

COASTAL CORPORATION LIMITED

(CIN: L63040AP1981PLC003047)

VISAKHAPATNAM

35th ANNUAL GENERAL MEETING

On Wednesday, 17th August, 2016 at 10.30 A.M.

AT

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

Registered Office:

**DNo. 15-1-37/3, JAYAPRADA APARTMENTS, NOWROJI ROAD,
MAHARANIPETA, VISAKHAPATNAM - 530002, ANDHRA PRADESH, INDIA.**

Phone: 0891-2567118, Fax: 0891-2567132

Email: cclinvestors@gmail.com, cs@coastalcorp.co.in

Website: www.coastalcorp.co.in

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COMPANY INFORMATION

BOARD OF DIRECTORS:

1. Shri. T. Valsaraj
Managing Director
2. Shri. G.V.V. Satyanarayana
Director - Finance
3. Smt. Jeeja Valsaraj
Non - Executive Director
4. Shri. Kamireddi Venkateswara Rao
Independent Director
5. Shri. S. Rajaram
Independent Director
6. Shri. M.V.Suryanarayana
Independent Director

COMPANY SECRETARY & COMPLIANCE OFFICER :

Ms. Swaroopa Meruva

REGISTERED & TRANSFER AGENT :

Big Share Services Private Ltd.

306, Right Wing, Amrutha Vill,
Opp. Yashoda Hospital,
Somajiguda, Raj Bhavan Road,
Hyderabad - 500082.

Tel No. : 040-23374967, 040-23370295

E-mail : bsshyd@bigshareonline.com

STATUTORY AUDITORS:

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

SECRETARIAL AUDITORS:

M/s. ASN Associates
Company Secretaries
Visakhapatnam

INTERNAL AUDITORS:

M/s. Seshagiri Rao & Associates
Chartered Accountants
Hyderabad
(Appointed w.e.f.01.04.2016)

BANKERS:

Bank of India
Main Branch
Visakhapatnam
Andhra Pradesh.

BOARD COMMITTEES:

AUDIT COMMITTEE

Shri. S. Rajaram
Shri. Kamireddi Venkateswara Rao
Smt. Jeeja Valsaraj

STAKEHOLDERS RELATIONSHIP COMMITTEE

Smt. Jeeja Valsaraj
Shri. Kamireddi Venkateswara Rao
Shri. S. Rajaram

**NOMINATION AND
REMUNERATION COMMITTEE**

Shri. S. Rajaram
Shri. Kamireddi Venkateswara Rao
Smt. Jeeja Valsaraj

**CORPORATE SOCIAL
RESPONSIBILITY COMMITTEE**

Shri. G.V.V.Satyanarayana
Shri. Kamireddi Venkateswara Rao
Smt. Jeeja Valsaraj

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **THIRTY FIFTH Annual General Meeting of the Members of COASTAL CORPORATION LIMITED** will be held on **Wednesday, the 17th day of August 2016 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 Financial Statements consisting of the Profit & Loss Account and Cash Flow Statement for the year ended 31st March, 2016 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 of Rs. 1.50/- per Equity Share of Rs. 10/- each (i.e., 15%) for the financial year 2015-16.
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 ratify the appointment of the Statutory Auditors of the Company, for the said purpose to consider and if thought fit, to pass the following resolution with or without modification(s) 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 are hereby ratified by the Members of the Company for the Financial Year 2016-17 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. REVISION OF REMUNERATION OF MR. T.VALSARAJ, MANAGING DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of 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 such other authorities as may be necessary, the remuneration of Mr. T. Valsaraj (holding DIN: 00057558), Managing Director of the Company, be and is hereby revised for the remaining tenure of his office on the following terms and conditions:

- | | |
|------------------------|--|
| (i) 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: |
| Medical Reimbursement: | Actual Expenses incurred for the Managing Director and his family. |
| Gratuity: | Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act, 1972. |
| (ii) Commission: | @2.5% on the Net Profits (w.e.f. financial year 2015-2016) |

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."

6. REVISION OF REMUNERATION OF MR. G.V.V.SATYANARAYANA, WHOLE TIME DIRECTOR OF THE COMPANY:

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

"RESOLVED THAT pursuant to the provisions of 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 such other authorities as may be necessary, the remuneration of Shri. G.V.V. Satyanarayana (holding DIN:00187006), Whole Time Director of the Company, be and is hereby revised for the remaining tenure of his office on the following terms and conditions:

(i) Salary: Rs. 1,75,000/- (Rupees One Lakh Seventy Five Thousand) per month.
In addition to the salary, he shall be provided with the following perquisites:

Medical

Reimbursement: Actual Expenses incurred for the Whole Time Director and his family.

Gratuity: Gratuity payable shall be in accordance with the provisions of the payment of Gratuity Act, 1972.

(ii) Commission: @1.25% on the Net Profits (w.e.f financial year 2015-2016)

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. APPROVAL FOR RELATED PARTY TRANSACTIONS UNDER SECTION 188 OF THE COMPANIES ACT, 2013:

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 188 and all other applicable provisions if any, of the Companies Act, 2013 (the Act) and Rules made there under and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the members of the company be

and is hereby accorded to the Board of Directors of the company to enter into contracts and/or agreements with parties as detailed purchase or supply of goods or materials, leasing of property of any kind, availing or rendering of any services, appointment of agent for purchase or sale of goods, materials services or property with respect to sale, of such parties to any office or place of profit in the company, or its subsidiary or associate company or any other transactions of whatever nature for a period of 3 years.

"RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to determine the actual sums to be involved in the transaction and to finalise the terms and conditions including the period of transactions and all other matters arising out of or incidental to the proposed transactions and generally to do all acts deeds and things that may be necessary proper, desirable or expedient and to execute all documents, agreements and writings as may be necessary, proper, desirable or expedient to give effect to this resolution".

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

Place : Visakhapatnam

Date : 12.07.2016

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

Sd/-
Swaroop Meruva
Company Secretary & Compliance Officer

Notes:

1. 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.
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 from 10-08-2016 to 17-08-2016 for annual closing, determining the entitlement of the Members to the dividend for the Financial Year 2015-16.
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 09-08-2016. 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 09-08-2016.
6. 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.
7. The members are requested to intimate to the Company any change of their address quoting their Share Ledger Folio No(s).
8. 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.
9. 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.
10. 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.
11. 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.
12. 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.
13. 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 declaration for their appointment/ re-appointment.

14. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
15. Electronic copy of the Annual Report for the year 2015-16 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 2015-16 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**
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.
19. 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.
20. The board of directors has appointed Mr. Manoj Ray Practicing Company Secretary (Membership No. ACS 42259 and failing him Mr. Satyanarayana .A Practicing Company Secretary (Membership No. ACS 2354 as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process in a fair and transparent manner.
21. The facility for voting, either through electronic voting system or polling paper shall also be made available at the AGM and the Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right to vote at the AGM.
22. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
23. Members who have not encashed their dividend warrants from the financial year 2014-15, are requested to make their claims to the company without any further delay.

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

Particulars	Mrs. Jeeja Valsaraj
Date of Birth	01.02.1964
Date of Appointment	01.10.2004
No. of Shares held in the Company	47200

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:****REVISION OF REMUNERATION PAYABLE TO MR. T.VALSARAJ, MANAGING DIRECTOR OF THE COMPANY**

The members are informed that Mr. T. Valsaraj, aged 62 years, is the Chief Promoter, First Director and presently Managing Director of the Company. He has been appointed as Managing Director in Annual General Meeting of the Company held on 14th day of September'2015. He is a B. Tech. He has total experience of over 37 years in the varied fields viz., project management, construction, infrastructure development projects and 34 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 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. His rich experience has brought this Company into one of the big players in export of marine products. His extensive involvement in wealth maximization and net worth build-up is clearly evident from the present financial structure of the Company.

In accordance with the provisions of Schedule V of the Companies Act, 2013, any remuneration payable to the Managerial personnel shall have to be approved by the Nomination and Remuneration Committee and also a Special Resolution to that effect has to be passed at the General Meeting of the members of the Company for payment of such remuneration. Accordingly, as per the provisions of Schedule V to the Companies Act, 2013, the Nomination and Remuneration Committee has considered financial position of the Company in all aspects & the profile of Mr. T. Valsaraj and duly approved to pay the commission of 2.5% on net profits in addition to the remuneration currently being paid to him.

The Board of Directors recommends the Resolution set forth in Item No. 5 for approval of the Members Except Mr. T. Valsaraj, being an appointee and Smt. Jeeja Valsaraj, wife of appointee and none of the other Directors and Key Managerial Personnel of the Company and their Relatives are concerned is interested in any manner in passing the resolution.

Item No. 6**REVISION OF REMUNERATION PAYABLE TO MR. G.V.V. SATYANARAYANA WHOLE TIME DIRECTOR OF THE COMPANY**

The members are informed that Mr. G.V.V. Satyanarayana, is a Whole-Time Director designated as Director -Finance of the Company. His current term of appointment as a Whole Time Director of the Company will expire on 30th September, 2017. Sri G.V.V. Satyanarayana has been looking after the overall financial, administrative activities and Co-ordination with all the departments of the Company as well as Government Departments and Authorities. He has been devoting his entire time, efforts and energy to develop this Company in all aspects including strategic financial planning, co-ordination with all Compliance Departments, Income Tax, Statutory Compliances and other related affairs of the Company since 1988. His rich experience in the business of export of marine products and his extensive involvement would certainly benefit the company at large in the years to come. In view of all the above as mentioned, with all these years of such back ground, experience and exposure, the board has proposed to revise his remuneration.

In accordance with the provisions of Schedule V to the Companies Act, 2013, any remuneration payable to the Managerial Personnel shall have to be approved by the Nomination and Remuneration Committee and also a Special Resolution to that effect has to be passed at the General Meeting of the members of the Company for appointment and payment of such remuneration. Accordingly, as per the provisions of Schedule V to the Companies Act, 2013, the Nomination and Remuneration Committee has considered the financial position of the Company in all aspects & the profile of Mr. G.V.V.Satyanarayana and duly approved to pay the commission of 1.25% on net profits in addition to the remuneration currently being paid to him.

The Board of Directors recommends the Resolution set forth in Item No. 6 for approval of the Members Except Sri. G.V.V. Satyanarayana, none of Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested in the resolution.

Item No. 7**APPROVAL FOR THE RELATED PARTY TRANSACTIONS TO BE ENTERED BY THE COMPANY:**

The Members are informed that the Companies Act, 2013 aims to ensure transparency in the transactions and dealings between the Related Parties of the Company. As per the provisions of Section 188 (1) of the Companies Act, 2013 "Related Party Transactions" requires obtaining prior consent of the Board where transactions proposed to be entered into falls in the list of items referred therein and are within threshold limits prescribed under Rule 15 of Companies (Meeting of Board and its Power) Rules, 2015. Rule 15 of Companies (Meeting of Board and its Power) Rules, 2014 requires taking prior approval of the Company by Special Resolution where transactions proposed to be entered to falls, in the list of items referred therein and are in excess of threshold limits. Proviso to Section 188 further provides that nothing contained in Sub-section (1) of Section 188 applies where transactions are entered into by the Company in the ordinary course of business other than transactions which are not on an arm's length basis.

All transactions entered into by the Company with Related Entities are at arm's length basis and in the ordinary course of business except a few which could be construed as not in the ordinary course of business but are at arm's length basis.

In the light of provisions of the Companies Act, 2013, the Board of Directors of your Company has approved the proposed transactions along with annual limit that your Company may enter into with the Related Parties (as defined under Section 2(76) of the Companies Act, 2013). The particulars of the transaction pursuant to the provisions of Section 188 and the Companies (Meetings of Board and its Powers) Rules, 2014 are already mentioned in the Resolutions proposed above.

The Members are further informed that no Member/s of the Company being a Related Party or having any interest in the Resolution as set out at Item No. 7 shall be entitled to vote on this special Resolution.

The Board of Directors recommends the Resolution set forth in Item No. 7 for approval of the Members.

Except Promoter, Directors and their relatives (to the extent of their Shareholding interest in the Company), no other Director or Key Managerial Personnel or their relatives, is concerned or interested, financially or otherwise, in passing of this Resolution.

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

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

Sd/-
Swaroop Meruva
Company Secretary & Compliance Officer

Place: Visakhapatnam

Date: 12.07.2016