

COASTAL CORPORATION LIMITED



**31st Annual Report for the year ending
31st March, 2012**

COASTAL CORPORATION LIMITED

VISAKHAPATNAM

31st Annual General Meeting

ON 29TH SEPTEMBER'2012 at 10.30 a.m.

at

**D.No.6-42, Besides Toyota Showroom, Marikavalasa,
Visakhapatnam-530 041, Andhra Pradesh, India**

BOARD OF DIRECTORS	
Mr. T.Valsaraj	Managing Director
Mr. G.V.V.Satyanarayana	Director - Finance
Mr. S.Rajaram	Director
Mrs. Jeeja Valsaraj	Director
Mr. K.Venkateswara Rao	Director
Mr. Dilip Anant Bhiwalkar	Director

Auditors :

CA V.V.S.Bhagavan
Chartered Accountant
Hyderabad

BANKERS :

Bank of India
Main Branch
Visakhapatnam.

REGISTERED OFFICE :

**D.No. 15-1-37/3, JAYAPRADA APARTMENTS,
NOWROJI ROAD, MAHARANIPETA,
VISAKHAPATNAM-530 002, ANDHRA PRADESH, INDIA**
Phone : 0891-2567118, 2552556 Fax : 0891 - 2567132
Email : coastal6@eth.net : cclinvestors@gmail.com
Company Website : www.coastalcorp.in

COASTAL CORPORATION LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY FIRST Annual General Meeting** of the **Members of COASTAL CORPORATION LIMITED** will be held on **Saturday, 29th day of September 2012 at 10.30 A.M.** at the **Plant Office of the Company situated at D.No.6-42, besides Toyoto Showroom, Marikavalasa, Visakhapatnam-530 041, Andhra Pradesh, India.**

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Annual Accounts consisting of the Profit & Loss Account for the year ended 31st March, 2012 and the Balance Sheet of the Company as on that date, Schedules and Notes thereon together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Smt Jeeja Valsaraj, who retires by rotation and being eligible, offer herself for re-appointment.
3. To consider the re-appointment of CAV.V.S.Bhagavan, Chartered Accountant, Hyderabad as Statutory Auditors of the Company to hold office from conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting at such remuneration as may be mutually agreed to between the Board of Directors and the Auditors.

Regd. Office:
15-1-37/3,
Jayaprada Apartments,
Nowroji Road, Maharani-peta,
Visakhapatnam-530 002

By Order of the Board
for Coastal Corporation Limited

sd/-
(T.Valsaraj)
Managing Director

Place : Visakhapatnam
Date : 31.08.2012

COASTAL CORPORATION LIMITED

NOTES:

1. A member entitled to attend and vote at the 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 Books of the Company will remain closed from 20.09.2012 to 28.09.2012 (both days inclusive).
3. Members desiring to seek any information on the annual accounts are requested to write to the Company's Compliance Officer at least seven days in advance of the meeting so that the information can be made available at the meeting.
4. The members are requested to intimate to the Company any change of their address quoting their Share Ledger Folio No(s)
5. Members / Proxies shall bring attendance slips filled in and duly signed.
6. The Company has prepared the Financial Statements in the revised Schedule VI to the Companies Act, 1956 which was introduced by the Ministry of Corporate Affairs and made it applicable to all Companies for the Financial Statements to be prepared for the financial year commencing on or after April, 1, 2011.
7. 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 compliance by the companies and clarified that the service of documents by Companies to shareholders can be made through electronic mode. In compliance thereof, your company proposes to implement the same by sending the Annual report, notice of Meetings and other communications to share holders in electronic mode to the e-mail address provided by them through company email id cclinvestors@gmail.com

COASTAL CORPORATION LIMITED**DIRECTOR'S REPORT**

To

The Members
Coastal Corporation Limited
Visakhapatnam.

Your Directors have pleasure in presenting the Thirty First Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the Financial Year ended 31st March, 2012 and the report of the Auditors thereon

1. FINANCIAL RESULTS :

	Year Ended 31.03.2012 Rs.	Year Ended 31.03.2011 Rs.
Sales	69,49,38,739	34,06,34,576
Interest	7,64,786	1,23,211
Other Income	6,58,55,336	5,18,26,663
Total Income	76,15,58,861	39,25,84,450
Less : Expenditure	68,66,01,493	37,39,77,196
Profit before Depreciation and Taxation	7,49,57,368	1,86,07,255
Less : Depreciation	48,29,506	37,17,908
Profit before Taxation	7,01,27,862	1,48,89,347
Less: Provision for Tax	2,31,91,914	(30,00,057)
Less: Prior Period Adjustments	3,683	(83,433)
Net Profit After Tax	4,69,32,265	1,18,05,857
Add: MAT Credit Entitlement	-	79,89,179
Add : Balance brought forward from last year	3,70,68,802	1,72,73,766
Balance Carried to Balance sheet	8,40,01,067	3,70,68,802

2. REVIEW OF OPERATIONS :

During the year under review, the Company has earned an income of Rs.76,15,58,861/- as compared to Rs. 39,25,84,450/- during the previous year and the expenditure incurred amounted to Rs. 68,66,01,493/- as against Rs. 37,39,77,196/- during the previous year. The depreciation provided for the reporting year was Rs. 48,29,506/- as compared to Rs. 37,17,908/- during the previous year. Hence, Net Profit after tax was amounted to Rs.4,69,32,265/- as compared to Rs. 1,18,05,857/- during the previous year.

The efforts of Managerial Directors & Key Managerial Personnel have been continuing for effective operations and increasing the business of the company by improving the exports. The Company has identified viable parties for increasing the exports and the business of the company. Hence, the Company expects more profits in the years to come.

3. DIVIDEND:

The Company has not recommended any dividend in view of maintaining sound cash liquidity position for immediate requirements of the business, working capital for increasing the business of the company, establishing a new modern food processing unit at P.Dharamvaram village at Yelamanchili, Visakapatnam District, Andhra Pradesh and also to strengthen the network and reserves of the Company.

4. CREDIT & GUARANTEE FACILITIES:

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

The Company has been awarded an NSIC-CRISIL Performance and Credit Rating of NSIC-CRISIL SE 1B indicates 'Highest Performance Capability and Moderate Financial Strength' issued by CRISIL.

5. DEPOSITS:

The Company has not accepted any Deposits from the public attracting the provisions of Section 58A of the Companies Act, 1956 during the Financial year.

COASTAL CORPORATION LIMITED**6. INSURANCE:**

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

7. EMPLOYEE RELATIONS:-

The relationship with the staff and workers continued to be cordial during the year. The Directors wish to place on record their appreciation of the valuable work done and co-operation extended by them at all levels. Further, the Company has been in touch relating to recruitment of required personnel from time to time.

8. 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 not given as your Company has not paid any remuneration attracting these provisions.

9. PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION ETC:

Your Company continues to explore all possible avenues to reduce energy consumption.

As your Company is covered in the Schedule to the Companies (Disclosures of Particulars in the Report of the Board of Directors) Rules, 1988, read with Section 217(1)(e) of the Companies Act, 1956, the details under Form 'A' are furnished as an Annexure-I.

10. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	2011-2012 Rs.	2010-11 Rs.
Foreign Exchange Earnings (FOB)	67,77,09,368/-	32,53,83,738/-
Expenditure incurred in Foreign Currency :		
1. Antidumping Fee	34,65,549/-	12,15,745/-
2. Marine Rejection Insurance	55,18,512/-	20,40,411/-
3. Export Claims	1,28,582/-	2,25,026/-
4. Commission	2,15,472/-	7,36,183/-

COASTAL CORPORATION LIMITED

In accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the information relating to foreign exchange earnings and outgo is provided as under:

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility Statement, it is hereby confirmed that:

- i. in the preparation of the annual accounts for the year ended 31st March, 2012, the applicable accounting standards had been followed along with proper explanation relating to material departures ;
- ii. 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 as on 31st March, 2012 and of the profit or loss of your Company for that period;
- iii. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities, and;
- iv. the Directors had prepared the annual accounts for the financial year ended 31st March, 2012 on a going concern basis.

12. THE BOARD :

The Board of Directors of the Company is duly constituted. Smt Jeeja Valsaraj, Director of the Company retires by rotation at the forthcoming Annual General Meeting and being eligible, offers herself for re-appointment. The Board confirms that none of the Directors of the Company is disqualified from being appointed as Director in terms of clause (g) to sub-section (1) of Section 274 of the Companies Act, 1956 and necessary declarations have been obtained from all the Directors in this regard.

13. CORPORATE GOVERNANCE:

Corporate Governance is given as an Annexure-II.

14. MANAGEMENT DISCUSSION AND ANALYSIS:

This has been dealt with in the separate Annexure-III.

15. COMPLIANCE CERTIFICATE:

The Compliance Certificate referred to in the proviso to sub-Section (1) of Section 383A of the Companies Act, 1956 was obtained and enclosed as Annexure-IV.

16. INTERNAL AUDIT :

The Internal Audit of the Company is done by CA.R.S.V.Raman, Chartered Accountant, Visakhapatnam, who is acting in independent manner and also responsible for regulatory and legal requirements relating to operational processes and internal systems. He reports directly to the Board of Directors.

17. AUDITORS:

The present Statutory Auditors of the Company CA V.V.S. Bhagavan, Chartered Accountant, Hyderabad, retire at the conclusion of the ensuing Annual General Meeting and being eligible for re-appointment. The Company has received a letter from him to the effect that his appointment if made, would be within the limits prescribed under Section 224(1-B) of the Companies Act, 1956 and that he is not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956. The Audit Committee and the Board of Directors recommend the appointment of CA V.V.S. Bhagavan, Chartered Accountant, Hyderabad as Statutory Auditors of the Company for the financial year 2012-13.

18. AUDITORS' REPORT:

The Auditor's Report is self Explanatory and does not require any comments from the Board of Directors.

19. STATUTORY COMPLIANCE:

The Company has complied with the concerned provisions relating to statutory compliance with regard to the affairs of the Company in all aspects.

COASTAL CORPORATION LIMITED

20. ACKNOWLEDGEMENTS:

Your Directors wish to place on record their appreciation of the continuous assistance and co-operation extended to your Company by the Customers, suppliers, dealers, Financial Institutions, Customs Authorities, Local Bodies, Overseas Bodies, other Corporate Bodies & Authorities and other Agencies. Your Directors also have pleasure in placing on record their appreciation for the assistance extended by the Company's Bankers viz. Bank of India, Main Branch, Visakhapatnam. Your Directors also wish to acknowledge the continued support and confidence reposed in the management by the shareholders. Your Directors also wish to place on record and sincerely acknowledge the services rendered by the employees at all levels. Thanks are also extended to our advisors, professionals, well-wishers and all other persons dealing with the Company.

By Order of the Board
For **COASTAL CORPORATION LIMITED**

sd/-
(T. VALSARAJ)
MANAGING DIRECTOR

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

Place: Visakhapatnam
Date : 31.08.2012