent Director	2
02.	Mr. K.Venkateswara Rao.	Member	Independent Director	2
03.	Mrs. Jeeja Valsaraj	Member	Independent Director	2
04.	Mr. M.V.Suryanarayana(w.e.f. 13.02.2018)	Chairman	Independent Director	--

Remuneration Policy:

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

The Company pays remuneration by way of salary, benefits, perquisites and allowances (fixed component) and commission (variable component as a % of Net Profits) to its Managing Director and the Whole Time Director. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved.

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 2017-18.

During the year 2017-18 the Company paid sitting fees to its Non-Executive Directors for attending meetings of the Board. The Company also reimburses the out-of-pocket expenses incurred by the Directors for attending the meetings. The details of remuneration (including perquisites and allowances) as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, for FY 2017-18 are as follows:

Name of Director	Designation	Remuneration Rs.
Mr. T.Valsaraj	Managing Director	Rs. 2,75,000/- P.M from 01.04.2017 to 31.03.2018+2.5% as a % of Net Profits
Mr. G.V.V.Satyanarayana	Whole-time Director	Rs. 1,75,000/- P.M from 01.04.2017 to 31.03.2018+1.25% as a % of Net Profits

(iii) STAKEHOLDERS RELATIONSHIP COMMITTEE:

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 Compliants:

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

Normally all complaints/queries are disposed off 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, 2018, 20,62,869 Equity Shares of Rs. 10/- each representing 81.14% of the total no. of shares are in dematerialized form. During the period 4 (four) meetings of the committee were held on 02.05.2017, 07.08.2017, 09.11.2017 and 06.02.2018 respectively.

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

Sl. No.	Name of the Director	Designation	Category	No. of Stakeholders Relationship Committee meetings attended
01.	Mrs. Jeeja Valsaraj	Chairman	Non-Executive	4
02.	Mr. K. Venkateswara Rao.	Member	Independent Director	3
03.	Mr. Sirangu Rajaram (upto 13.02.2018)	Member	Independent Director	4
04.	Mr. G.V.V.Satyanarayana (w.e.f. 13.02.2018)	Member	Whole Time Director designated as Director – Finance Cum CFO	--

The Stakeholders Relationship Committee receives and reviews the Complaints received from the investors of the Company.

Independent Directors' Meeting :

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

Separate meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and Regulation 25 of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, During the year under review, the Independent Directors met once on the 13th day of February, 2018, inter alia, to discuss:

- Evaluation of the performance of Non-independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.
- 2 of the Independent Directors were present at the Meeting.

Name, Designation and Address of Compliance Officer:

Ms. Swaroopa Meruva
 Company Secretary & Compliance Officer
 15-1-37/3, Jayaprada Apartments, Nowroji Road
 Maharanipecta, Visakhapatnam – 530 002
 Andhra Pradesh, India

(iv) CSR COMMITTEE:

During the period, 2 (Two) meetings of the committee were held on 27.05.2017 and 10.02.2018.

The Committee meetings attended by the Members are given below:

Sl. No.	Name of the Director	Designation	Category	No. of CSR Committee meetings attended
01.	Mr. G.V.V. Satyanarayana	Chairman	Whole Time Director designated as Director – Finance Cum CFO	2
02	Mr.K. Venkateswara Rao	Member	Independent Director	2
03.	Mrs. Jeeja Valsaraj	Member	Non – Executive Director	2

PREVENTION OF INSIDER TRADING

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

FAMILIARIZATION PROGRAMME FOR BOARD MEMBERS

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

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

PERFORMANCE EVALUATION

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

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

(v) GENERAL BODY MEETINGS:

Location and time where last three AGMs held:

Year	Date	Special Resolution	Time	Location
2016-2017	29.09.2017	Not Passed	10.30AM	D.No.6-42, Marikavalasa, Besides Toyota Showroom, Visakhapatnam-530 041, Andhra Pradesh, India
2015-2016	17.08.2016	Passed		
2014-2015	14.09.2015	Passed		

No Postal Ballot was conducted last year.

EXTRA-ORDINARY GENERAL MEETING DURING THE PERIOD (2017-18):

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

(vi) CORPORATE AFFAIRS & VISION:

- Advanced Planning Techniques and strategic supervision by the Board of Directors;
- Excellent co-ordination at all levels of management to achieve the tasks.
- Immediate attention towards customers' requirements and public relations.
- Cautious approach in operations, rendering services efficiently and effectively to the clients and
- Adequate response towards socio-economic responsibilities.
- Focus on protecting the safety of the clients and the employees.
- To design the standards, policies, procedures and best practices in addition to the existing policies.
- To grow the company and to generate long term business results and expanding market presence.
- To retain the talented and dedicated employees.

(vii) OTHER DISCLOSURES:**a) Disclosure of Related Party Transactions:**

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

Related party transactions have been disclosed in Note 28 to the financial statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for its review. Omnibus approval was obtained for transactions which were repetitive in nature. Transactions entered into pursuant to omnibus approval were placed before the Audit Committee for its review during the year. The Company has a Related Party Transaction Policy in place, which has been posted on the website of the Company.

- b) Your Company has complied with all the requirements of the Stock Exchange(s) and the SEBI on matters related to Capital Markets. There were no penalties imposed or strictures passed against your Company by the statutory authorities in this regard.
- c) The company has established a whistle bowler policy. No personnel has been denied access to the Audit Committee.
- d) The company has complied with all the mandatory disclosure requirements under the Listing agreement and Listing Regulations, so far as applicable to the Company and also put efforts to make the non-mandatory disclosures to the extent they arise and are considered significant.
- e) The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 33(2)(a) of SEBI Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended 31st March, 2018.
- f) The Company does not have any Material Subsidiary as defined under Regulation 16 of SEBI Listing Regulations. It is, therefore, not required to have an Independent Director of the Company on the Board of such Subsidiary. The Policy on determining "material" subsidiaries can be viewed at: www.coastalcorp.co.in
- g) Audit qualifications: During the year under review, there was no audit qualification on your Company's financial statements.
- h) Reporting of Internal Auditor: The internal auditor may report directly to the audit committee.

(viii) MEANS OF COMMUNICATION:

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

Financial results and other information are displayed in the Investor Relations section on the company's Website: www.coastalcorp.co.in

(ix) GENERAL SHAREHOLDERS INFORMATION:

i) Thirty Seventh Annual General Meeting of the Company:

Date & Time		11.09.2018 & 10.30AM	
Venue		D.No. 6-42, Beside Toyota Showroom, Marikavalasa, Visakhapatnam-530041, Andhra Pradesh, India	
i)	Financial Year	1 st April to 31 st March	
ii)	Financial Calendar(Tentative)	Period	Approval of Quarterly Results
		1 st Quarter ending 30.06.2018	1 st week of August, 2018
		2 nd Quarter and half year ending 30.09.2018	1 st week of November, 2018
		3 rd Quarter ending 31.12.2018	2 nd week of February, 2019
		4 th Quarter ending 31.03.2019	Last week of May, 2019
iii)	Date of Book Closure	05.09.2018 to 11.09.2018	
iv)	Listing on Stock Exchanges	1. Bombay Stock Exchange	
v)	Registrars & Share Transfer Agents	The Board has appointed M/s Big share Services Pvt. Ltd., Mumbai as its Share Transfer Agents	
vi)	High/Low Market Price	Rs. 37.75/- / Rs.88.30/-	
vii)	Stock Code	Scrip ID : coastcorp - Scrip code : 501831	
	BSE ISIN(for Dematerialization)	INE377E01016	
viii)	CIN No	L63040AP1981PLC003047	
ix)	Board Meeting for consideration of Accounts for the financial year ended March 31, 2018 and recommendation of dividend	25 th May, 2018	

The Listing fees for the year 2018-19 has been paid to Bombay Stock Exchange

(xi) Share Transfer System:

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

In compliance with the Listing Regulations, Certificates on Half-yearly basis confirming due compliance of share transfer formalities were complied with.

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

(xii) Contact Information:

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

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

Registered Office of the Company

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

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

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

Shareholding Pattern:

S.No	Category	As at 31 st March'2018	
		No. of Shares	% of Total No. of Shares
1	Promoters	830760	32.68
	Foreign Promoters	0	0
2	Banks/Financial Institutions, Insurance Companies (Central/State Govt. Institutions/Non-Government Institutions)	0	0
3	Body Corporates	17053	0.67
4	NRIs	718791	28.27
5	Indian Public	975596	38.38
	Total	25,42,200	100.00%

(xiii) Dematerialization of Equity Shares and Liquidity:

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

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

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

(xiv) Dividend Policy:

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

(xv) Market Price Data:

The shares are not traded regularly on the Stock Exchanges and hence there is no much change in the share price during the year. However at the beginning of the year the Share Price was Rs. 37.75/- and the share price increased to Rs. 88.30/- as on 31.03.2018.

(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 31.03.2018:

Shareholding	No. of Shareholders	% of Total	Share Amount (Rs.)	% of Total
1 to 5000	930	79.8283	2181630	8.5817
5001 to 10000	145	12.4464	1155760	4.5463
10001 to 20000	28	2.4034	455430	1.7915
20001 to 30000	10	0.8584	264930	1.0421
30001 to 40000	9	0.7725	332980	1.3098
40001 to 50000	3	0.2575	140000	0.5507
50001 to 100000	12	1.0300	846620	3.3303
100001 to 999999999	28	2.4034	20044650	78.8477
Total:	1165		25422000	100.00

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

In terms of SEBI (LODR) Regulations, 2015, I hereby confirm that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the respective Codes of Conduct, as applicable to them for the year ended 31st March, 2018.

For COASTAL CORPORATION LIMITED

Sd/-
T. Valsaraj
Managing Director

Date: 31.07.2018
Place: Visakhapatnam

CEO/CFO Certification:

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

- a. We have reviewed the financial statements including cash flow statement (standalone and consolidated) for the financial year ended March 31, 2018 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
Managing Director

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

Place: Visakhapatnam
Date: 31.07.2018

Annexure – 7

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of Coastal Corporation Limited

We have examined the compliance of conditions of Corporate Governance by Coastal Corporation Limited ("the Company") for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

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

In our opinion and according to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2018.

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

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

Sd/-
K.Viswanath
Partner
Membership No. 022812

Place : Visakhapatnam
Date : May 25, 2018

Annexure - 8

Annual Report on Corporate Social Responsibility (CSR)

SNo.	Particulars	Amount/Status
1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken	The CSR activities we pursue will be in line with our policy and Mission focused around our plants and offices, but also in other geographies based on the needs of the communities.
2	Composition of the CSR Committee	1. Mr. G.V.V. Satyanarayana 2. Mr. K. Venkateswara Rao 3. Mrs. Jeeja Valsaraj
3	Average Net Profits of the Company for the last three financial years (FY 2014-15, 2015-16 and 2016-17)	Rs.1660.39 Lakhs
4	Prescribed CSR expenditure(2 % on the amount mentioned in item 3 above)	Rs. 33.21 Lakhs
5	Details of CSR spent during Financial year 2017-18 :	Rs. 19.71 Lakhs
6	Total Amount to be spent for the FY 2017-18	Rs. 33.21 Lakhs
7	Amount unspent, if any	Rs. 61.46 Lakhs
8	Reasons for not spending the amount:	The Company is in the process of searching for viable projects, at villages situated around the factory. The unspent amount would be spent once the projects are identified

Manner in which the amount spent during the Financial year 2017-18 is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects	Cumulative expenditure upto to the reporting period.	Amount spent: through implementing agency* (Rs.) Coastal Charitable Foundation
1	i. Setting Up an RO plant for providing safe drinking water	To Provide Safe Drinking Water	P.Dharmavaram Visakhapatnam, Andhra Pradesh	Rs.15,00,000/-	Rs.14,73,651/-	Rs.14,73,651/-	Rs.14,73,651/-
2	ii. Installation of LED Street Lights	Enhancing Livelihood	P.Dharmavaram Visakhapatnam, Andhra Pradesh	Rs.5,00,000/-	Rs.84,296/-	Rs.84,296/-	Rs.84,296/-
3	iii. Distribution of dustbins	Sanitation	i. Ootagadda, Visakhapatnam, Andhra Pradesh ii. Cleanup Programme under sanitation	Rs.73,000/-	Rs.73,000/-	Rs.73,000/-	Rs.73,000/-
4	iv. Contribution to health Centres	Health Care	Local Visakhapatnam	Rs. 2,66,961/-	Rs. 2,66,961/-	Rs. 2,66,961/-	Rs. 2,66,961/-
5	v. Renovation of School Premises	Enhancing Livelihood	Marikavalasa, Visakhapatnam, Andhra Pradesh	Rs.73,970/-	Rs.73,970/-	Rs.73,970/-	Rs.73,970/-
	TOTAL			-	-	-	Rs. 19,71,878/-

RESPONSIBILITY STATEMENT:

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

Sd/-
T. Valsaraj
 Managing Director

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

Place: Visakhapatnam
 Date: 31.07.2018

Annexure-9

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31.03.2018

Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

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

I. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

No of Companies for which information is being filled					2
S.No.	Name and Address of the Company	CIN	Holding/ Subsidiary /Associate	% of Shares held	Applicable Section
1	Continental Fisheries India Private Limited Address:B/3B, B-Block, 15-1-77, 3rd Floor, Sea Doll, Apartments, Opp: Grand Bay Hotel, Maharanipeta, Andhra Pradesh, India - 530002	U05000AP2014PTC094907	Wholly Owned Subsidiary	100%	Section 2(87)
2	Seacrest Seafoods Inc.Address: State of Delaware, USA	---	Wholly Owned Subsidiary	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	—	—	—	—	—	—	—	—	—
a) Individual/ HUF	650138	10600	660738	25.99	660938	—	660938	25.99	0.007
b) Central Govt	—	—	—	—	—	—	—	—	—
c) State Govt(s)	—	—	—	—	—	—	—	—	—
d) Bodies Corp.	169822	—	169822	6.68	169822	—	169822	6.68	—
e) Banks / FI	—	—	—	—	—	—	—	—	—
f) Any other	—	—	—	—	—	—	—	—	—
Total shareholding of Promoter (A)	819960	10600	830560	32.67	830760	—	830760	32.67	32.67
B. Public Shareholding	—	—	—	—	—	—	—	—	—
1. Institutions	—	—	—	—	—	—	—	—	—
a) Mutual Funds	—	—	—	—	—	—	—	—	—
b) Banks / FI	—	—	—	—	—	—	—	—	—
c) Central Govt	—	—	—	—	—	—	—	—	—
d) State Govt(s)	—	—	—	—	—	—	—	—	—
e) Venture Capital Funds	—	—	—	—	—	—	—	—	—
f) Insurance Companies	—	—	—	—	—	—	—	—	—
g) FIs	—	—	—	—	—	—	—	—	—
h) Foreign Venture Capital Funds	—	—	—	—	—	—	—	—	—
i) Others (specify)	—	—	—	—	—	—	—	—	—
Sub-total (B)(1):-	—	—	—	—	—	—	—	—	—
2. Non-Institutions	—	—	—	—	—	—	—	—	—
a) Bodies Corp.	—	—	—	—	—	—	—	—	—
i) Indian	10201	1400	11601	0.46	15553	1500	17053	0.88	0.42
ii) Overseas	—	—	—	—	—	—	—	—	—
b) Individuals	—	—	—	—	—	—	—	—	—
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	62180	388599	450779	17.73	121516	321631	443147	17.43	—
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	362940	58800	421740	16.59	526914	—	526914	20.72	4.13

c) Others (specify)									
Non Resident Indians	567200	259700	826900	32.53	562591	156200	718791	28.27	(4.26)
Overseas Corporate Bodies	—	—	—	—	—	—	—	—	—
Foreign Nationals	—	—	—	—	—	—	—	—	—
Clearing Members	620	—	620	0.024	5535	—	5535	0.21	(0.19)
Trusts	—	—	—	—	—	—	—	—	—
Foreign Bodies - D R	—	—	—	—	—	—	—	—	—
Sub-total (B)(2):-	1003141	708499	1711640	67.32	1232109	479331	1711440	67.32	—
Total Public Shareholding (B)=(B)(1)+ (B)(2)	418140	1311500	1729640	68.00	1232109	479331	1711440	67.51	(0.49)
C. Shares held by Custodian for GDRs & ADRs	—	—	—	—	—	—	—	—	—
Grand Total (A+B+C)	1823101	719099	2542200	100	2062869	479331	2542200	100	—

B) Shareholding of Promoter & Promoter Group

SN	Shareholder's Name	Shareholding at the beginning of the year 01-04-2017			Shareholding at the end of the year 31-03-2018			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	T.Valsaraj	125038	4.92	Nil	125038	4.92	Nil	Nil
2	Jeeja Valsaraj	49600	1.95	Nil	49800	1.95	Nil	0.007
3	Viswanadh Thottoli	12000	0.47	Nil	12000	0.47	Nil	Nil
4	Vijeta Valsaraj	107600	4.23	Nil	107600	4.23	Nil	Nil
5	Vineesha Valsaraj	107600	4.23	Nil	107600	4.23	Nil	Nil
6	TVR Estates & Resorts (P) Ltd	169822	6.68	Nil	169822	6.68	Nil	Nil
7	K. Hari Babu(HUF)	195400	7.69	Nil	195400	7.69	Nil	Nil
8	K.Jayasree	8600	0.34	Nil	8600	0.34	Nil	Nil
9	Chandana Kambhampati	2800	0.11	Nil	2800	0.11	Nil	Nil
10	Chetna Kambhampati	2800	0.11	Nil	2800	0.11	Nil	Nil
11	Venkatesh Kambhampati	47800	1.88	Nil	47800	1.88	Nil	Nil
12	K.Hari Babu	1500	0.05	Nil	1500	0.05	Nil	Nil
	TOTAL	830560	32.67	Nil	830760	32.67	Nil	0.007

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

SN	Particulars	Shareholding at the beginning of the year 01-04-2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	8,30,560	32.67%	8,30,560	32.67%
2.	Date wise Increase / Decrease in Promoters Shareholding during the year:	—	—	—	—
	Jeeja Valsaraj IncreaseDt. 26/02/2018 - 200	200	0.007	830560	32.67%
3.	At the end of the year	830560	32.67%	8,30,760	32.67%

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

D) Shareholding Pattern of top ten Shareholders:

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

SNo	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year 01.04.2017		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Aditya Achanta At the beginning of the year At the end of the year	322450 322450	12.68 12.68	322450 322450	12.68 12.68
2	Satyasree Achanta At the beginning of the year Transfer/Sale Dt: 23/03/2018 Transfer/Sale Dt:30/03/2018 At the end of the year	243550 (6) (5003) 238541	9.58 (0.002) (0.197) 9.38	243550 (6) (5003) 238541	9.58 (0.002) (0.197) 9.38
3	Deepak Murali At the beginning of the year At the end of the year	101500 101500	3.99 3.99	101500 101500	3.99 3.99
4	Pinakin Chimanlal Shah At the beginning of the year At the end of the year	78028 78028	3.07 3.07	78028 78028	3.07 3.07
5	Dharmesh Bipin Badani At the beginning of the year Transfer/Sale Dt: 28/04/2017 Transfer/Purchase Dt:11/08/2017 Transfer/Sale Dt: 18/08/2017 Transfer/Purchase Dt: 15/09/2017 Transfer/Sale Dt: 06/10/2017 Transfer/Sale Dt: 13/10/2017 Transfer/Sale Dt: 20/10/2017 Transfer/Sale Dt: 05/01/2018 Transfer/Sale Dt: 12/01/2018 At the end of the year	198 (150) 200 (10) 50750 (2) (3) (4) (3) (2) 50974	0.007 (0.005) 0.007 (0.0003) 1.99 (0.00007) (0.00011) (0.00016) (0.00011) (0.00007) 2.00	198 (150) 200 (10) 50750 (2) (3) (4) (3) (2) 50974	0.007 (0.005) 0.007 (0.0003) 1.99 (0.00007) (0.00011) (0.00016) (0.00011) (0.00007) 2.00

6	Sheetal Dharmesh Badani At the beginning of the year Transfer/Purchase Dt: 28/04/2017 Transfer/Purchase Dt: 28/04/2017 At the end of the year	Nil 50 50750 50800	Nil 0.001 1.99 2	Nil 50 50750 50800	Nil 0.001 1.99 2
7	Ganta Sricharan At the beginning of the year At the end of the year	50800 50800	1.99 1.99	50800 50800	1.99 1.99
8	Ganta Lakshmi Anusha At the beginning of the year At the end of the year	47800 47800	1.88 1.88	47800 47800	1.88 1.88
9	Vittu Bajrang Agarwal At the beginning of the year At the end of the year	35972 35972	1.41 1.41	35972 35972	1.41 1.41
10	D. Siva Nageswara Rao At the beginning of the year At the end of the year	24000 24000	0.94 0.94	24000 24000	0.94 0.94

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel			Shareholding		Cumulative Shareholding during the year	
		Date	Reason	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	T.Valsaraj	01.04.2017	Beginning of the year	125038	4.92%	125038	4.92%
		31.03.2018	For the year ended	125038	4.92%	125038	4.92%
2	G.V.V.Satyanarayana	01.04.2017	Beginning of the year	66300	2.60%	66300	2.60%
		31.03.2018	At the end of the year	66300	2.60%	66300	2.60%
3	Jeeja Valsaraj	01.04.2017	Beginning of the year	49,600	1.86%	49,600	1.86%
		26.02.2018	Purchase	200	0.01%	49800	1.95%
		31.03.2018	At the end of the year	49800	1.95%	49800	1.95%
4	K. Venkateshwara Rao	01.04.2017	Beginning of the year	—	—	—	—
		31.03.2018	At the end of the year	—	—	—	—
5	S. Raja Ram	01.04.2017	Beginning of the year	—	—	—	—
		31.03.2018	At the end of the year	—	—	—	—
6	M.V.Suryanarayana	01.04.2017	Beginning of the year	—	—	—	—
		31.03.2018	At the end of the year	—	—	—	—
7	Kalyanaraman P.R	01.04.2017	Beginning of the year	—	—	—	—
		31.03.2018	At the end of the year	—	—	—	—
8	Swaroopu Meruva	01.04.2017	Beginning of the year	—	—	—	—
		31.03.2018	At the end of the year	—	—	—	—

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

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	77,04,00,247	1,27,52,471	—	78,31,52,718
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	77,04,00,247	1,27,52,471	—	78,31,52,718
Change in Indebtedness during the financial year			—	
* Addition	9,01,58,300	(93,57,593)	—	8,08,00,707
* Reduction	—	—	—	—
Net Change	9,01,58,300	(93,57,593)	—	8,08,00,707
Indebtedness at the end of the financial year			—	
i) Principal Amount	—	—	—	—
ii) Interest due but not paid	—	—	—	—
iii) Interest accrued but not due	—	—	—	—
Total (i+ii+iii)	86,05,58,547	33,94,878	—	86,39,53,425

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		T. Valsaraj MD	G.V.V. Satyanarayana WTD	
1	Gross salary	33,00,000	21,00,000	54,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	—	—	—
2	Stock Option	—	—	—
3	Sweat Equity	—	—	—
4	Commission- as % of profit	1,01,88,382	50,94,191	1,52,82,573
5	Others, please specify	—	—	—
	Total (A)	1,34,88,382	71,94,191	2,06,82,573
	Ceiling as per the Act - 10% of Net Profits			

B. Remuneration to other Directors

(Amount in Rs.)

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		K. Venkateshwara Rao Independent Director	S.Rajaram Independent Director	M.V. Suryanarayana Independent Director	Jeeja Valsaraj Non Executive Director	
1	Independent Directors					
	Fee for attending board committee meetings	30,000	20,000	40,000	—	90,000
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (1)	30,000	20,000	40,000	—	90,000
2	Other Non-Executive Directors					
	Fee for attending board committee meetings	—	—	—	40,000	40,000
	Commission	—	—	—	—	—
	Others, please specify	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total (B)=(1+2)	—	—	—	40,000	40,000
	Total Managerial Remuneration	30,000	20,000	40,000	40,000	1,30,000
Overall Ceiling as per the Act - 1% of the Net Profits						

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

(Amount in Rs.)

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	—	6,00,000	—	6,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	—	—	—	—
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—	—
2	Stock Option	—	—	—	—
3	Sweat Equity	—	—	—	—
4	Commission	—	—	—	—
	- as % of profit	—	—	—	—
	others, specify...	—	—	—	—
5	Others, please specify	—	—	—	—
	Total	—	6,00,000	—	6,00,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties, punishments, compounding of offences for the year ended March 31, 2018.

Annexure – 10

DIRECTORS' PROFILE

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

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

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

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

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

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

She is a Post Graduate Diploma in Management and Fashion Technology and has been associated with the Company for the last 14 years and well experienced in the varied areas of Administration, Social Service, Fashion Technology, etc.,

Sri Sirangu Rajaram(DIN: 01679004) : Independent Director (Upto 13.02.2018)

He is a Post Graduate (M.Sc) in Marine Biology, and has been associated with the Company since 33 years and has a lot of experience in the Marine and Export of Sea Foods Industry.

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

He is a Post Graduate (M.Tech) in Chemical Engineering and has been associated with the Company for the last 13 years and has a lot of experience in the administration.

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

He is a Fellow Member of the Institute of Chartered Accountants of India and had a distinguished career spanning 37 years in Life Insurance Corporation of India in Accounts, Marketing, Administration, Banking and Finance. He is on the Board of UTI and also serving as Members of various Committees.

Sri. Kalyanaraman P.R (DIN: 01064411): Additional Director (Non-Executive Independent Category)(w.e.f. 13.02.2018)

Sri. Kalyanaraman P.R is a well rounded commercial banker, having an impeccable career record spanning over 45 years in financial services. He have held successful assignments across public and private sector banks, across geographies and functions both in business and in operational areas– across retail and corporate businesses –both in field and at macro levels.

Annexure – 11

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

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

i. Employed throughout the Financial Year 2017-18

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

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

Sl.No.	Name of Director/ KMP and Designation	Age	Qualification	Designation	Date of commencement of Employment	Experience	Gross Remuneration
1.	Mr. T. Valsaraj	64	B.E	Managing Director	1981	37	134.88
2.	Mr.G.V.V. Satyanarayana	57	M.Com	Director – Finance Cum CFO	1988	30	71.94

ii. Other Top Ten Employees throughout the Financial Year 2017-18: (Rs. in Lakhs)

Name	Age	Qualification	Designation	Date of Commencement of Employment	Experience (Years)	Gross Remuneration	Previous Designation
K.V. Mohan Krishna	58	MFSc	General Manager	01.05.2003	17	24.00	Nil
R. Vasudeva Rao	41	BSc.	Factory II - Manager	01.07.2003	18	12.60	Asst. Manager
Arivazhagan	43	B.Fsc	Factory II - Manager	01.11.2014	4	11.40	Asst. Manager
S.V.Jagga Rao	46	M.Com	Manager - Accounts	11.02.1999	19	8.40	Accounts Manager
D. Titus Fernando	55	B.A	Manager - Business Development	10.05.1990	28	8.40	Operations Manager
Saif Ali	41	Fisheries Grade G Diploma	Manager -Quality Control	01.08.2013	7	8.40	QC Manager
CA Sebastian	59	SSC	Machinery Incharge	01.10.1999	17	6.36	Asst. Machinery Incharge

A. Venkata Rao	54	B.Com	Asst. Factory Manager	01.10.2006	14	5.40	Production Incharge
T. Rajeswara Rao	41	B.Com	Cold Storage Manager	01.10.2006	21	5.16	Logistics Manager
K. Jagannatha Raju	36	ITI	Logistics Incharge	02.05.2012	6	4.68	Asst. Machinery Incharge

- iii. In the financial year, there was a decrease in 4.57% in the median remuneration of employees.
- iv. There were 614 permanent employees on the rolls of the Company as on 31st March, 2018.
- v. Affirmation that the remuneration is as per the remuneration policy of the Company:
 The Company affirms remuneration is as per the remuneration policy of the Company.

On behalf of the Board

Sd/-
T.Valsaraj
 Managing Director

Date: 31.07.2018
 Place: Visakhapatnam

INDEPENDENT AUDITOR'S REPORT

To The Members of Coastal Corporation Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Coastal Corporation Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income) for the year then ended, the Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Ind AS financial statements").

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 Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note no. 15 and Note no. 1.2(iii) to the standalone financial statements wherein the company has recognised revenue on Shipment in Transit amounting to Rs 41.72 crores, in accordance with industry practice and entitlement of export subsidies.

Our opinion on the above matter is not modified.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Independent Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of subsection (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect of the adequacy of the Internal Financial Controls over Financial Reporting of the company and its operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position in its standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

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

Sd/-
K Viswanath
Partner
Membership No. 022812

Place : Visakhapatnam
Date : May 25, 2018

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

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

- (i)
 - (a) The company is in the process of updating and maintaining records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have not been physically verified by the management during the year.
 - (c) The title deeds of the immovable properties held by the Company is in the name of the Company.
- (ii) According to the information and explanations given to us, the inventory of the Company has been physically verified by the management during the course of the year and no material discrepancies were noticed on such physical verification.
- (iii) The company has granted unsecured loan to its wholly owned Subsidiary company covered in the register maintained under section 189 of the Companies Act, 2013.
 - (a) The amount outstanding as at 31/03/2018 is Rs. 1020.48 lakhs and based on the information and explanations given by the management, the terms and conditions are not prejudicial to the interest of the Company.
 - (b) The payment of interest has been stipulated and the repayments are regular.
 - (c) In our opinion, reasonable steps have been taken by the Company for the recovery of the principal amounts and interest in respect of loan.
- (iv) According to the information and explanations given to us, the company does not have any loans, investments, guarantees, and security which are subject to provisions of section 185 and 186 of the Companies Act, 2013. Therefore the provisions of Para 3(iv) of the Companies (Auditors Report), 2016 are not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted deposits from the public, and in our opinion and according to the information and explanation given to us, the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable.
- (vi) To the best of our knowledge and as explained to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 in the case of this company.
- (vii)
 - (a) According to the information and explanations given to us and as per our verification of the records of the company, the company has been regular in depositing undisputed statutory dues including Provident fund, Employees' state insurance, Income Tax, Sales Tax, Goods and Service Tax, Cess and other statutory dues with the appropriate authorities during the year.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income Tax, Sales Tax, Goods and Service Tax, Cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
 - (c) According to the information and explanation given to us, there are no dues of Income tax, Sales tax, Goods and Service Tax, Cess and other statutory dues which have not been deposited on account of dispute.

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

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

Sd/-

K Viswanath

Partner

Membership No. 022812

Place : Visakhapatnam
Date : May 25, 2018

ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of the Company as at 31 March 2018 in conjunction with our audit of the Balance Sheet as at 31st March 2018, the statement of profit and loss and cash flow statement annexed for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

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

- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be appropriately documented.

Place : Visakhapatnam
Date : May 25, 2018

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

Sd/-

K Viswanath
Partner
Membership No. 022812

Standalone Balance Sheet as at March 31, 2018

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

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
I. ASSETS				
(1) Non Current Assets				
(a) Property, plant and equipment	2	4,017.54	2,957.32	3,279.90
(b) Capital work in progress	2	-	58.58	1.89
(c) Investment Property	2.1	390.65	184.90	154.78
(d) Intangible assets	3	0.17	-	-
(e) Investments in subsidiaries and associates	4	1,596.96	681.33	120.07
(f) Financial assets				
(i) Investments	5A	141.00	70.00	70.00
(ii) Loans	5B	94.32	121.99	107.18
(iii) Deposits and others	5C	691.55	1,097.77	1,318.57
(g) Capital advances and other receivables	6	144.45	511.10	126.44
		7,076.64	5,682.99	5,178.83
(2) Current Assets				
(a) Inventories	7	4,578.30	4,964.72	2,890.38
(b) Financial assets				
(i) Loans	5B	1,029.82	324.53	108.99
(c) Trade receivables	8	4,857.22	4,558.04	4,134.72
(d) Cash & cash equivalents	9A	668.28	61.35	80.96
(e) Bank balances other than above	9B	968.60	560.98	-
(f) Deposits and others	5C	97.69	106.24	10.23
(g) Advances and other receivables	6	2,604.74	2,101.30	1,257.43
		14,804.65	12,677.16	8,482.71
Total Assets		21,881.29	18,360.15	13,661.54
II. EQUITY and LIABILITIES				
(1) Equity				
(a) Equity share capital	10	254.22	254.22	254.22
(b) Other equity				
(i) Securities premium		46.95	46.95	46.95
(ii) Capital Redemption Reserve		2.89	2.89	2.89
(iii) General Reserve		868.38	868.38	668.38
(iv) Retained earnings		7,085.08	4,633.07	3,449.08
Total Equity		8,257.52	5,805.51	4,421.52
(2) Non Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	11A	85.22	248.70	16.45
(ii) Trade payables	11C	285.66	344.92	335.89
(b) Provisions	12A	226.79	173.06	159.47
(c) Advances from Customers and others	14	-	-	-
		597.67	766.68	511.81
(3) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	11B	8,454.23	7,499.09	6,379.41
(ii) Trade payables	11D	2,700.48	3,005.76	1,669.78
(iii) Current maturities and other liabilities	11D	107.97	105.90	45.07
(b) Provisions	12B	304.28	266.80	153.23
(c) Current tax liabilities	13	1,385.00	822.81	423.04
(d) Advances from Customers and others	14	74.14	87.60	57.68
		13,026.10	11,787.96	8,728.21
Total Equity and Liabilities		21,881.29	18,360.15	13,661.54
Summary of significant accounting policies The accompanying notes are an integral part of the standalone financial statements	1 21-33			

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

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
Company Secretary

Place: Visakhapatnam
Date: May 25, 2018

Standalone Statement of Profit and Loss for the year ended March 31, 2018

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

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. INCOME			
Revenue from Operations (Gross)	15	50,695.54	47,163.50
Other Income	16	305.43	252.80
Total Revenue (I)		51,000.97	47,416.30
II. EXPENSES			
Cost of Materials Consumed	17	44,159.74	44,897.33
Purchase of Traded Goods		-	-
(Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress	18	366.00	(1,966.07)
Employee Benefits Expenses	19	889.43	592.15
Depreciation and Amortisation	2,2.1&3	299.37	286.92
Other Expenses	20	1,392.91	1,431.96
Total Expenses (II)		47,107.45	45,242.29
III. Profit Before Tax (I - II)		3,893.52	2,174.01
IV. Tax Expense			
Current tax		1,385.00	820.00
Adjustment of tax relating to earlier years		-	-
Deferred tax charge/ (credit)	24	1.99	13.59
Adjustment of deferred tax relating to earlier years		-	-
Income tax expense		1,386.99	833.59
V. Profit for the year (III - IV)		2,506.53	1,340.42
VI. OTHER COMPREHENSIVE INCOME (OCI)	21		
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		56.19	-
(ii) Items that will be reclassified to profit or loss		(64.82)	89.46
Total other comprehensive income for the year, net of tax		(8.63)	89.46
Total comprehensive income for the year, net of tax (V + VI)		2,497.90	1,429.88
Earnings Per Equity Share Rs. 10/- each fully paid (March 31, 2017: Rs. 10/- each fully paid)	22		
Computed on the basis of total profit for the year			
Basic (Rs.)		98.26	56.25
Diluted (Rs.)		98.26	56.25
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the standalone financial statements	21-33		

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

Sd/-
K. Viswanath
Partner
Membership No. 022812
Place: Visakhapatnam
Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
Company Secretary

Place: Visakhapatnam
Date: May 25, 2018

Standalone Statement of Cash Flows for year ended March 31, 2018

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

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<u>(A) CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		3,884.89	2,263.47
<u>Adjustments for :</u>			
Depreciation of property, plant and equipment		299.21	286.92
Amortisation of intangible assets		0.16	-
Impairment loss on fixed assets		37.63	-
Loss on sale of fixed assets (net)		-	192.22
Profit on sale of fixed assets (net)		(0.57)	-
Interest income		(154.59)	(116.48)
Interest expense		931.13	866.47
Unrealised exchange difference on derivatives		64.82	(89.46)
Gratuity and compensated absences		73.06	-
Operating profit before working capital changes		5,135.74	3,403.14
<u>Movement in working capital:</u>			
(increase)/decrease in inventories		386.42	(2,074.34)
(increase)/decrease in trade receivables		(299.18)	(423.32)
(increase)/decrease in other non current assets		323.32	(399.47)
(increase)/decrease in other current assets		(761.82)	(617.78)
increase/(decrease) in other long term liabilities		(19.34)	13.60
increase/(decrease) in trade payables		(356.27)	1,344.97
increase/(decrease) in other current liabilities		15.75	143.53
Cash generated from operations		4,424.62	1,390.32
Income tax paid		(1,336.53)	(785.99)
Net cash flows from operating activities (A)		3,088.09	604.33
<u>(B) CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances		(1,546.96)	(292.52)
Proceeds from sale of property, plant and equipment		2.98	49.15
Proceeds from sale of investments in deposits		414.77	124.79
Net cash outflow on acquisition of subsidiary (Refer Note 1)		(915.63)	(561.26)
Net cash inflow on disposal of subsidiary (Refer Note 1)		-	-
Interest received		154.59	116.48
Net cash flows used in investing activities (B)		(1,890.25)	(563.36)
<u>(C) CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Repayment of long - term borrowings (net)		(161.41)	293.08
Repayment from short - term borrowings (net)		955.14	1,119.68
Dividend paid		(38.13)	(38.13)

Standalone Statement of Cash Flows for year ended March 31, 2018

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

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Tax on dividend		(7.76)	(7.76)
Interest paid		(931.13)	(866.47)
Net cash flows from financing activities (C)		(183.29)	500.40
Net decrease in cash and cash equivalents (A+B+C)		1,014.55	541.37
Cash and cash equivalents at the beginning of the year		622.33	80.96
Cash and cash equivalents at the year end		1,636.88	622.33

Components of cash and cash equivalents:

Cash on hand		10.75	12.25
Balances with banks			
-On current accounts		657.53	49.10
-On deposit accounts		968.60	560.98
Total cash and cash Equivalents		1,636.88	622.33
Note 1: Net cash inflow/(outflow) on disposal/ acquisition of subsidiary			
Consideration paid in cash on acquisition of subsidiary		(915.63)	(561.26)
Total		(915.63)	(561.00)
Consideration received in cash on disposal of subsidiary		-	-
Total		-	-

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

Sd/-
K. Viswanath
Partner
Membership No. 022812

Place: Visakhapatnam
Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
Company Secretary

Place: Visakhapatnam
Date: May 25, 2018

Standalone Statement of Changes in Equity for the year ended March 31, 2018

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

a. Equity Share Capital	No.	Amount
Equity Shares of Rs.10 Each, Fully paid up		
As at April 01, 2016	25,42,200.00	254.22
Issued during the year	-	-
As at March 31, 2017	25,42,200.00	254.22
Issued during the year	-	-
As at March 31, 2018	25,42,200.00	254.22

b. Other Equity

Particulars	Reserves and surplus				FVTOCI reserve (Refer note 25)	Total
	Securities Premium	Capital Redemption reserve	General reserve	Retained Earnings		
As at April 01, 2016	46.95	2.89	668.38	3,449.08	-	4,167.30
Profit for the year	-	-	-	1,340.42	-	1,340.42
Other Comprehensive Income						
- Re-measurement on employee defined benefit plans	-	-	-	-	-	-
- Unrealised exchange difference on derivatives	-	-	-	89.46	-	89.46
Final dividend to equity and preference shareholders						
- Final dividend on equity shares	-	-	-	(38.13)	-	(38.13)
- Tax on final dividend on equity shares	-	-	-	(7.76)	-	(7.76)
transferred to General Reserve	-	-	200.00	(200.00)	-	-
Other Comprehensive Income	-	-	-	-	-	-
At March 31, 2017	46.95	2.89	868.38	4,633.07	-	5,551.29
Profit for the year	-	-	-	2,506.53	-	2,506.53
Other Comprehensive Income						
- Premium on conversion of CCPS	-	-	-	-	-	-
- Premium on IPO Allotment	-	-	-	-	-	-
- Issue of Bonus shares	-	-	-	-	-	-
- Re-measurement gains / (losses) on employee defined benefit plans	-	-	-	56.19	-	56.19
- Unrealised exchange difference on derivatives	-	-	-	(64.82)	-	(64.82)
Final dividend to equity and preference shareholders						
- Final dividend on equity shares	-	-	-	(38.13)	-	(38.13)
- Tax on final dividend on equity shares	-	-	-	(7.76)	-	(7.76)
- Final dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
- Tax on proposed dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
As at March 31, 2018	46.95	2.89	868.38	7,085.08	-	8,003.30

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

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

Sd/-
K. Viswanath
Partner
Membership No. 022812

Place: Visakhapatnam
Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
Company Secretary

Place: Visakhapatnam
Date: May 25, 2018

2 Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Computers	Vehicles	Office Equipment	Roads	Total Property, plant and equipment
Gross Block (Cost or deemed cost)									
As at April 01, 2016	379.28	1,448.38	1,955.50	86.47	19.18	422.27	60.39	4.06	4,375.53
Additions	7.02	73.72	99.04	-	0.64	18.41	2.13	-	200.96
Disposals	(31.06)	-	(414.62)	-	-	(4.81)	-	-	(450.49)
As at March 31, 2017	355.24	1,522.10	1,639.92	86.47	19.82	435.87	62.52	4.06	4,126.00
Additions	585.88	149.23	501.05	15.98	2.10	136.99	0.92	-	1,392.15
Disposals	-	-	(63.01)	-	-	(12.46)	-	-	(75.47)
As at March 31, 2018	941.12	1,671.33	2,077.96	102.45	21.92	560.40	63.44	4.06	5,442.68
Depreciation and Impairment									
As at April 01, 2016	-	197.85	580.51	50.18	14.23	214.73	34.07	4.06	1,095.63
Charge for the year	-	46.98	172.40	3.34	2.96	55.54	0.95	-	282.17
Disposals	-	-	(209.12)	-	-	-	-	-	(209.12)
As at March 31, 2017	-	244.83	543.79	53.52	17.19	270.27	35.02	4.06	1,168.68
Charge for the year	-	48.16	155.64	5.01	2.19	66.67	14.23	-	291.90
Disposals	-	-	(25.39)	-	-	(10.05)	-	-	(35.44)
As at March 31, 2018	-	292.99	674.04	58.53	19.38	326.89	49.25	4.06	1,425.14
Net Block									
As at April 01, 2016	379.28	1,250.53	1,374.99	36.29	4.95	207.54	26.32	-	3,279.90
As at March 31, 2017	355.24	1,277.27	1,096.13	32.95	2.63	165.60	27.50	-	2,957.32
As at March 31, 2018	941.12	1,378.34	1,403.92	43.92	2.54	233.51	14.19	-	4,017.54

2.1 Investment Property

Particulars	Freehold land	Buildings	Total
Gross Block (Cost or deemed cost)			
As at April 01, 2016	10.65	144.13	154.78
Additions	-	34.87	34.87
Disposals	-	-	-
As at March 31, 2017	10.65	179.00	189.65
Additions	-	213.06	213.06
Disposals	-	-	-
As at March 31, 2018	10.65	392.06	402.71
Depreciation and Impairment			
As at April 01, 2016	-	-	-
Charge for the year	-	4.75	4.75
Disposals	-	-	-
As at March 31, 2017	-	4.75	4.75
Charge for the year	-	7.31	7.31
Disposals	-	-	-
As at March 31, 2018	-	12.06	12.06
Net Block			
As at April 01, 2016	10.65	144.13	154.78
As at March 31, 2017	10.65	174.25	184.90
As at March 31, 2018	10.65	380.00	390.65

3. Intangible Assets

Particulars	Computer Software	Total Intangible Assets
<u>Gross Block (Cost or deemed cost)</u>		
As at April 01, 2016	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2017	-	-
Additions	0.33	0.33
Disposals	-	-
As at March 31, 2018	0.33	0.33
<u>Amortisation</u>		
Charge for the year	-	-
Disposals	-	-
As at March 31, 2017	-	-
Charge for the year	0.16	0.16
Disposals	-	-
As at March 31, 2018	0.16	0.16
<u>Net Block</u>		
As at April 01, 2016	-	-
As at March 31, 2017	-	-
As at March 31, 2018	0.17	0.17

4. Investments in subsidiaries and associates

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments in subsidiary (at cost) (unquoted) 30,27,600 Equity shares of Rs. 10 each in Continental Fisheries India Pvt Ltd (March 31, 2017: 27,600, April 01, 2016 : 27,600)	302.76	2.76	2.76
20,00,000 Equity shares of USD 1 each in Seacrest Seafoods Inc. (March 31, 2017: 10,00,000, April 01, 2016 : 7,00,000)	1,294.20	678.57	117.31
Total (A)	1,596.96	681.33	120.07

5. Financial assets

A. Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unquoted investments (valued at fair value through profit and loss)			
700,000 (March 31, 2017: 7,00,000, April 01, 2016 : 700,000) Equity Shares of Rs.10 each of Coastal Developers Pvt Ltd	70.00	70.00	70.00
7,10,000 (March 31, 2017: Nil, April 01, 2016: Nil) Equity Shares of Rs.10 each of Seagold Aqua Farms India Pvt Ltd	71.00	-	-
Total (A)	141.00	70.00	70.00

B. Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current (unsecured, considered good unless otherwise stated)			
Security Deposits	94.32	121.99	107.18
Total	94.32	121.99	107.18
Current (unsecured, considered good unless otherwise stated)			
Security Deposits	-	-	-
Loans to related parties (refer note 28)	1,020.48	315.25	102.68
- Loans to Subsidiary (including doubtful advances Rs. Nil (March 31, 2017: Rs. Nil, April 01, 2016: Rs. Nil)			
Other loans			
- Loans to employees	9.34	9.28	6.31
	1,029.82	324.53	108.99
Less: Provision for doubtful advances	-	-	-
Total (B)	1,029.82	324.53	108.99

C. Deposits and others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current (unsecured, considered good unless stated otherwise)			
Bank Deposits	636.78	1,033.75	1,248.36
Interest Accrued on Deposits	54.77	64.02	70.21
Total	691.55	1,097.77	1,318.57
Current (unsecured, considered good unless stated otherwise)			
Current Bank Deposits	-	-	-
Interest Accrued on Deposits	97.69	106.24	-
Unbilled Revenue	-	-	-
Insurance claim receivable	-	-	10.23
Assets held for sale	-	-	-
	97.69	106.24	10.23
Less: Provision for insurance claim receivable	-	-	-
Total (C)	97.69	106.24	10.23

Breakup of financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Valued at fair value through profit or loss			
Investments	-	-	-
Total financial assets carried at fair value through profit or loss	-	-	-
Valued at amortised cost			
Loans	-	-	-
Deposits and others	-	-	-
Trade Receivables	-	-	-
Cash & cash equivalents	-	-	-
Bank balances other than above	-	-	-
Total financial assets carried at amortised cost	-	-	-

6. Capital advances and other receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current (unsecured, considered good unless otherwise stated)			
Capital Advances	144.41	406.10	2.10
Advances Recoverable in cash & kind	0.04	105.00	124.34
	144.45	511.10	126.44
Less: Provision for doubtful advances	-	-	-
Total	144.45	511.10	126.44
Current (unsecured, considered good unless otherwise stated)			
Advances recoverable in cash or kind	119.58	206.76	124.56
Loans and advances to related parties (refer note 28)	-	-	-
Prepayments	8.97	9.41	11.24
Balances with Statutory/Government Authorities	1,176.57	664.84	297.00
Export and other incentives receivable*	1,274.99	1,130.92	824.53
Others	24.63	89.37	0.10
Total	2,604.74	2,101.30	1,257.43

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

7. Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(At lower of cost and net realisable value)			
Raw Materials	-	-	-
Work-in-progress	-	-	-
Finished Goods	4,304.56	4,736.73	2,704.49
Stores, spares and packing materials	273.74	227.99	185.89
Total	4,578.30	4,964.72	2,890.38

8. Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables			
Unsecured, Considered Good *	4,857.22	4,558.04	4,134.72
Doubtful	-	-	-
	4,857.22	4,558.04	4,134.72
Less: Allowance for credit losses	-	-	-
	4,857.22	4,558.04	4,134.72

* Included due from subsidiaries (refer note 28)

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

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

9. Cash & cash equivalents and Other bank balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A) Cash & Cash Equivalents			
Balances with Banks			
- On Current Accounts	657.53	49.10	78.36
- Deposits with original maturity of less than three months	-	-	-
Cash on hand	10.75	12.25	2.60
	668.28	61.35	80.96
B) Bank balances other than above			
On Deposit Accounts			
- Remaining maturity for less than twelve months	968.60	560.98	-
	968.60	560.98	-
Less : Amount disclosed under Other Assets (Note 6C)			
	968.60	560.98	-

10. Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
1,50,00,000 (March 31, 2017: 1,50,00,000, April 01, 2016 : 1,50,00,000) Equity shares of Rs.10/- each	1,500.00	1,500.00	1,500.00
Total	1,500.00	1,500.00	1,500.00
Issued, Subscribed and Paid Up			
25,42,200 (March 31, 2017: 25,42,200, April 01, 2016 :25,42,200) Equity share of Rs.10/- each fully paid up	254.22	254.22	254.22
Total	254.22	254.22	254.22

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No.	Rs.	No.	Rs.	No.	Rs.
Equity Shares of Rs.10 Each, Fully paid up Balance as per last financial statements	25,42,200.00	254.22	25,42,200.00	254.22	25,42,200.00	254.22
Add : Equity shares allotted	-	-	-	-	-	-
Outstanding at the end of the year	25,42,200.00	254.22	25,42,200.00	254.22	25,42,200.00	254.22

10.2. Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. In the event of liquidation of the company, the holders of equity shares are eligible to receive share in the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	% Holding	No.	% Holding	No.	% Holding	No.
Equity Shares of Rs. 10/- each Held By						
Haribabu Kambampati	7.69	1,95,400	7.69	1,95,400	7.69	1,95,400
T.V.R.Estates & Resorts Pvt Ltd	6.68	1,69,800	6.68	1,69,800	6.68	1,69,800
Satyasree Achanta	9.38	2,38,541	9.58	2,43,550	9.58	2,43,550
Aditya Achanta	12.68	3,22,450	12.68	3,22,450	12.68	3,22,450

11. Financial liabilities

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	% Holding	No.	% Holding	No.	% Holding	No.
A) Non Current borrowings						
Other Loans	-		62.45		-	
Vehicle loans from banks (Secured) (d)	49.58		46.38		4.10	
Other Loans (Unsecured)	35.64		139.87		12.35	
Total	85.22		248.70		16.45	

(refer note 23)

B) Current borrowings

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	% Holding	No.	% Holding	No.	% Holding	No.
Cash Credits and Working Capital Demand Loans						
Indian Rupee loans from banks (Secured) (f)	8,454.23		7,499.09		6,379.41	
Foreign Currency loans from banks (Secured) (f)	-		-		-	
Buyers Credit from banks (Secured) (f)	-		-		-	
Total	8,454.23		7,499.09		6,379.41	

C) Trade Payables

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	% Holding	No.	% Holding	No.	% Holding	No.
Valued at amortised cost						
- Outstanding dues to creditors other than micro enterprises and small enterprises	285.66		344.92		335.89	
- Outstanding dues to micro enterprises and small enterprises	-		-		-	
- Outstanding dues to related parties (refer note 28)	-		-		-	
Valued at fair value through profit or loss						
- Outstanding derivate contracts	-		-		-	
Total	285.66		344.92		335.89	

Terms and conditions of the above financial liabilities:

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

For explanations on the Company's credit risk management processes, refer to Note 39.

D) Current maturities and other liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of non current borrowings (refer note 23)	101.78	96.09	18.90
Capital Creditors	6.19	9.81	26.17
Interest accrued	-	-	-
Payable to selling shareholders (IPO)	-	-	-
Total	107.97	105.90	45.07

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

Breakup of financial liabilities carried at amortised cost

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Valued at fair value through profit or loss			
Outstanding derivate contracts			
Total financial liabilities carried at fair value through profit or loss	-	-	-
Valued at amortised cost			
Trade Payables	2,361.64	2,772.83	1,504.42
Others	338.84	232.93	165.36
Total financial liabilities carried at amortised cost	2,700.48	3,005.76	1,669.78

12. Provisions

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A) Non-Current Provisions			
Provision for Gratuity (refer note 29(II))	51.75	-	-
Deferred Tax Liability	175.04	173.06	159.47
Total	226.79	173.06	159.47
B) Current Provisions			
Provision for Gratuity (refer note 29(II))	4.13	-	-
Provision for Expenses	300.15	266.80	153.23
Total	304.28	266.80	153.23

13. Non-current tax assets and current tax liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-current tax assets			
Advance tax (net)	-	-	-
Tax paid under protest	-	-	-
Current tax liabilities			
Provision for taxes (net)	1,385.00	822.81	423.04
Total	1,385.00	822.81	423.04

14. Advances from Customers and others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current	-	-	-
Advances from Customers	-	-	-
Current			
Advances from customers	-	-	-
Unclaimed dividend	10.49	2.22	2.26
Statutory dues	63.65	85.38	55.42
Total	74.14	87.60	57.68

15. Revenue from Operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of Products		
Income from Sale of Shrimp		
-Sale of goods	42,675.29	43,699.09
-Shipments in transit (refer note 1.2(iii))	4,171.63	-
	46,846.92	43,699.09
Income from Sale of Electrical Items	-	1.34
(A)	46,846.92	43,700.43
Other Operating Revenue	3,848.62	3,463.07
Export Benefits	-	-
(B)	3,848.62	3,463.07
Revenue from Operations (A+B)	50,695.54	47,163.50

16. Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Gain on Foreign Exchange Fluctuations	31.61	119.51
Credit balances written off	74.46	-
Profit on sale of fixed assets	0.57	-
Agriculture Income	8.17	-
Lease rental income	30.28	15.31
Interest Income	154.59	116.48
Other Income	2.00	1.50
Subsidy received from Central Government on P.F	3.75	-
Total	305.43	252.80

17. Cost of Materials Consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Materials Consumed		
Opening stock at the beginning of the year	66.17	-
Add : Purchases	36,561.83	38,197.29
Less : Sale of materials	-	-
	36,628.00	38,197.29
Less : Closing stock at the end of the year	-	66.17
(A)	36,628.00	38,131.12
Procurement Expenses	20.84	19.03
Cold Storage Charges	102.09	43.72
Peeling wages	662.94	477.51
Plant Electricity Charges	541.09	491.72
Processing wages	715.35	628.12
Plant Maintenance	283.18	215.39
Plant Other Expenses	731.03	393.63

Agriculture Market Cess	63.82	81.43
Antidumping Fee	603.27	1,134.70
Chemicals	382.47	350.95
Commission	92.23	22.94
ECGC Fees	66.06	25.08
Freight Charges	1,183.58	992.49
Ice Purchases	55.50	44.21
Monitoring Fee	35.05	31.68
Packing & Stocking	1,184.38	1,144.54
Shipment Expenses	96.96	93.83
Stock Insurance	117.68	99.21
Testing charges	87.53	86.78
Truck Repair & Maintenance	254.14	195.73
Transportation Expenses	252.56	193.53
(B)	7,531.74	6,766.21
Total (A+B)	44,159.74	44,897.33

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock of inventories		
Finished goods of Shrimp	4,670.56	2,704.49
Work-in-Progress of API and Intermediates	-	-
	4,670.56	2,704.49
Closing stock of inventories		
Finished goods of Shrimp	4,304.56	4,670.56
Work-in-Progress of API and Intermediates	-	-
	4,304.56	4,670.56
Increase in inventories of finished goods and work-in-progress	366.00	(1,966.07)
Increase in Finished goods of API and Intermediates	366.00	(1,966.07)
Decrease/(Increase) in Work-in-Progress of API and Intermediates	-	-
Increase in inventories of finished goods and work-in-progress	366.00	(1,966.07)

19. Employee Benefits Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and wages	629.98	485.52
Contribution to provident fund and other funds	86.84	61.33
Gratuity expense (Note 29)	129.25	13.70
Share based payment expense	-	-
Managerial remuneration	-	-
Leave salary	16.35	12.82
Staff welfare expenses	27.01	18.78
Total	889.43	592.15

20. Other Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fee *	4.13	3.50
Directors Travelling Expenses	32.21	21.59
Insurance	10.61	18.89
Rent ,Rate & Taxes	3.76	2.15
Stock Exchange Listing Fee	2.67	2.10
Interest Expense	931.13	866.47
Telex & telephone	7.15	5.95
Travelling Expenses	29.73	14.03
Loss on sale of fixed assets	-	192.22
Miscellaneous Expenses	51.38	79.54
Professional Charges	46.02	34.55
Electricity Charges	2.91	1.66
Postage	3.75	3.43
C.S.R.Expenses	-	29.76
Directors Remuneration	206.83	148.29
Service Tax	23.00	7.83
Impairment Loss	37.63	-
Total	1,392.91	1,431.96

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fee	3.54	3.00
Tax Audit fees	0.35	0.30
Other Matters	0.24	0.20
Total	4.13	3.50

21. Components of Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

During the year ended March 31, 2017

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement costs on net defined benefit liability	56.19	-
Deferred tax effect on remeasurement costs	-	-
Cashflow hedge on forward contracts	-	-
Deferred tax effect on cashflow hedge on forward contracts	-	-
Reclassified to statement of profit or loss	-	-
Re-measurement on unrealised gain/loss on forward contracts	(64.82)	89.46
Total	(8.63)	89.46

22. Earnings per share (EPS)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit for the year attributable to shareholders	2,497.90	1,429.88
Less: Preference dividend and tax thereon	-	-
Profit available for equity shareholders	2,497.90	1,429.88
Weighted average number of equity shares in computing basic EPS *	25.42	25.42
Add: Effect of dilution *	-	-
Convertible preference shares	-	-
Stock options granted under ESOP	-	-
Weighted Average number of Equity Shares in computing diluted earnings per share *	25.42	25.42
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	98.26	56.25
- Diluted (Rs.)	98.26	56.25
* Adjusted for bonus issue		

During the year ended March 31, 2017, the Company on July 27, 2016, has allotted 73,971,303 equity shares of Rs. 10/- each to the then existing shareholders of the Company as Bonus shares in the ratio of 3:1. Accordingly, the earnings per share has been adjusted for bonus issue for previous periods presented in accordance with the requirements of Indian Accounting Standard (Ind AS) 33 - Earnings per share.

23. Details of CSR expenditure

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Gross amount required to be spent by the Company during the year:	33.21	29.76
(b) Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	1.51

Note: The amount unspent as at March 31, 2018 is Rs. 61.46 lakhs, as at March 31, 2017 Rs. 28.25 lakhs

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

Name of the Bank	Outstanding as on March 31, 2018	Outstanding as on March 31, 2017	Outstanding as on April 01, 2016	Sanction Amount	No. of Instalments	Commencement of instalments	Effective interest rate
a) Secured loan from Bank of India - Car-Liva	0.00	0.93	2.08	5.7	60 equal monthly instalments of Rs.0.11	February 2012	MCLR Plus 1.90% p.a (March 31, 2016: Base rate plus 3.45 % p.a., April 01, 2015: Nil).
b) Secured loan from Canara Bank of India - car- innova	45.99	66.00	0.00	66.00	36 monthly instalments ranging from Rs.2.09 to Rs.2.29	May-2017	MCLR Plus 1.90% p.a (March 31, 2016: Base rate plus 2.50% - 3.20 % p.a., April 01, 2015 : Base rate plus 3.20 % p.a.)
c) Secured loan from Canara Bank of India - car- swift	5.12	0.00	0.00	6.40	36 equal monthly instalments of Rs.0.20	August 2017	MCLR Plus 1.90% p.a. (March 31, 2016: Base rate plus 2.00% - 2.50 % p.a., April 01, 2015 : Base rate plus 2.00 % p.a.)
d) Secured loan from Bank of India - Car - shift deziro)	2.71	3.80	4.77	5.50	36 equal monthly instalments of Rs.0.12	July 2015	Base rate plus 2.00% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 2.00 % p.a.)
e) Secured loan from ICICI Bank - Tata- Ace-2	6.36	0.00	0.00	7.94	35 equal monthly instalments of Rs.0.27	August 2017	Base rate plus 2.25% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 1.75% p.a.)
f) Secured loan from ICICI Bank - car- swift	4.85	0.00	0.00	6.10	36 equal monthly instalments of Rs.0.19	August 2017	MCLR plus 2.75% p.a. (March 31, 2016 : Base rate plus 2.50% p.a., April 01, 2015 : Base rate plus 2.50% p.a.)
g) Secured loan from Bank of India - car- Innova	19.17	0.00	0.00	19.75	72 equal monthly instalments of Rs.0.32	November 2017	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)
h) Secured loan from Bank of India - car- Tiago	3.54	0.00	0.00	3.59	72 equal monthly instalments of Rs.0.06	February 2017	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)
i) Secured loan from Sundaram finance Ltd - Trucks	0.00	0.00	16.15	41.50	36 equal monthly instalments of Rs.1.99	March 2015	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)
j) Secured loan from Kotak Mahindra - Trucks	63.61	134.20	0.00	144.50	23 equal monthly instalments of Rs.7.37	Feb-2017	Flat Rate of interest 9.12%
k) Unsecured loan from Bajaj Finance	6.90	24.65	0.00	29.50	24 monthly instalments of Rs.2.06 To 0.51	Jan-2017	Flat Rate of interest 8.18%
l) Unsecured loan from Magma Fincorp Ltd.	15.53	61.06	0.00	75.00	24 monthly instalments of Rs.5.82 To 1.45	Jan-2017	Flat Rate of interest 8.18%
m) Unsecured loan from Tata Capital Financial Services	11.52	41.82	0.00	50.00	24 monthly instalments of Rs.2.59 To 0.96	Jan-2017	Flat Rate of interest 8.18%
Total	185.30	332.46	23.00	461.48			

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

Particulars	As at March 31, 2018	As at March 31, 2017
Deferred tax liability		
Impact of difference between the aggregate book written down value and tax written down value of property, plant and equipment	194.39	173.06
Total (A)	194.39	173.06
Deferred tax asset		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
- Gratuity	19.34	-
Total (B)	19.34	-
Deferred tax liability/(asset) (Net) (A-B)	175.05	173.06

26. Contingent liabilities/claims not provided for

Particulars	As at March 31, 2018	As at March 31, 2017
Unexpired Bank Guarantee issued in favour of:		
Against letters of credit(SBLC)	271.78	236.80

27. Estimated amount of contracts remaining

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining	-	56.07

28. Details of Remuneration to Whole-time Directors

Particulars	As at March 31, 2018	As at March 31, 2017
a) Sri T. Valsaraj, Managing Director	134.89	95.86
b) Sri G.V.V.Satyanarayana	71.94	52.43
Total	206.83	148.29

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

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

Enterprises in which KMP or Relatives having significant influence

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

(ii) Transactions during the year with related parties

Sl. No.	Name of the Party	Relationship	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
1)	Sri T. Valsaraj	KMP (MD)	Remuneration Amount paid Amount received	134.89 85.00 85.00	95.86 60.00 60.00
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration Amount paid Amount received	71.94 120.00 120.00	52.43 50.00 50.00
3)	Smt. Jeeja Valsaraj	Relative of KMP	Sitting fees	0.36	0.36
4)	Smt. Vijeta Valsaraj	Relative of KMP	Salary Amount paid	- 0.09	6.00 -
5)	M/s Continental Fisheries India Pvt Ltd	Wholly owned subsidiary	Investment in Equity Advance	300 917.29	2.76 50.00
6)	M/s Seacrest Seafoods Inc.	Wholly owned subsidiary	Investment in Equity Sale of Shrimp Amount received against Sales	648.08 1097.26 1441.08	606.57 3069.66 1947.55

(iii) Balance outstanding

Sl. No.	Name of the Party	Relationship	Nature of transaction	As at March 31, 2018	As at March 31, 2017
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	71.84 Cr	20.14 Cr
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	14.63 Cr	4.07 Cr
3)	Smt. Vijeta Valsaraj	Relative of KMP	Salary	0.14 Cr	0.23 Cr
4)	M/s Continental Fisheries India Pvt Ltd	Wholly owned subsidiary	Investment in Equity Advance	302.76 Dr 1020.48 Dr	2.76 Dr 103.19 Dr
5)	M/s Seacrest Seafoods Inc.	Wholly owned subsidiary	Investment in Equity Amount received against Sales	1294.20 Dr 791.57 Dr	678.57 Dr 1122.11 Dr

30. Employee Benefits
I. Provident Fund

Particulars	As at March 31, 2018	As at March 31, 2017
Contribution	69.36	58.84

II. Gratuity
A) Change in Defined Benefit Obligation

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

B) Change in Fair Value of Plan Assets

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

C) Components of Defined Benefit Cost

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

31. Balances Outstanding

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

32. Dividend

The Board of Directors at its meeting held on May 25, 2018 had recommended a dividend of 15% (Rs. 1.50 per equity share of par value of Rs. 10 each) against which the Board of Directors at its meeting held on April 07, 2018 had declared and paid an interim dividend of 15% (Rs. 1.50 per equity share of par value of Rs. 10 each).

33. Reconciliation with previous GAAP (Indian GAAP) and Ind AS

(a) Equity

Particulars	As at April 31, 2017	As at April 31, 2016
Equity under previous GAAP attributable to:	5,670.17	4,375.63
Proposed Dividend and tax thereon	45.90	45.90
Unrealised exchange difference on derivatives	89.46	-
Equity as per Ind AS	5,805.52	4,421.53

(b) Other Comprehensive Income

Particulars	For the year ended March 31, 2017
Net Income as per Previous GAAP	1,340.44
Remeasurement on Employee Benefits	-
Unrealised exchange difference on derivatives	89.46
Total other comprehensive income under Ind AS	1,429.90

- (c) There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS
- (d) Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earning is higher.
- (e) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of measurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.
- (f) Under Ind AS, financial instruments such as forward contracts are measured at fair value at each balance sheet date and any unrealised gain or loss will be recognised directly in Other Comprehensive Income. Under previous GAAP, they are measured at cost.

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

Sd/-
K. Viswanath
Partner
Membership No. 022812

Place: Visakhapatnam
Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
Company Secretary

Place: Visakhapatnam
Date: May 25, 2018

COMPANY OVERVIEW

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

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation and compliance with Ind AS

- i. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2017 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.

- ii. The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.
- iii. The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2017. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Profit/(Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

1.2 Summary of significant accounting policies

(i) Basis of measurement

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

Fair value measurement

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

In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

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

(ii) Functional and presentation currency

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

(iii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are also met before revenue is recognized:

Sale of products

Revenue from sale of shrimps is recognised when all the significant risks and rewards of ownership have been passed to the buyer- normally when the shipment is loaded which is in accordance with industry practice and entitlement of export subsidies are based on shipment of goods. Shipments that have been despatched but have not been delivered at the end of the financial reporting period have been recognised as "Revenue on Shipments in Transit".

Export benefits are accounted on recognition of export sales.

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

(iv) Property, Plant and Equipment

(a) Property, plant and equipment

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2016.

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

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

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

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

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

(b) Capital work in progress

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

(c) Depreciation

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

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

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation on tangible assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

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

(v) 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.

(vi) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Financial Assets - Derecognition

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

The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

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

Financial liabilities – Recognition and measurement

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

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

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

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

Financial liabilities at fair value through statement of profit and loss

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

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

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

• **Loans and Borrowings**

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

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

Financial liabilities - Derecognition

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

Offsetting of financial instruments

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

(vii) Derivative financial instruments

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

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

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

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

(viii) 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.

(ix) 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.

(x) Impairment of Non-financial assets

Tangible and intangible assets

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

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

(xi) Inventories

- i. Raw Materials, Packing Materials and Stores & Spares are stated at weighted average cost.
- ii. Finished goods are stated at lower of cost or net realizable value.

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

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

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

(xii) Taxation

Current income tax

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

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

Deferred tax

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

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

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

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

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

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

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

(xiii) Retirement and other employee benefits

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

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

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

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material,

provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

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

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

(xv) Foreign currency transactions

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

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

The Company's financial statements are presented in INR. The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates.

The Company has applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized upto March 31, 2017 has been deferred/capitalized. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.

(xvi) Earnings per share

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

(xvii) 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.

(xviii) Research and development

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

(xix) Leases

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

Company as a lessee

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

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

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

(xx) Use of Estimates, assumptions and Judgments

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

As per our report of even date

for, **K. P. Rao & Co.,**

Chartered Accountants

Firm Reg No 003135S

Sd/-

K. Viswanath

Partner

Membership No. 022812

Place: Visakhapatnam

Date: May 25, 2018

for and on behalf of the Board

Sd/-

T.Valsaraj

Managing Director

(DIN: 0000057558)

Sd/-

Swaroop Meruva

Company Secretary

Place: Visakhapatnam

Date: May 25, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Coastal Corporation Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **Coastal Corporation Limited** ("the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including other comprehensive income) for the year then ended, the Cash Flows and the Statement of Changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements")

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of Companies Act, 2013("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31st March 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note no. 15 and Note no. 1.2(iii) to the standalone financial statements wherein the company has recognised revenue on Shipment in Transit amounting to Rs 41.72 crores, in accordance with industry practice and entitlement of export subsidies.

Our opinion on the above matter is not modified.

Other Matter

We did not audit the financial statements of the two subsidiary companies included in the financial statements of the Company whose financial statements reflect total Assets of Rs. 1517.72 lakhs/- as at 31st March 2018 and total Revenue of Rs. 10,747.14/- for the year ended that date as considered in the financial statements and our opinion in so far as it relates to the amounts and disclosures included in respect of the subsidiary companies, is based solely on the reports of the other auditors.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books
- c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including other comprehensive income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect of the adequacy of the Internal Financial Controls over Financial Reporting of the company and its operating effectiveness of such controls, refer to our separate report in “**Annexure A**”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position in its consolidated Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.

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

Sd/-

K Viswanath
Partner
Membership No. 022812

Place : Visakhapatnam
Date : May 25, 2018

ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

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

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

In conjunction with our audit of the consolidated financial statements of Coastal Corporation Limited as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Coastal Corporation Limited (hereinafter referred to as the "Holding Company") and its subsidiary company which is incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('the Standards'), issued by the ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company which is incorporated in India have maintained, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, the existing policies, systems, procedures and internal controls followed by the Company have to be appropriately documented.

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

Sd/-

K Viswanath
Partner
Membership No. 022812

Place : Visakhapatnam
Date : May 25, 2018

Consolidated Balance Sheet as at March 31, 2018
(All amounts in Lakhs Rupees except for share data or as otherwise stated)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
I. ASSETS				
(1) Non Current Assets				
(a) Property, plant and equipment	2	4,104.77	3,021.70	3,332.21
(b) Capital work in progress	2	-	58.58	1.89
(c) Investment Property	2.1	390.65	184.90	154.78
(d) Intangible assets	3	0.17	-	-
(e) Financial assets				-
(i) Investments	4A	141.00	70.00	70.00
(ii) Loans	4B	214.32	121.99	7.18
(iii) Deposits and others	4C	711.68	1,097.77	1,318.57
(f) Capital advances and other receivables	5	144.45	525.84	133.45
		5,707.04	5,080.78	5,018.08
(2) Current Assets				
(a) Inventories	6	7,888.87	6,194.82	4,312.56
(b) Financial assets		-	-	-
(i) Loans	4B	13.39	221.35	108.99
(c) Trade receivables	7	5,080.70	4,117.96	2,824.32
(d) Cash & cash equivalents	8A	751.51	217.82	123.01
(e) Bank balances other than above	8B	968.60	560.98	-
(f) Deposits and others	4C	97.69	106.24	10.23
(g) Advances and other receivables	5	2,891.21	2,122.58	1,268.18
		17,691.97	13,541.75	8,647.29
Total Assets		23,399.01	18,622.53	13,665.37
II. EQUITY and LIABILITIES				
(1) Equity				
(a) Equity share capital	9	254.22	254.22	254.22
(b) Other equity		-	-	-
(i) Securities premium		46.95	46.95	46.95
(ii) Capital Redemption Reserve		2.89	2.89	2.89
(iii) General Reserve		868.38	868.38	668.38
(iv) Retained earnings	9	6,466.66	4,100.28	3,304.47
Total Equity		7,639.10	5,272.72	4,276.91
(2) Non Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	10A	190.86	248.70	16.45
(ii) Trade payables	10C	287.46	344.92	335.89
(b) Provisions	11A	229.94	174.71	160.59
(c) Advances from Customers and others	13	-	-	-
		708.26	768.33	512.93
(3) Current Liabilities				
(a) Financial liabilities				
(i) Borrowings	10B	8,857.09	7,499.09	6,379.41
(ii) Trade payables	10D	4,301.18	3,799.28	1,816.90
(iii) Current maturities and other liabilities	10D	107.97	105.90	45.07
(b) Provisions	11B	326.27	266.80	153.43
(c) Current tax liabilities	12	1,385.00	822.81	423.04
(d) Advances from Customers and others	13	74.14	87.60	57.68
		15,051.65	12,581.48	8,875.53
Total Equity and Liabilities		23,399.01	18,622.53	13,665.37
Summary of significant accounting policies	1			
The accompanying notes are an integral part of the consolidated financial statements	21-32			

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

Sd/-
K. Viswanath
Partner
Membership No. 022812

Place: Visakhapatnam
Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
Company Secretary

Place: Visakhapatnam
Date: May 25, 2018

Consolidated Statement of Profit and Loss for the year ended March 31, 2018

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

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
I. INCOME			
Revenue from Operations (Gross)	14	61,364.66	48,906.02
Other Income	15	383.45	252.81
Total Revenue (I)		61,748.11	49,158.83
II. EXPENSES			
Cost of Materials Consumed	16	55,938.61	46,659.26
Purchase of Traded Goods		-	-
(Increase)/Decrease in Inventories of Finished Goods and Work-in-Progress	17	(1,216.41)	(1,966.07)
Employee Benefits Expenses	18	1,296.96	798.56
Depreciation and Amortisation	2,2.1&3	310.96	296.07
Other Expenses	19	1,640.87	1,567.11
Total Expenses (II)		57,970.99	47,354.93
III. Profit Before Tax (I-II)		3,777.12	1,803.90
IV. Tax Expense			
Current tax		1,385.00	820.00
Adjustment of tax relating to earlier years		-	-
Deferred tax charge/ (credit)	24	3.48	14.12
Adjustment of deferred tax relating to earlier years		-	-
Income tax expense		1,388.48	834.12
V. Profit for the year (III -IV)		2,388.64	969.78
VI. OTHER COMPREHENSIVE INCOME (OCI)	20		
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
(i) Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
(ii) Items that will be reclassified to profit or loss		56.19	-
Total other comprehensive income for the year, net of tax		(64.82)	89.46
		(8.63)	89.46
Total comprehensive income for the year, net of tax		2,380.01	1,059.24
Earnings Per Equity Share Rs. 10/- each fully paid (March 31, 2017: Rs. 10/- each fully paid)	21		
Computed on the basis of total profit for the year			
Basic (Rs.)		93.62	56.25
Diluted (Rs.)		93.62	56.25
Summary of significant accounting policies	1		
The accompanying notes are an integral part of the consolidated financial statements	20-32		

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

Sd/-
K. Viswanath
Partner
Membership No. 022812

Place: Visakhapatnam
Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
Company Secretary

Place: Visakhapatnam
Date: May 25, 2018

Consolidated Statement of Cash Flows for year ended March 31, 2018

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	3,767.15	1,893.36
Adjustments for :		
Depreciation of property, plant and equipment	310.78	296.07
Amortisation of intangible assets	0.16	-
Impairment loss on fixed assets	37.63	-
Loss on sale of fixed assets (net)	15.84	192.22
Profit on sale of fixed assets (net)	(0.57)	-
Interest income	(155.73)	(116.49)
Interest expense	1,034.58	873.70
Foreign Currency Translation Reserve	32.26	(17.54)
Unrealised exchange difference on derivatives	64.82	(89.46)
Gratuity and compensated absences	73.06	-
Operating profit before working capital changes	5,179.98	3,031.86
Movement in working capital:		
(increase)/decrease in inventories	(1,694.05)	(1,882.26)
(increase)/decrease in trade receivables	(962.74)	(1,293.64)
(increase)/decrease in other non current assets	218.06	(507.20)
(increase)/decrease in other current assets	(113.76)	(525.16)
increase/(decrease) in other long term liabilities	(17.86)	14.12
increase/(decrease) in trade payables	444.44	1,991.41
increase/(decrease) in other current liabilities	46.01	143.29
Cash generated from operations	3,100.42	972.42
Income tax paid	(1,338.02)	(786.49)
Net cash flows from operating activities (A)	1,762.06	185.93
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets, capital work in progress and capital advances	(1,622.70)	(313.74)
Proceeds from sale of property, plant and equipment	28.48	49.15
Proceeds from sale of investments in deposits	394.64	124.79
Interest received	155.73	116.49
Net cash flows used in investing activities (B)	(1,043.85)	(23.31)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from issue of equity shares	-	-
Proceeds from Securities Premium		
Repayment of long - term borrowings (net)	(55.77)	293.08
Repayment from short - term borrowings (net)	1,358.00	1,119.68
Dividend paid	(38.13)	(38.13)
Tax on dividend	(7.76)	(7.76)
Interest paid	(1,034.58)	(873.70)
Net cash flows from financing activities (C)	221.76	493.17
Net decrease in cash and cash equivalents (A+B+C)	939.97	655.79
Cash and cash equivalents at the beginning of the year	778.80	123.01
Cash and cash equivalents at the year end	1,718.77	778.80

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Components of cash and cash equivalents:		
Cash on hand	10.77	14.03
Balances with banks		
- On current accounts	740.74	203.79
- On dividend accounts		
- On deposit accounts	968.60	560.98
Total cash and cash Equivalents	1,720.11	778.80

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

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

Sd/-
K. Viswanath
 Partner
 Membership No. 022812

Place: Visakhapatnam
 Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
 Company Secretary

Place: Visakhapatnam
 Date: May 25, 2018

a. Equity Share Capital

Equity Shares of Rs.10 Each, Fully paid up	No.	Amount
As at April 01, 2016	25,42,200.00	254.22
Issued during the year	-	-
As at March 31, 2017	25,42,200.00	254.22
Issued during the year	-	-
As at March 31, 2018	25,42,200.00	254.22

b. Other Equity

Particulars	Reserves and surplus				FVTOCI reserve (Refer note 25)	Total
	Securities Premium	Capital Redemption reserve	General reserve	Retained Earnings		
As at April 01, 2016	46.95	2.89	668.38	3,304.47	-	4,022.69
Profit for the year	-	-	-	969.78	-	969.78
Foreign Currency Translation Reserve	-	-	-	(17.54)	-	(17.54)
Other Comprehensive Income	-	-	-	-	-	-
-Re-measurement on employee defined benefit plans	-	-	-	-	-	-
-Unrealised exchange difference on derivatives	-	-	-	89.46	-	89.46
Final dividend to equity and preference shareholders	-	-	-	-	-	-
- Final dividend on equity shares(Refer Note 12.2)	-	-	-	(38.13)	-	(38.13)
- Tax on final dividend on equity shares	-	-	-	(7.76)	-	(7.76)
transferred to General Reserve	-	-	200.00	(200.00)	-	-
Other Comprehensive Income (Note 25)	-	-	-	-	-	-
At March 31, 2017	46.95	2.89	868.38	4,100.28	-	5,018.50
Profit for the year	-	-	-	2,388.64	-	2,388.64
Foreign Currency Translation Reserve	-	-	-	32.26	-	32.26
Other Comprehensive Income (Note 25)	-	-	-	-	-	-
- Premium on conversion of CCPS	-	-	-	-	-	-
- Premium on IPO Allotment	-	-	-	-	-	-
- Issue of Bonus shares	-	-	-	-	-	-
-Re-measurement gains / (losses) on employee defined benefit plans	-	-	-	56.19	-	56.19
-Unrealised exchange difference on derivatives	-	-	-	(64.82)	-	(64.82)
Final dividend to equity and preference shareholders	-	-	-	-	-	-
- Final dividend on equity shares(Refer Note 12.2)	-	-	-	(38.13)	-	(38.13)
- Tax on final dividend on equity shares	-	-	-	(7.76)	-	(7.76)
- Final dividend on CCPCPS - Series A, Series B and Series C (Refer Note 12.3)	-	-	-	-	-	-
- Tax on proposed dividend on CCPCPS - Series A, Series B and Series C	-	-	-	-	-	-
As at March 31, 2018	46.95	2.89	868.38	6,466.66	-	7,384.88

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

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

Sd/-
K. Viswanath
Partner
Membership No. 022812

Place: Visakhapatnam
Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
Company Secretary

Place: Visakhapatnam
Date: May 25, 2018

2. Property, plant and equipment

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and Fixtures	Computers	Vehicles	Office Equipment	Roads	Trawlers	Total Property, plant and equipment
Gross Block (Cost or deemed cost)										
As at April 01, 2016	379.28	1,448.38	1,955.50	86.47	19.18	422.27	65.77	4.06	162.73	4,543.64
Additions	7.02	73.72	99.04	-	0.64	18.41	23.35	-	-	222.18
Disposals	(31.06)	-	(414.62)	-	-	(4.81)	-	-	-	(450.49)
As at March 31, 2017	355.24	1,522.10	1,639.92	86.47	19.82	435.87	89.12	4.06	162.73	4,315.33
Additions	585.88	149.23	502.81	16.96	4.97	204.20	3.84	-	-	1,467.89
Disposals	-	-	(63.01)	-	-	(12.46)	-	-	(41.35)	(116.82)
As at March 31, 2018	941.12	1,671.33	2,079.72	103.43	24.79	627.61	92.96	4.06	121.38	5,666.40
Depreciation and Impairment										
As at April 01, 2016	-	197.85	580.51	50.18	14.23	214.73	34.45	4.06	115.43	1,211.44
Charge for the year	-	46.98	172.40	3.34	2.96	55.54	4.14	-	5.95	291.31
Disposals	-	-	(209.12)	-	-	-	-	-	-	(209.12)
As at March 31, 2017	-	244.83	543.79	53.52	17.19	270.27	38.59	4.06	121.38	1,293.63
Charge for the year	-	48.16	155.71	5.06	2.66	72.64	19.24	-	-	303.47
Disposals	-	-	(25.39)	-	-	(10.05)	-	-	-	(35.44)
As at March 31, 2018	-	292.99	674.11	58.58	19.85	332.86	57.83	4.06	121.38	1,561.66
Net Block										
As at April 01, 2016	379.28	1,250.53	1,374.99	36.29	4.95	207.54	31.32	-	-	3,332.20
As at March 31, 2017	355.24	1,277.27	1,096.13	32.95	2.63	165.60	50.53	-	-	3,021.70
As at March 31, 2018	941.12	1,378.34	1,405.61	44.85	4.94	294.75	35.13	-	-	4,104.74

2.1 Investment Property

Particulars	Freehold land	Buildings	Total
<u>Gross Block (Cost or deemed cost)</u>			
As at April 01, 2016	10.65	144.13	154.78
Additions	-	34.87	34.87
Disposals	-	-	-
As at March 31, 2017	10.65	179.00	189.65
Additions	-	213.06	213.06
Disposals	-	-	-
As at March 31, 2018	10.65	392.06	402.71
<u>Depreciation and Impairment</u>			
As at April 01, 2016	-	-	-
Charge for the year	-	4.75	4.75
Disposals	-	-	-
As at March 31, 2017	-	4.75	4.75
Charge for the year	-	7.31	7.31
Disposals	-	-	-
As at March 31, 2018	-	12.06	12.06
<u>Net Block</u>			
As at April 01, 2016	10.65	144.13	154.78
As at March 31, 2017	10.65	174.25	184.90
As at March 31, 2018	10.65	380.00	390.65

3. Intangible Assets

Particulars	Computer Software	Total Intangible Assets
<u>Gross Block (Cost or deemed cost)</u>		
As at April 01, 2016	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2017	-	-
Additions	0.33	0.33
Disposals	-	-
As at March 31, 2018	0.33	0.33
<u>Amortisation</u>		
Charge for the year	-	-
Disposals	-	-
As at March 31, 2017	-	-
Charge for the year	0.16	0.16
Disposals	-	-
As at March 31, 2018	0.16	0.16
<u>Net Block</u>		
As at April 01, 2016	-	-
As at March 31, 2017	-	-
As at March 31, 2018	0.17	0.17

4. Financial assets
A. Investments

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unquoted investments (valued at fair value through profit and loss) 700,000 (March 31, 2017: 7,00,000, April 01, 2016 : 700000) Equity Shares of Rs.10 each of Coastal Developers Pvt Ltd	70.00	70.00	70.00
7,10,000 (March 31, 2017: Nil, April 01, 2016 : Nil) Equity Shares of Rs.10 each of Seagold Aqua Farms India Pvt Ltd	71.00	-	-
Total (A)	141.00	70.00	70.00

B. Loans

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current (unsecured, considered good unless otherwise stated)			
Security Deposits	214.32	121.99	7.18
Total	214.32	121.99	7.18
Current (unsecured, considered good unless otherwise stated)			-
Security Deposits	-	-	-
Loans to related parties (note 34)	3.62	212.07	102.68
- Loans to Subsidiary (including doubtful advances Rs. Nil (March 31, 2017: Rs. Nil, April 01, 2016: Rs. Nil)			-
Other loans			-
- Loans to employees	9.77	9.28	6.31
	13.39	221.35	108.99
Less: Provision for doubtful advances			-
Total (B)	13.39	221.35	108.99

C. Deposits and others

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non Current (unsecured, considered good unless stated otherwise)			
Bank Deposits (note 11B)	656.91	1,033.75	1,248.36
Interest Accrued on Deposits	54.77	64.02	70.21
Total	711.68	1,097.77	1,318.57
Current (unsecured, considered good unless stated otherwise)			-
Current Bank Deposits (Note 18)	-	-	-
Interest Accrued on Deposits	97.69	106.24	-
Unbilled Revenue	-	-	-
Insurance claim receivable	-	-	10.23
Assets held for sale	-	-	-
	97.69	106.24	10.23
Less: Provision for insurance claim receivable			-
Total (C)	97.69	106.24	10.23

Breakup of financial assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Valued at fair value through profit or loss			-
Investments	-	-	-
Total financial assets carried at fair value through profit or loss	-	-	-
Valued at amortised cost			-
Loans	-	-	-
Deposits and others	-	-	-
Trade Receivables	-	-	-
Cash & cash equivalents	-	-	-
Bank balances other than above	-	-	-
Total financial assets carried at amortised cost		-	-

5. Capital advances and other receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Non-Current (unsecured, considered good unless otherwise stated)			
Capital Advances	144.41	406.00	2.10
Advances Recoverable in cash & kind	0.04	119.84	131.35
	144.45	525.84	133.45
Less: Provision for doubtful advances			-
Total	144.45	525.84	133.45
Current (unsecured, considered good unless otherwise stated)			
Security Deposits			
Advances recoverable in cash or kind	246.12	892.79	432.41
Loans and advances to related parties (note 28)	-	-	-
Unamortised processing fee	-	-	-
Prepayments	10.09	9.41	11.24
Balances with Statutory/Government Authorities	1,176.57	-	-
Export and other incentives receivable*	1,433.80	1,130.92	824.53
Others	24.63	89.46	-
Total	2,891.21	2,122.58	1,268.18

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

6. Inventories

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(At lower of cost and net realisable value)			
Raw Materials		-	-
Work-in-progress		-	-
Finished Goods	7,569.68	5,966.83	4,125.33
Oil	1.34	1.34	1.34
Stores, spares and packing materials	317.85	226.65	185.89
Total	7,888.87	6,194.82	4,312.56

7. Trade Receivables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade receivables			
Unsecured, Considered Good *	5,080.71	4,117.96	2,824.32
Doubtful			-
	5,080.71	4,117.96	2,824.32
Less: Allowance for credit losses	-	-	-
	5,080.71	4,117.96	2,824.32

* Included due from subsidiaries (refer note 34)

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

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

8. Cash & cash equivalents and Other bank balances

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A) Cash & Cash Equivalents			
Balances with Banks			-
- On Current Accounts	740.74	203.79	118.84
- Deposits with original maturity of less than three months	-	-	-
Cash on hand	10.77	14.03	4.17
	751.51	217.82	123.01
B) Bank balances other than above			
On Deposit Accounts			
- Remaining maturity for less than twelve months	968.60	560.98	-
	968.60	560.98	-
Less : Amount disclosed under Other Assets (Note 6C)			
On Margin Money Deposit Accounts	968.60	560.98	-

9. Equity share capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
1,50,00,000 (March 31, 2017: 1,50,00,000, April 01, 2016 : 1,50,00,000) Equity shares of Rs.10/- each	1,500.00	1,500.00	1,500.00
Total	1,500.00	1,500.00	1,500.00
Issued, Subscribed and Paid Up			
25,42,200 (March 31, 2017: 25,42,200, April 01, 2016 :25,42,200) Equity share of Rs.10/- each fully paid up	254.22	254.22	254.22
Total	254.22	254.22	254.22

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No.	Rs.	No.	Rs.	No.	Rs.
Equity Shares of Rs.10 Each, Fully paid up						
Balance as per last financial statements	25,42,200.00	254.22	25,42,200.00	254.22	25,42,200.00	254.22
Add : Equity shares allotted	-	-	-	-	-	-
Outstanding at the end of the year	25,42,200.00	254.22	25,42,200.00	254.22	25,42,200.00	254.22

9.2. Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share at the general meetings of the Company. In the event of liquidation of the company, the holders of equity shares are eligible to receive share in the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	% Holding	No.	% Holding	No.	% Holding	No.
Equity Shares of Rs. 10/- each Held By						
Haribabu Kambampati	7.69	1,95,400	7.69	1,95,400	7.69	1,95,400
T.V.R.Estates & Resorts Pvt Ltd	6.68	1,69,800	6.68	1,69,800	6.68	1,69,800
Satyasree Achanta	9.38	2,38,541	9.58	2,43,550	9.58	2,43,550
Aditya Achanta	12.68	3,22,450	12.68	3,22,450	12.68	3,22,450

10. Financial liabilities

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A) Non Current borrowings				
Other Loans		105.64	62.45	-
Vehicle loans from banks (Secured) (d)		49.58	46.38	4.10
Other Loans (Unsecured)		35.64	139.87	12.35
Total		190.86	248.70	16.45

B) Current borrowings

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Cash Credits and Working Capital Demand Loans				
Indian Rupee loans from banks (Secured) (f)		8,857.09	7,499.09	6,379.41
Foreign Currency loans from banks (Secured) (f)		-	-	-
Buyers Credit from banks (Secured) (f)		-	-	-
Total		8,857.09	7,499.09	6,379.41

C) Trade Payables

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Valued at amortised cost			
- Outstanding dues to creditors other than micro enterprises and small enterprises	287.46	344.92	335.89
- Outstanding dues to micro enterprises and small enterprises (Note 31)	-	-	-
- Outstanding dues to related parties (Note 34)	-	-	-
Valued at fair value through profit or loss	-	-	-
- Outstanding derivate contracts	-	-	-
Total	287.46	344.92	335.89

Terms and conditions of the above financial liabilities:

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

For explanations on the Company's credit risk management processes, refer to Note 39.

D) Current maturities and other liabilities

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturities of non current borrowings (Note 14 A)	101.78	96.09	18.90
Capital Creditors	6.19	9.81	26.17
Interest accrued	-	-	-
Financial guarantee obligation	-	-	-
Payable to selling shareholders (IPO)	-	-	-
Total	107.97	105.90	45.07

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

Breakup of financial liabilities carried at amortised cost

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Valued at fair value through profit or loss			
Outstanding derivate contracts			
Total financial liabilities carried at fair value through profit or loss	-	-	-
Valued at amortised cost			
Non current borrowings			
Current maturities of non current borrowings			
Current borrowings			
Interest accrued			
Trade Payables	3,955.15	3,539.14	1,621.84
Others	346.03	260.14	195.06
Total financial liabilities carried at amortised cost	4,301.18	3,799.28	1,816.90

11. Provisions

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
A)	Non-Current Provisions			
	Provision for Gratuity (note 29)	51.75	-	-
	Deferred Tax Liability	178.19	174.71	160.59
	Provision for Expenses	-	-	-
	Total	229.94	174.71	160.59
B)	Current Provisions			
	Provision for Gratuity (note 29)	4.13		
	Provision for Expenses	322.14	266.80	153.43
	Total	326.27	266.80	153.43

12. Non-current tax assets and current tax liabilities

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Non-current tax assets			
	Advance tax (net)	-	-	-
	Tax paid under protest	-	-	-
	Current tax liabilities			
	Provision for taxes (net)	1,385.00	822.81	423.04
	Total	1,385.00	822.81	423.04

13. Advances from Customers and others

	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	Non Current	-	-	-
	Advances from Customers	-	-	-
	Current			
	Advances from customers	-	-	-
	Unclaimed dividend	10.49	2.22	2.26
	Statutory dues	63.65	85.38	55.42
	Total	74.14	87.60	57.68

14. Revenue from Operations

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
	Sale of Products		
	Income from Sale of Shrimp	57,253.41	45,441.61
	Income from Sale of Electrical Items		1.34
(A)	Total	57,253.41	45,442.95
	Other Operating Revenue		
	Export Benefits	4,111.25	3,463.07
(B)	Total	4,111.25	3,463.07
	Revenue from Operations (A+B)	61,364.66	48,906.02

15. Other Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Net Gain on Foreign Exchange Fluctuations	31.61	119.51
Credit balances written off	74.46	-
Profit on sale of fixed assets	0.57	-
Agriculture Income	8.17	-
Lease rental income	30.28	15.31
Interest Income	155.73	116.49
Other Income	2.00	1.50
Subsidy received from Central Government on P.F	3.75	-
Processing charges	76.88	-
Total	383.45	252.81

16. Cost of Materials Consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw Materials Consumed		-
Opening stock at the beginning of the year	66.17	-
Add : Purchases	47,353.72	39,831.31
Less : Sale of materials	-	-
	47,419.89	39,831.31
Less : Closing stock at the end of the year	-	66.17
(A)	47,419.89	39,765.14
Procurement Expenses	20.84	19.03
Cold Storage Charges	102.09	168.85
Peeling wages	764.12	477.51
Plant Electricity Charges	706.82	491.72
Processing wages	1,074.17	628.12
Plant Maintenance	308.11	215.39
Plant Other Expenses	759.76	393.63
Agriculture Market Cess	69.11	81.43
Antidumping Fee	603.27	1,134.70
Chemicals	418.19	350.95
Commission	113.48	22.94
ECCG Fees	66.06	25.08
Freight Charges	1,231.10	992.49
Ice Purchases	69.92	44.21
Monitoring Fee	44.71	31.68
Packing & Stocking	1,301.43	1,144.54
Shipment Expenses	100.29	93.83
Stock Insurance	119.37	99.21
Testing charges	89.78	86.78
Truck Repair & Maintenance	274.48	195.73
Transportation Expenses	281.63	193.53
Vessel Operation Expenses	-	2.78
(B)	8,518.72	6,894.12
Total (A+B)	55,938.61	46,659.26

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening stock of inventories		
Finished goods of Shrimp	4,670.56	2,705.83
Stock of Oil	1.34	
Work-in-Progress of API and Intermediates	-	-
	4,671.90	2,705.83
Closing stock of inventories		
Finished goods of Shrimp	5,886.97	4,670.56
Stock of Oil	1.34	1.34
Work-in-Progress of API and Intermediates		
	5,888.31	4,671.90
Increase in inventories of finished goods and work-in-progress	(1,216.41)	(1,966.07)
Increase in Finished goods of API and Intermediates	(1,216.41)	(1,966.07)
Decrease/(Increase) in Work-in-Progress of API and Intermediates		-
Increase in inventories of finished goods and work-in-progress	(1,216.41)	(1,966.07)

18. Employee Benefits Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, allowances and wages	1,035.39	691.93
Contribution to provident fund and other funds	88.27	61.33
Gratuity expense (Note 29)	129.25	13.70
Share based payment expense	-	-
Managerial remuneration	-	-
Leave salary	16.35	12.82
Staff welfare expenses	27.70	18.78
Total	1,296.96	798.56

19. Other Expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fee *	4.83	3.60
Directors Travelling Expenses	32.21	21.59
Insurance	46.44	43.63
Rent ,Rate & Taxes	22.34	19.07
Stock Exchange Listing Fee	2.67	2.10
Interest Expenses	1,034.58	873.70
Telex & telephone	10.28	12.55
Travelling Expenses	52.09	56.05
Loss on sale of fixed assets	15.84	192.22
Miscellaneous Expenses	85.68	101.97
Professional Charges	58.98	48.94
Electricity Charges	2.91	1.66
Postage	4.57	4.15
C.S.R.Expenses	-	29.76
Directors Remuneration	206.82	148.29
Service Tax	23.00	7.83
Impairment Loss	37.63	-
Total	1,640.87	1,567.11

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit fee	3.54	3.00
Tax Audit fee	0.35	0.30
Other Matters	0.24	0.20
Total	4.13	3.50

20. Components of Other Comprehensive Income (OCI)
The disaggregation of changes to OCI by each type of reserve in equity is shown below:
During the year ended March 31, 2017

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Remeasurement costs on net defined benefit liability	56.19	-
Deferred tax effect on remeasurement costs	-	-
Cashflow hedge on forward contracts	-	-
Deferred tax effect on cashflow hedge on forward contracts	-	-
Reclassified to statement of profit or loss	-	-
Re-measurement on unrealised gain/loss on forward contracts	(64.82)	89.46
Total	(8.63)	89.46

21. Earnings per share (EPS)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit for the year attributable to shareholders	2,378.67	1,429.88
Less: Preference dividend and tax thereon	-	-
Profit available for equity shareholders	2,378.67	1,429.88
Weighted average number of equity shares in computing basic EPS *	25.42	25.42
Add: Effect of dilution *	-	-
Convertible preference shares	-	-
Stock options granted under ESOP	-	-
Weighted Average number of Equity Shares in computing diluted earnings per share *	25.42	25.42
Face value of each equity share (Rs.)	10.00	10.00
Earnings per share		
- Basic (Rs.)	93.57	56.25
- Diluted (Rs.)	93.57	56.25
* Adjusted for bonus issue		

During the year ended March 31, 2017, the Company on July 27, 2016, has allotted 73,971,303 equity shares of Rs. 10/- each to the then existing shareholders.

22. Details of CSR expenditure

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
a) Gross amount required to be spent by the Company during the year:	33.21	29.76
(b) Amount spent during the year		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	-	1.51

Note: The amount unspent as at March 31, 2018 is Rs. 61.46 lakhs, as at March 31, 2017 Rs. 28.25 lakhs

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

Name of the Bank	Outstanding as on March 31, 2018	Outstanding as on March 31, 2017	Outstanding as on April 01, 2016	Sanction Amount	No. of Instalments	Commencement of Instalments	Effective interest rate
a) Secured loan from Bank of India - Car-Liva	0.00	0.93	2.08	5.7	60 equal monthly instalments of Rs.0.11	February 2012	MCLR Plus 1.90% p.a. (March 31, 2016: Base rate plus 3.45 % p.a., April 01, 2015: Nil).
b) Secured loan from Canara Bank of India - car- innova	45.99	66.00	0.00	66.00	36 monthly instalments ranging from Rs.2.09 to Rs.2.29	May- 2017	MCLR Plus 1.90% p.a. (March 31, 2016: Base rate plus 2.50% - 3.20 % p.a., April 01, 2015 : Base rate plus 3.20 % p.a.)
c) Secured loan from Canara Bank of India - car- swift	5.12	0.00	0.00	6.40	36 equal monthly instalments of Rs.0.20	August 2017	MCLR Plus 1.90% p.a. (March 31, 2016: Base rate plus 2.00%-2.50 % p.a., April 01, 2015: Base rate plus 2.00 % p.a.)
d) Secured loan from Bank of India - Car - shift desire)	2.71	3.80	4.77	5.50	36 equal monthly instalments of Rs.0.12	July 2015	Base rate plus 2.00% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 2.00 % p.a.)
e) Secured loan from ICICI Bank - Tata- Ace-2	6.36	0.00	0.00	7.94	35 equal monthly instalments of Rs.0.27	August 2017	Base rate plus 2.25% p.a. (March 31, 2016 : Base rate plus 2.00 % p.a., April 01, 2015 : Base rate plus 1.75% p.a.)
f) Secured loan from ICICI Bank - car- swift	4.85	0.00	0.00	6.10	36 equal monthly instalments of Rs.0.19	August 2017	MCLR plus 2.75% p.a. (March 31, 2016 : Base rate plus 2.50% p.a., April 01, 2015 : Base rate plus 2.50% p.a.)
g) Secured loan from Bank of India - car- Innova	19.17	0.00	0.00	19.75	72 equal monthly instalments of Rs.0.32	November 2017	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)
h) Secured loan from Bank of India - car- Tiago	3.54	0.00	0.00	3.59	72 equal monthly instalments of Rs.0.06	February 2017	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)
i) Secured loan from Sundaram finance Ltd - Trucks	0.00	0.00	16.15	41.50	36 equal monthly instalments of Rs.1.99	March 2015	MCLR plus 0.5% p.a. (March 31, 2016 :Base rate plus 0.6% p.a., April 01, 2015: Nil)
j) Secured loan from Kotak Mahindra - Trucks	63.61	134.20	0.00	144.50	23 equal monthly instalments of Rs.7.37	Feb-2017	Flat Rate of interest 9.12%
k) Unsecured loan from Bajaj Finance	6.90	24.65	0.00	29.50	24 monthly instalments of Rs.2.06 To 0.51	Jan-2017	Flat Rate of interest 8.18%
l) Unsecured loan from Magma Fincorp Ltd.	15.53	61.06	0.00	75.00	24 monthly instalments of Rs.5.82 To 1.45	Jan-2017	Flat Rate of interest 8.18%
m) Unsecured loan from Tata Capital Financial Services	11.52	41.82	0.00	50.00	24 monthly instalments of Rs.2.59 To 0.96	Jan-2017	Flat Rate of interest 8.18%
Total	185.30	332.46	23.00	461.48			

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

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Deferred tax liability</u>		
Impact of difference between the aggregate book written down value and tax written down value of property, plant and equipment	197.53	174.71
Total (A)	197.53	174.71
<u>Deferred tax asset</u>		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis		
-Gratuity	19.34	-
Total (B)	19.34	-
Deferred tax liability/(asset) (Net) (A-B)	178.19	174.71

25. Contingent liabilities/claims not provided for

Particulars	As at March 31, 2018	As at March 31, 2017
<u>Unexpired Bank Guarantee issued in favour of:</u> Against letters of credit(SBLC)	271.78	236.80

26. Estimated amount of contracts remaining

Particulars	As at March 31, 2018	As at March 31, 2017
		56.07

27. Details of Remuneration to Whole-time Directors

Particulars	As at March 31, 2018	As at March 31, 2017
a) Sri T. Valsaraj, Managing Director	134.89	95.86
b) Sri G.V.V.Satyanarayana	71.94	52.43
Total	206.83	148.29

28. Related Party Disclosures

(i) Names of related parties and description of relationship

Key Management Personnel

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

(ii) Transactions during the year with related parties

Sl. No.	Name of the Party	Relationship	Nature of transaction	For the year ended March 31, 2018	For the year ended March 31, 2017
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	134.89	95.86
			Amount paid	85.00	60.00
			Amount received	85.00	60.00
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	71.94	52.43
			Amount paid	120.00	50.00
			Amount received	120.00	50.00
3)	Smt. Jeeja Valsaraj	Relative of KMP	Sitting fees	0.36	0.36
4)	Smt. Vijeta Valsaraj	Relative of KMP	Salary	-	6.00
			Amount paid	0.09	-

(iii) Balance outstanding

Sl. No.	Name of the Party	Relationship	Nature of transaction	As at March 31, 2018	As at March 31, 2017
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	71.84 Cr	20.14 Cr
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	14.63 Cr	4.07 Cr
3)	Smt. Vijeta Valsaraj	Relative of KMP	Salary	0.14 Cr	0.23 Cr

29. Employee Benefits
I. Provident Fund

Particulars	As at March 31, 2018	As at March 31, 2017
Contribution	69.36	58.84

II. Gratuity
A) Change in Defined Benefit Obligation

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

B) Change in Fair Value of Plan Assets

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

C) Components of Defined Benefit Cost

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

30. Balances Outstanding

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

31. Dividend

The Board of Directors at its meeting held on May 25, 2018 had recommended a dividend of 15% (Rs. 1.50 per equity share of par value of Rs. 10 each) against which the Board of Directors at its meeting held on April 07, 2018 had declared and paid an interim dividend of 15% (Rs. 1.50 per equity share of par value of Rs. 10 each).

32. Reconciliation with previous GAAP (Indian GAAP) and Ind AS

(a) Equity

Particulars	As at March 31, 2017	As at April 1, 2016
Equity under previous GAAP attributable to:	5,670.17	4,375.63
Proposed Dividend and tax thereon	45.90	45.90
Unrealised exchange difference on derivatives	89.46	-
Equity as per Ind AS	5,805.52	4,421.53

(b) Other Comprehensive Income

Particulars	For the year ended March 31, 2017
Net Income as per Previous GAAP	1,340.44
Remeasurement on Employee Benefits	-
Unrealised exchange difference on derivatives	89.46
Total other comprehensive income under Ind AS	1,429.90

- (c) There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS
- (d) Under Ind AS, liability for dividend is recognized in the period in which the obligation to pay is established. Under previous GAAP, a liability is recognized in the period to which the dividend relates, even though the dividend may be approved by the shareholders subsequent to the reporting date. Consequently, dividend payable under Ind AS is lower and retained earning is higher.
- (e) Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of measurement of the net defined benefit liability/ asset which is recognised in other comprehensive income. Consequently, the tax effect of the same has also been recognised in other comprehensive income under Ind AS instead of the statement of profit and loss.
- (f) Under Ind AS, financial instruments such as forward contracts are measured at fair value at each balance sheet date and any unrealised gain or loss will be recognised directly in Other Comprehensive Income. Under previous GAAP, they are measured at cost.

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

Sd/-
K. Viswanath
 Partner
 Membership No. 022812

Place: Visakhapatnam
 Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
 Company Secretary

Place: Visakhapatnam
 Date: May 25, 2018

1. COMPANY OVERVIEW

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and compliance with Ind AS

- i. For all periods upto and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in India and complied with the accounting standards (Previous GAAP) as notified under Section 133 of the Companies Act, 2013 read together with Rule 7 of the Companies (Accounts) Rules, 2014, as amended, to the extent applicable, and the presentation requirements of the Companies Act, 2013.

In accordance with the notification dated February 16, 2015, issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 read with Rule 4A of Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant provisions of the Companies Act, 2013 (collectively, "Ind ASs") with effect from April 1, 2017 and the Company is required to prepare its financial statements in accordance with Ind ASs for the year ended March 31, 2018. These financial statements as and for the year ended March 31, 2017 (the "Ind AS Financial Statements") are the first financial statements, the Company has prepared in accordance with Ind AS.

- ii. The Company had prepared a separate set of financial statements for the year ended March 31, 2017 and March 31, 2016 in accordance with the Accounting Standards referred to in section 133 of the Companies Act, 2013 (the "Audited Previous GAAP Financial Statements"), which were approved by the Board of Directors of the Company. The management of the Company has compiled the Special Purpose Comparative Ind AS Financial Statements using the Audited Previous GAAP Financial Statements and made required Ind AS adjustments. The Audited Previous GAAP Financial Statements, and the Special purpose Comparative Ind AS Financial Statements, do not reflect the effects of events that occurred subsequent to the respective dates of approval of the Audited Previous GAAP Financial Statements.
- iii. The Company has followed the provisions of Ind AS 101-"First Time adoption of Indian Accounting Standards" (Ind AS 101), in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. April 1, 2017. In accordance with Ind AS 101, the Company has presented reconciliations of Shareholders' equity under Previous GAAP and Ind ASs as at March 31, 2017, and April 1, 2016 and of the Profit/(Loss) after Tax as per Previous GAAP and Total Comprehensive Income under Ind AS for the year ended March 31, 2017.

2.2 Basis of consolidation

Subsidiaries

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

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

2.3 Summary of significant accounting policies

(i) Basis of measurement

The Ind AS Financial Statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting, except for certain financial assets and liabilities, including derivative

financial instruments which have been measured at fair value as described below and defined benefit plans which have been measured at actuarial valuation as required by relevant Ind ASs.

Fair value measurement

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

In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

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

(ii) Functional and presentation currency

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

(iii) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria are also met before revenue is recognized:

Sale of products

Revenue from sale of shrimps is recognised when all the significant risks and rewards of ownership have been passed to the buyer- normally when the shipment is loaded which is in accordance with industry practice and entitlement of export subsidies are based on shipment of goods. Shipments that have been despatched but have not been delivered at the end of the financial reporting period have been recognised as “Revenue on Shipments in Transit”.

Export benefits are accounted on recognition of export sales.

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

(iv) Property, Plant and Equipment

(a) Property, plant and equipment

The Company has applied Ind AS 16 with retrospective effect for all of its property, plant and equipment as at the transition date, viz., 1 April 2016.

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

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

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

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

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

(b) Capital work in progress

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

(c) Depreciation

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

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

Depreciation is calculated on the depreciable amount, which is the cost of an asset less its residual value. Depreciation on tangible assets has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

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

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

(v) 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.

(vi) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Financial Assets - Derecognition

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

The rights to receive cash flows from the asset have expired, or

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

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

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

Impairment of financial assets

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

Financial liabilities – Recognition and measurement

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

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

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

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

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

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

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

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

Loans and Borrowings

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

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

Financial liabilities - Derecognition

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

Offsetting of financial instruments

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

(vii) Derivative financial instruments

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

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

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

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

(viii) 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.

(ix) 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.

(x) Impairment of Non-financial assets

Tangible and intangible assets

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

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

(xi) Inventories

- i. Raw Materials, Packing Materials and Stores & Spares are stated at weighted average cost.
- ii. Finished goods are stated at lower of cost or net realizable value.

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

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

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

(xii) Taxation**Current income tax**

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

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

Deferred tax

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

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

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

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

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

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

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

(xiii) Retirement and other employee benefits

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

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

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

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

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

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

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

(xv) Foreign currency transactions

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

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

The Company's financial statements are presented in INR. The Company determines the functional currency as INR on the basis of primary economic environment in which the entity operates.

The Company has applied paragraph 46A of AS 11 under Indian GAAP. Ind AS 101 gives an option, which has been exercised by the Company, whereby a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Hence, foreign exchange gain/loss on long-term foreign currency monetary items recognized upto March 31, 2017 has been deferred/capitalized. A long-term foreign currency monetary item is an item having a term of 12 months or more at the date of its origination.

(xvi) Earnings per share

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

(xvii) 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.

(xviii) Research and development

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

(xix) Leases

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

Company as a lessee

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

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

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

(xx) Use of Estimates, assumptions and Judgments

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

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

Sd/-
K. Viswanath
Partner
Membership No. 022812

Place: Visakhapatnam
Date: May 25, 2018

for, and on behalf of the Board

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

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

Sd/-
Swaroop Meruva
Company Secretary

Place: Visakhapatnam
Date: May 25, 2018

COASTAL CORPORATION LIMITED

(CIN: L63040AP1981PLC003047)

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

Form No. MGT-11

Proxy Form

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

Name of the Member(s) : _____

Registered Address : _____

E-mail Id : _____ Folio No /Client ID : _____ DP ID : _____

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

Name : _____ E-mail Id: _____

Address: _____

Signature , or failing him _____

Name : _____ E-mail Id: _____

Address: _____

Signature , or failing him _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the company, to be held on Tuesday, the 11th day of September, 2018 at 10.30 AM at Plant Office: D.No.6-42, Beside Toyota Showroom, Marikavalasa, Visakhapatnam-530 041, Andhra Pradesh, India and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.

Sl. No.	Resolution(S)	Vote	
		For	Against
1.	Adoption of statement of Profit & Loss, Balance Sheet, report of Director's and Auditor's for the financial year 31st March, 2018		
2.	Confirmation of Interim Dividend @ 15% as final Dividend.		
3.	Re-Appointment of Mrs. Jeeja Valsaraj as Director who is liable to retire by rotation		
4.	Appointment of M/s. K.P.Rao & Co.,(FRN: 003135S)- Bangalore, as Statutory Auditors of the Company.		
5.	Appointment of Mr. Kalyanaraman P.R, as an Independent Director.		

* Applicable for investors holding shares in Electronic form.

Signed this _____ day of _____ 20____

Affix
Revenue
Stamp
and
Sign
Across

Signature of Shareholder

Signature of Proxy holder

Signature the of shareholder

Note:

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

COASTAL CORPORATION LIMITED

(CIN: L63040AP1981PLC003047)

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

ATTENDANCE SLIP

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

Thirty Seventh Annual General Meeting on the 11th day of September, 2018 at 10.30 A.M.

Ledger Folio No./Client ID No. _____ No. of shares held: _____

Name of the member _____ Address _____

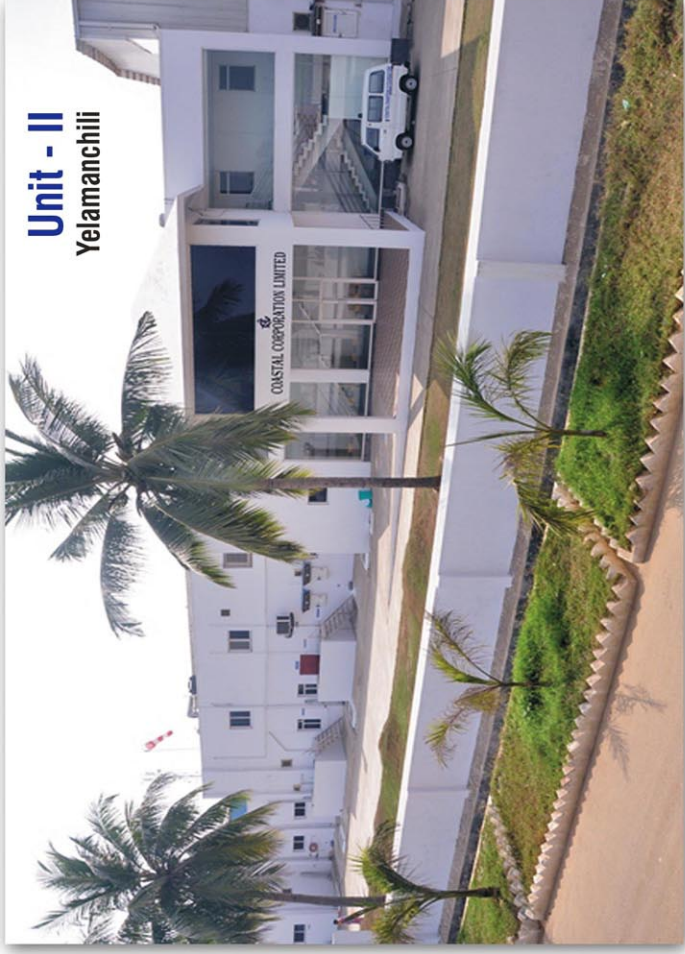
Name of Proxy _____ Address _____

I hereby record my presence at the 37th Annual General Meeting of the Coastal Corporation Limited, 15-1-37/3, Nowroji Road, Maharanipeta, Visakhapatnam – 530 002, on Tuesday, the 11th September, 2018.

(Member's /Proxy's Signature)

Note:

- 1) Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
- 2) Only Member/Proxyholder can attend the Meeting.

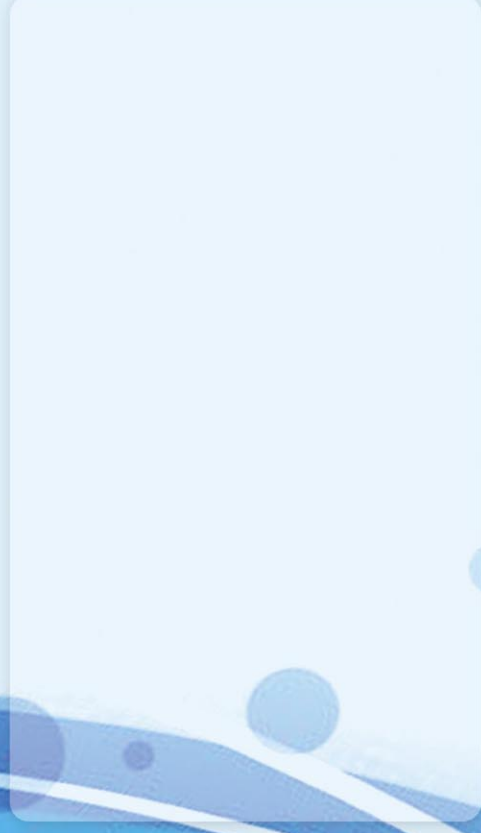


Safe drinking water facility (RO Plant) at P. Dharmavaram



Distribution of Dustbins at Visakhapatnam

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If undelivered please return to :
Coastal Corporation Limited
Regd. Office : 15-1-37/3, Nowroji Road,
Maharanipecta, Visakhapatnam - 530 002.
Andhra Pradesh, India.