



GOVT. OF INDIA RECOGNISED EXPORT HOUSE

Regd. Off. : 15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530 002, INDIA

Phone : 0891-2567118, Cable : COASTAL, Fax : 0891-2567132

e-mail : ct@sancharnet.in & coastalvizag@yahoo.com

Plant : Marikavlasa (V), Paradesipalem Panchayat, Visakhapatnam Dist.

Phone : 2739323

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the TWENTY-THIRD Annual General Meeting of the Members of COASTAL TRAWLERS LIMITED will be held on Thursday, the 30th day of September, 2004 at 10.30 A.M. at the Registered Office of the Company situated at 15-1-37/3, Nowroji Road, Maharani-peta, Visakhapatnam - 530 002, Andhra Pradesh, India to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Annual Accounts consisting of the Profit & Loss Account for the period ending 31st March, 2004 and the Balance Sheet as on that date, Schedules and Notes together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Sri G.V.V. Satyanarayana, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider the re-appointment of Sri V.V.S. Bhagavan, Chartered Accountant, Hyderabad as Statutory Auditors to hold office from the conclusion of this Annual General Meeting till the date of conclusion of the next Annual General Meeting and to fix the remuneration.

Regd. Office:-

15-1-37/3, Nowroji Road,  
Maharani-peta,  
Visakhapatnam - 530 002,  
Andhra Pradesh.

Place: Visakhapatnam

Date : 03.09.2004.

By Order of the Board  
for COASTAL TRAWLERS LIMITED

*T. Valsaraj*

(T. VALSARAJ)  
MANAGING DIRECTOR

**CERTIFIED COPY**  
For COASTAL TRAWLERS LIMITED  
*T. Valsaraj*  
Managing Director

# Coastal Trawlers Ltd.

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## NOTE :

1. A member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. The Register of Members and Share Transfer Book remain closed from 28.09.2004 to 30.09.2004(both days inclusive).
3. Members are requested to intimate to the Company any change of address quoting their Share Ledger Folio No(s).

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## DIRECTORS' REPORT

To  
 The Members  
 COASTAL TRAWLERS LIMITED  
 VISAKHAPATNAM.

Your Directors have pleasure in presenting the TWENTY-THIRD Annual Report on the business and operations of your Company together with the Audited Statement of Annual Accounts for year ending on 31st March, 2004.

### 1. FINANCIAL RESULTS:

	Year ending 31.03.2004	Period ending 01.07.2002 to 31.03.2003
	RS.	RS.
Income -	137,56,19,519	16,79,07,248
Expenditure -	137,16,31,924	17,14,58,331
Profit/(Loss) before Depreciation -	39,87,595	(35,51,083)
Less: Depreciation -	16,17,903	13,85,825
Net Profit/(Loss) for the year -	23,69,692	(49,36,908)

### 2. REVIEW OF OPERATIONS :

During the year under review, the Company has earned an income of Rs.137,56,19,519/- as compared to Rs.16,79,07,248/- during the previous year and the Expenditure incurred amounted to 137,16,31,924/- as compared to Rs.17,14,58,331/-. However, the vast increase in turnover was mainly due to, on A/c Purchase and Sales of Shrimp which stood at Rs.122,92,83,671/-. The profit before Depreciation was Rs.39,87,595/- as against loss of Rs.35,51,083/- during the previous year. As a result, there was a Net Profit during the year amounting to Rs.23,69,692/- as against the Net Loss of Rs.49,36,908/- during the previous year.

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The Company's operations have been revived since June, 2003 and gradual improvement also followed due to which it could earn the marginal profits which are somewhat matching previous Year's turnover. The Company is in the process of identifying various alternatives to reduce its purchase costs and is devising methods to control overheads which in turn will enhance the profits in the coming years.

### 3. OUTLOOK:

Overall economic outlook for the current year is quite optimistic. All sectors of economy at global level are expected to perform much better. It will certainly contribute to the development of the marine & Fishing industry also which in turn helps the growth of the Company.

Further, the Company's policies of diversification in the activities have worked to some extent which resulted in starting operations at Bhubaneswar and the constant search by it to develop new and improved marketing strategies have given mixed results. Your Company is still taking adequate steps to improve its marketing network and is hopeful of generating better market for its products in the coming years. The advent of new Government is also expected to offer more opportunities in the near future which alongwith Company's diversification programmes and marketing strategies are expected to forge the Company ahead in the years to come. The liberalized economic policies not only at National but also at Global level have created many opportunities by adding more products for exports which will certainly benefit the Company at large. Further, it earns valuable Foreign Exchange for the country.

### 4. DIVIDEND

Your Directors have not recommended any dividend during the year under report.

### 5. DEPOSITS :

The Company has not accepted any Fixed Deposits from the Public during the period under review.

### 6. CREDIT AND GUARANTEE FACILITIES:

The Company has been availing all types of credit and guarantee facilities for the business of the Company from time to time from Bank of India, Overseas Branch, Visakhapatnam.

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The business and increase in operations demand more funds and the Company has approached Bank of India, Overseas Branch, Visakhapatnam for L.C. and FBN Limits and other required facilities for successful completion of various commitments and to carry on the business as mentioned in Memorandum of Association of the Company.

7. INSURANCE :

All the Properties of the Company wherever necessary and to the extent required have been adequately insured.

8. EMPLOYEE RELATIONS :

The Company has recruited required personnel who are having rich experience in matters connected with exports and the procedural aspects which is going to be beneficial to the Company in the long run. The employee relations are cordial.

9. PARTICULARS AS PER SECTION 217(2A) OF THE COMPANIES ACT, 1956

Particulars of Employees as required by the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, are nil as your Company has not paid any remuneration attracting these provisions.

10. INFORMATION IN ACCORDANCE WITH THE PROVISIONS OF SECTION 217(1)(e) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988 :

Information regarding Energy Conservation and Technology Absorption required to be disclosed under Section 217 (1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is NIL as the Company has given the plant on lease.

11. FOREIGN EXCHANGE EARNINGS AND OUT GO :

During the period under review, the Company has earned Foreign Exchange to the tune of Rs.12,53,80,881/-(FOB). The Company has not incurred any expenditure in Foreign Exchange.

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## 12. STATUTORY COMPLIANCE :

The Company has complied with the concerned provisions relating to Statutory Compliance with regard to the affairs of the Company.

## 13. DIRECTORS' RESPONSIBILITY STATEMENT :

In accordance with the provisions of Section 217(2AA) of the Companies Act, 1956 relating to Director's Responsibility, it is hereby confirmed :

- (a) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanations relating to material departures;
- (b) that the Directors had selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for that period;
- (c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) that the Directors had prepared the annual accounts on a going concern basis.

## 14. CORPORATE GOVERNANCE :

As required under Clause 49 of the Listing Agreement, Reports on Management Discussion and Analysis and Corporate Governance together with the relevant Certificate on limited review by a Chartered Accountant are given separately which form part of this Annual report.

## 15. THE BOARD :

The Board of Directors is duly constituted and has been continuing. Sri G. V. V. Satyanarayana, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Sri K. Haribabu has been ceased as Director of the Company due to his resignation w.e.f. 12th February, 2004.

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## 16. AUDIT COMMITTEE:

As required under Clause 49 of the Listing Agreement, an Audit Committee was constituted by the Board with the following members :

1. Sri G.V.V. Sartyanarayana
2. Sri S. Rajaram
3. Sri K. Haribabu (Upto 12th February, 2004)

## 17. AUDITORS :

The Statutory Auditors of the Company, Sri V.V.S. Bhagavan, Chartered Accountant, Hyderabad, retire at the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment in accordance with the provisions of the Companies Act, 1956.

## 18. COMPLIANCE CERTIFICATE :

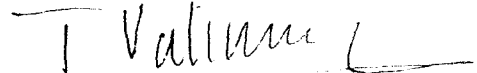
The Compliance Certificate referred to in the proviso to Sub-Section(1) of Section 383A of the Companies Act, 1956 has been obtained and the same is attached with this Report.

## 19. ACKNOWLEDGEMENTS :

Your Directors express their gratitude to all the shareholders of the Company for the confidence reposed in the management. They wish to place on record their appreciation of the whole-hearted assistance, support and co-operation received by the Company from shareholders, Bank of India, Overseas Branch, Visakhapatnam, customers, customs authorities, Government and other agencies and the Public and look forward to their continued support in coming years also. Your Directors also wish to thank and congratulate all the employees of the Company at all levels for their loyalty, dedication to work and sincere services. Thanks are also due to our valued professionals, advisors and well-wishers.

By Order of the Board  
for COASTAL TRAWLERS LIMITED

1)



(T. VALSARAJ)  
MANAGING DIRECTOR

2)



(G.V.V. SATYANARAYANA)  
DIRECTOR

Place: Visakhapatnam  
Date : 03.09.2004.



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## ANNEXURE TO DIRECTORS' REPORT

### CORPORATE GOVERNANCE:

#### MANAGEMENT DISCUSSION AND ANALYSIS:

The Company has started fullfledged operations as perceived and could achieve much higher turnover and the revival process has just begun. The Company's strategy to add on to the objects and diversify the line of activity was well supported and is evident from the turnover achieved and it is expected that the continued efforts will definitely put the Company in better shape in near future.

#### INDUSTRY STRUCTURE AND DEVELOPMENT

The market trends have improved slightly and the Company could achieve its goals without opting for any merger or amalgamation which was the feature of many big industrial houses to have better market control and market share. This trend is expected to continue and with the advent of new government, more opportunities are expected to open-up and the development of the industry is inevitable to continue.

#### SEGMENTWISE PERFORMANCE

##### MARKET FOR SHRIMP:

During the reporting period, the market conditions for shrimp became more challenging. The Company could achieve a market share of Rs.13,21,71,649/- as against Rs.14,61,23,405/- for the period 1st July, 2002 to 31st March, 2003.

#### OUTLOOK

Previous year's plans and ideas, as conceived, are still on hand and the efforts for business expansion prompted your Directors to start operations Bhubaneswar also.

#### RISKS AND CONCERNS

The business policies & administration at Global level are demanding more to concentrate on imposition of various duties on export. The Anti-Dumping duty imposed by the USA may have effect the on quantum and volume of exports in the coming years. However, your Directors are adopting new strategies to meet with the challenges and to avoid all kinds of risks.



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**INTERNAL CONTROL SYSTEM**

The Company has a proper and adequate system of internal controls to ensure that all the assets and properties are adequately safeguarded and protected against unauthorised use or disposition and all the transactions are properly recorded and reported.

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:**

These details have been dealt with in the Directors' Report.

**HUMAN RESOURCES DEVELOPMENT/INDUSTRIAL RELATIONS**

The Company has adopted the required principles and code to maintain and strengthen the Human Resources Development and devising means to motivate employees for better performance and contribution for overall development of the Company.

**COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

Your Company has already introduced several policies on code of corporate governance to focus and ensure the enhancement of values of the long term shareholders. Your Company believes transparency in all dealings and functioning of the management and the Board. The code of conduct consists of guide to the Company and its employees the standard of values, ethics and business principles. This enables the Company to achieve corporate and social goals.

**BOARD OF DIRECTORS****(a) Composition and category of Directors:**

As on 31-3-2004 the strength of the Board of Directors is 3 and its composition is as follows:

Promoter & Managing Director - Shri T.Valsaraj

Non-Executive Independent Directors

Sri S.Rajaram,  
Sri G.V.V.Satyanarayana, and  
Sri K.Haribabu (Upto 12.02.2004)

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## (b) BOARD MEETINGS &amp; RELATED INFORMATION:

Name of Director	Attendance		In other		
	Board Meetings	General Meetings	Director/Committee Member	Companies	Chairman
Sri T.Valsaraj	14	2	3	--	--
Sri S.Rajaram	14	2	-	--	--
Sri G.V.V.Satyanarayana	14	2	3	--	--
Sri K.Hari Babu	13	2	2	--	--

## (c) AUDIT COMMITTEE:

The Audit Committee as on 31st March, 2004 comprised of the following Directors:

1. Sri G.V.V.Satyanarayana .... Chairman, Audit Committee
2. Sri S.Raja Ram ..... Member
3. Sri K.Haribabu ..... (Upto 12.02.2004)

In accordance with Clause 49 of the Listing Agreement, the terms of reference stipulated by the Board to the Audit Committee are as follows:

1. Review of financial reporting processes and ensure its correctness and compliance with the relevant Accounting Standards.
2. Review of Accounting policies and practices.
3. Review of adequacy of internal control and audit system.
4. Discussions with the internal Auditors on Financial policies and practice.

## NUMBER OF AUDIT COMMITTEE MEETINGS HELD AND DATES ON WHICH HELD

SL.NO.	Date of Meeting	No. of Directors Attended
01.	15.07.2003	3
02.	25.10.2003	3
03.	22.02.2004	2