

**COASTAL CORPORATION LIMITED**

# **COASTAL CORPORATION LIMITED**

**(CIN: L63040AP1981PLC003047)  
VISAKHAPATNAM**

**34th ANNUAL GENERAL MEETING  
on Monday, 14th SEPTEMBER'2015 at 10.30 A.M.**

**at**

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

**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](http://www.coastalcorp.in)**

**COASTAL CORPORATION LIMITED**

## CONTENTS

SNO	PARTICULARS	Page No.s
1.	Company Information	3
2.	Notice	4
3.	Directors' Report	18
4.	Annexures to the Board Report	
	Annexure 1 – Form AOC -1	27
	Annexure 2 – Form AOC – 2	29
	Annexure 3 – Secretarial Audit Report	30
	Annexure 4 – Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo	34
	Annexure 5 – Management Discussion Analysis	35
	Annexure 6 – Corporate Governance Report	37
	Annexure 7 - Auditors' Certificate on Corporate Governance	52
	Annexure 8 – Annual Report on Corporate Social Responsibility	53
	Annexure 9 – Extract of Annual Return – MGT – 9	56
	Annexure 10 – Directors' Profile	65
	Annexure 11 - Remuneration as per Section 197(12) of the Companies Act, 2013	66
	Annexure 12 – Declaration of Independence	67
5.	Standalone Financial Statements	
	Auditors' Report	71
	Balance Sheet	78
	Profit and Loss Account	79
	Cash flow Statement	80
	Notes and Schedules	82
6.	Consolidated Financial Statements	
	Auditors' Report	100
	Balance Sheet	106
	Profit and Loss Account	107
	Cash flow Statement (Standalone)	108
	Notes and Schedules	110
7.	Proxy	130
8.	Attendance Slip	132

**COASTAL CORPORATION LIMITED****COMPANY INFORMATION****BOARD OF DIRECTORS:**

1. **Shri. T. Valsaraj**  
Managing Director
2. **Shri. G.V.V. Satyanarayana**  
Director – Finance
3. **Smt. JeejaValsaraj**  
Non – Executive Director
4. **Shri. Kamireddi Venkateshwara Rao**  
Independent Director
5. **Shri. S. Rajaram**  
Independent Director

**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](mailto:coastal6@eth.net) ,  
[cclinvestors@gmail.com](mailto:cclinvestors@gmail.com)

Company Website : [www.coastalcorp.in](http://www.coastalcorp.in)

**AUDITORS :**

M/s. K.P. Rao Associates  
Chartered Accountants  
Hyderabad.

**SECRETARIAL AUDITORS:**

M/s. ASN Associates  
Company Secretaries  
Visakhapatnam

**INTERNAL AUDITORS:**

Mr. R.S.V. RAMAN  
Chartered Accountant  
Visakhapatnam

**COMPANY SECRETARY  
& COMPLIANCE OFFICER:**

Ms. Swaroopa Meruva

**BANKERS :**

Bank of India  
Main Branch  
Visakhapatnam  
Andhra Pradesh.

**BOARD COMMITTEES:**

<b>AUDIT COMMITTEE</b>	<b>STAKEHOLDERS RELATIONSHIP COMMITTEE</b>
Shri. S. Rajaram Shri. KamireddiVenkateshwara Rao Smt. JeejaValsaraj	Shri. G.V.V. Satyanarayana Shri. KamireddiVenkateshwara Rao Shri. S. Rajaram
<b>NOMINATION AND REMUNERATION COMMITTEE</b>	<b>CORPORATE SOCIAL RESPONSIBILITY COMMITTEE</b>
Shri. S. Rajaram Shri. KamireddiVenkateshwara Rao Smt. JeejaValsaraj	Shri. G.V.V.Satyanarayana Shri. KamireddiVenkateshwara Rao Smt. JeejaValsaraj

## COASTAL CORPORATION LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **THIRTY FOURTH** Annual General Meeting of the Members of **COASTAL CORPORATION LIMITED** will be held on **Monday, the 14th day of September' 2015 at 10.30 A.M.** at the Plant Office of the Company situated at **D.No.6-42, besides Toyota Showroom, Marikavalasa, Visakhapatnam-530 041, Andhra Pradesh, India.**

#### **ORDINARY BUSINESS:**

1. To consider and adopt the Audited Annual Accounts consisting of the Profit & Loss Account for the year ended 31st March, 2015 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 declare a dividend at the rate of 15%.
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 Section 139 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, the appointment of M/s. K.P Rao Associates, Chartered Accountants, Hyderabad (Firm No. 003136S) Statutory Auditors of the Company, be and is hereby ratified by the Members of the Company for the Financial Year 2015-16 at such remuneration plus Service Tax, Out of Pocket, Travelling and Living expenses as may be mutually agreed between the Board of Directors of the Company and the Auditors."

#### **SPECIAL BUSINESS:**

5. **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 149 and 152 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Shri. M.V. Suryanarayana (DIN 00372812), be and is hereby appointed as an Independent Director of the Company and in respect of whom the Company has received a notice in writing who has submitted a declaration that meets the criteria of Independence as provided in Section 149(6) of the Act and who is eligible for appointment with effect from 14th September, 2015 to hold office for Five consecutive years and not liable to retire by rotation."

**COASTAL CORPORATION LIMITED**

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

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification from time to time or any re-enactment thereof for the time being in force) (the "Act") read with Schedule V to the said Act and subject to the approval of the Central Government and such other authorities as may be necessary, Shri. T. Valsaraj (holding DIN: 00057558) be and is hereby appointed, as Managing Director of the Company with effect from 25th January, 2016 for a period of 5 years, during which term of office, he shall not be liable to retire by rotation, on the terms and conditions as to the payment of remuneration as hereunder:

**Salary** : Rs. 2,75,000/- (Rupees Two Lakh Seventy Five Thousand) per month.  
In addition to the salary, he shall be provided with the following perquisites:

- |                             |  |
|-----------------------------|--|
| (i) Medical Reimbursement : | Actual Expenses incurred for the Managing Director and his family.<br>Explanation: "Family" means the spouse, the dependent children and dependent Parents |
| (ii) Gratuity :             | Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act, 1972.  |

"RESOLVED THAT RESOLVED FURTHER THAT where in any Financial Year during his tenure, if the Company has no profits or its profits are inadequate, the minimum remuneration will be paid, subject to such statutory approvals as may be applicable.

**RESOLVED FURTHER THAT** in the event of any statutory amendment, modification or relaxation relating to the payment of remuneration to the managerial personnel or to Schedule V to the Companies Act, 2013, the Board of Directors be and are hereby authorized to vary or increase the remuneration within the prescribed limits.

**RESOLVED FURTHER ALSO THAT** the Board of Directors be and are hereby authorized to take all necessary steps and do all deeds and things as may be deemed expedient or desirable to give effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft Clauses contained in the Memorandum of Association, a copy of which is placed before the meeting and duly initialed by the Chairman for the purposes of identification, be

**COASTAL CORPORATION LIMITED**

and are hereby approved and adopted in substitution, and to the entire exclusion, of the Clauses contained in the existing Memorandum of Association of the Company with effect from the date hereof.

**RESOLVED FURTHER THAT** any of the Directors and the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to this resolution including but not limited to incorporation of amendment/ suggestion/observations made by the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad."

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

"RESOLVED THAT pursuant to Section 14 and other applicable provisions of the Companies Act, 2013, the existing Articles of Association of the Company be substituted by a new set of Articles of Association of the Company as placed before the members at the meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to perform all acts, deeds and things, execute documents, and make all filings, as may be necessary to give effect to the above resolution and to take all such steps for giving any such direction as may be necessary or desirable and to settle any questions or difficulties whatsoever that may arise for the purpose of giving effect to this resolution.

**RESOLVED FURTHER THAT** any of the Directors and the Company Secretary be and are hereby severally authorized to do all such acts, deeds and things as may be necessary or expedient to give effect to this resolution including but not limited to incorporation of amendment/ suggestion/observations made by the Registrar of Companies, Andhra Pradesh and Telangana, Hyderabad."

**9. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 63 and all other applicable provisions of the Companies Act, 2013 or any amendment or reenactment thereof and as authorized by Articles of Association of the Company and in accordance with the Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and subject to such consents and approvals as may be required from the appropriate authorities and subject to such terms and modifications as may be specified while according such approvals, the Board of Directors (which term shall include any Committee thereof) of the Company be and are hereby authorized to capitalize a sum of 1,27,11,000/- (Rupees One Crore Twenty Seven Lakhs Eleven Thousand Only) out of the Capital Redemption Reserves Account, or such other accounts as are permissible to be utilized for the purpose, as per the audited accounts of the Company for the financial year ended 31st March, 2015 and that the said amount be transferred to the Share Capital Account and be applied for issue and allotment of 12,71,100 (Twelve Lakhs Seventy One Thousand One Hundred) Equity

**COASTAL CORPORATION LIMITED**

Shares of Rs. 10/- each as Bonus Equity Shares credited as fully paid up, to the eligible Members of the Company holding Equity Shares of Rs.10/- each whose names appear in the Register of Members/Beneficial Owners' position of the Company on such date ("Record Date") as the Board may determine, in the proportion of 1 (One) new Equity Share of Rs.10/- each for every 1 (One) Equity Share of Rs.10/- each held as on the Record Date and that the new Bonus Equity Shares so issued and allotted shall be treated for all purposes as an increase of the nominal amount of the Equity Share Capital of the Company held by each such members and not as income and the said Bonus Equity Shares shall be issued and allotted, inter alia, on the following terms and conditions:

- i. The new Equity Shares of Rs. 10/- each to be issued and allotted as Bonus Equity Shares shall be subject to the provisions of the Memorandum & Articles of Association of the Company and shall rank pari passu in all respects with and carry the same rights as the existing fully paid Equity Shares of the Company.
- ii. No letter of allotment shall be issued in respect of the Bonus Equity Shares. The Share Certificate(s) for Bonus Equity Shares be issued / dispatched to the Shareholders who hold the existing shares in physical form and the respective beneficiary accounts be credited with the Bonus Equity Shares.
- iii. The allotment of the new equity Bonus Shares to the extent that they relate to Non-Resident Members, Foreign Institutional Investors (FIIs) and other Foreign Investors of the Company shall be subject to the approval, if any, of the Reserve Bank of India under the Foreign Exchange Management Act, 1999 and other applicable provisions.
- iv. The Board be and is hereby authorized to take necessary steps for Listing of the Bonus Equity Shares so allotted on the Stock Exchanges where the securities of the Company are listed as per the Listing Agreements with the Stock Exchanges concerned and other applicable laws and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as may in its absolute discretion, deem necessary, expedient including settling any question, doubt or difficulties that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto and for matters connected herewith or incidental hereto expressly by the authority of this resolution and the Board's decision in this regard shall be final and binding."

**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 : 18.07.2015

**COASTAL CORPORATION LIMITED**

**NOTES:**

1. The relative 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.
2. A member entitles to attend and vote at the Annual General 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.
3. The instrument of Proxy, in order to be effective should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of the Companies, Societies and other Juristic Persons must be supported by an appropriate resolution / authority as applicable. A person can act as proxy on behalf of Members not exceeding Fifty(50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
4. Pursuant to the Provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed on 27.08.2015 for annual closing, determining the entitlement of the Members to the dividend for the Financial Year 2014-15.
5. Subject to the provisions of the Companies Act, 2013 dividend as recommended by the Board of Directors, if declared at the Meeting, will be paid within the period of 30 days from the date of declaration, to those Members whose names appear on the Register of Members as on 26.08.2015(i.e.,*pre bonus issue shareholders*). In respect of the shares held in dematerialized form, the dividend will be paid to the shareholders whose names are furnished by the Central Depository Services (India) Limited (CDSL) as beneficial owners as on 26.08.2015(i.e.,*pre bonus issue shareholders*).
6. Subject to the provisions of the Companies Act, 2013 Bonus Shares recommended by the Board of Directors, if declared at the Meeting, will be issued to those Members whose names appear on the Register of Members as on record date. In respect of the shares held in dematerialized form, the Bonus Shares will be issued to the Members whose names are furnished by the Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
7. Members desiring to seek any information on the annual accounts are requested to write to the Company's Compliance Officer at least 7 (Seven) days in advance of the meeting so that the information can be made available at the meeting.
8. The members are requested to intimate to the Company any change of their address quoting their Share Ledger Folio No(s).



**COASTAL CORPORATION LIMITED**

9. Members / Proxy holders must bring the Attendance Slip duly filled and signed, and hand over it at the entrance of the meeting hall. Xerox Copy / torn attendance slips will not be accepted at the entrance of the Meeting Hall. Members are requested to bring their copy of the Annual Report to the Meeting, as copies will not be distributed at the Meeting hall, as measure of austerity. Corporate members are requested to send to the Company's duly certified copy of the Board Resolution authorizing their representative to attend and vote at the AGM.
10. Only bonafide members of the Company whose names appear on the Register of Members/ Proxy holders, in possession of valid attendance slips duly filled and signed will be permitted to attend the meeting. The Company reserves its right to take all steps as may be deemed necessary to restrict non-members from attending the meeting
11. 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.
12. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Shareholders are entitled to make nomination in respect of shares held by them in physical form, Shareholders desirous of making nominations are requested to send their requests to the Registrar and Share Transfer Agents.
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 Clause 49 of the Listing Agreement with the Stock Exchanges in respect of the Directors seeking appointment / re-appointment at the Annual General Meeting, form integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/ re-appointment.
15. Electronic copy of the Annual Report for the year 2014-15 is being sent to all the members whose email ID 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 2014-15 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: cclinvestors@gmail.com

**COASTAL CORPORATION LIMITED**

17. Members who hold shares in the dematerialized form are requested to write their DP ID and Client ID and those holding shares in physical form are requested to write their Folio Number in the attendance slip and hand it over at the entrance of the Meeting Hall.
18. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days except Sunday and Holidays.

**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.**

The Members are informed that Shri. M.V. Suryanarayana is a Fellow Member of the Institute of Chartered Accountants of India and had a distinguished career spanning 35 years in Life Insurance Corporation of India in Accounts, Marketing, Administration, Banking and Finance. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Shri. M.V. Suryanarayana, is proposed to be appointed as an Independent Director for a term of 5 (Five) consecutive years. Notice has been received from a member proposing the candidature of Shri. M.V. Suryanarayana for the office of Independent Director of the Company. Shri. M.V. Suryanarayana fulfils the conditions specified in the Companies, Act, 2013 and Rules made there under for his appointment as an Independent Director of the Company and is Independent of the Management.

Copy of the draft letter for appointment of Shri M.V. Suryanarayana as an Independent Director setting out the terms and conditions would be available for inspection by the members at the Registered Office of the Company during the office hours on all working days except Sundays and public holidays upto the date of Annual General Meeting of the Company between 9.30 A.M. to 11.30 A.M.

Except Shri. M.V.Suryanarayana, being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is/are concerned or interested in any manner, in passing the resolution set out in the Notice. This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

**Item No. 6**

The members are informed that Shri. T. Valsaraj, aged 60 years, is the Chief Promoter, First Director and presently Managing Director of the Company. He has been appointed as Managing Director in Extra-Ordinary General Meeting of the Company held on 27th day of January'2011. He is a B. Tech. He has total experience of over 36 years in the varied fields viz., project management, construction, infrastructure development projects and 33 years in export business of marine products and other merchandise. He has been devoting his entire time, efforts and energy to develop this Company in all aspects including strategic