


Our Company was originally incorporated as Coastal Trawlers Private Limited under the Companies Act, 1956 and received a certificate of incorporation from the Registrar of Companies, Andhra Pradesh at Hyderabad (“ROC”) on May 30, 1981. Our Company was converted into Public Limited Company vide a fresh certificate of incorporation issued by ROC on January 29, 1985. Subsequently, the name of our Company was changed to Coastal Corporation Limited vide fresh certificate of incorporation issued by ROC on February 22, 2005.

Registered & Corporate Office: 15 - 1- 37 / 3, Jayapradha Apartments. Nowroji Road, Maharanipecta, Visakhapatnam, Andhra Pradesh, 530002

Contact Person: Ms. Swaroopa Meruva, Company Secretary & Compliance Officer; **Tel No:** 91 891 2567118

E-Mail Id: cs@coastalcorp.co.in; **Website:** www.coastalcorp.co.in; **CIN:** L63040AP1981PLC003047

OUR PROMOTERS: (I) MR. VALSARAJ THOTTOLI AND (II) DR. KAMBHAMPATI HARI BABU FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY			
ISSUE OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10/- (RUPEES TEN ONLY) (“RIGHTS EQUITY SHARES”) EACH AT A PRICE OF ₹[●] /- PER EQUITY SHARE (“ISSUE PRICE”) FOR AN AMOUNT AGGREGATING TO ₹[●] /- * ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE, [●] (“THE ISSUE”). THE ISSUE PRICE OF EACH RIGHTS EQUITY SHARE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARE.			
PAYMENT TERMS			
AMOUNT PAYABLE PER EQUITY SHARE (₹)	FACE VALUE (₹)	PREMIUM (₹)	TOTAL (₹)
On Application	[●]	[●]	[●]
One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	[●]	[●]	[●]
Total	[●]	[●]	[●]
FOR FURTHER DETAILS, KINDLY REFER TO THE CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE 144 OF THIS DRAFT LETTER OF OFFER.			
*Assuming full subscription. The Issue size will be less than ₹ 50 crores			
WILFUL DEFAULTER OR A FRAUDULENT BORROWER			
Neither our Company nor our Promoters or any of our Directors have been or are identified as Wilful Defaulter and/or Fraudulent Borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on Wilful Defaulter(s) or Fraudulent Borrower(s) issued by the Reserve Bank of India.			
GENERAL RISKS			
Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares being offered in this Issue have not been recommended or approved by Securities and Exchange Board of India (“SEBI”) nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Investors are advised to refer to the “Risk Factors” beginning on page 19 of this Draft Letter of Offer before making an investment in the Issue.			
ISSUER’S ABSOLUTE RESPONSIBILITY			
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.			
LISTING			
The existing equity shares of our Company are listed on BSE Limited (“BSE”) and The National Stock Exchange of India Limited (“NSE” and together with BSE, collectively, referred to as the “Stock Exchanges”). We have received “in-principle” approval from BSE and NSE for listing the equity shares arising from the Issue vide their letters dated [●] and [●] respectively. For the purposes of the Rights Issue, the Designated Stock Exchange is [●]			
LEAD MANAGER TO THE ISSUE		REGISTRAR TO THE ISSUE	
 <p>FINSHORE Creating Financially Sound Management Solutions</p> <p>FINSHORE MANAGEMENT SERVICES LIMITED “Anandlok”, Block-A, 2nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal Telephone: +91 33 22895101 / +91 33 4603 2561 Email Id: ramakrishna@finshoregroup.com Website: www.finshoregroup.com Investor Grievance Email Id: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar SEBI Registration No: INM000012185 CIN No: U74900WB2011PLC169377</p>		 <p>BIGSHARE SERVICES PRIVATE LIMITED 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059 Telephone: +91 22 6263 8200 / +91 22 6263 8222 Email: rightsissue@bigshareonline.com Website: www.bigshareonline.com Investor Grievance Email id: investor@bigshareonline.com Contact Person: Mr. Vijay Surana SEBI Registration No: INR000001385 CIN No: U99999MH1994PTC076534</p>	
ISSUE PROGRAMME*			
ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION**	ISSUE CLOSURES ON***	
[●]	[●]	[●]	

*Pursuant to the January 22 – Rights Issue Circular, SEBI has introduced the concept of credit of Rights Entitlements into the demat accounts of the Eligible Equity Shareholders, which can be renounced by them by way of On Market Renunciation or Off Market renunciation. Further, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made only in dematerialised form.

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat accounts of the Renounces on or prior to the Issue Closing Date.

***Our Board or a duly authorised committee thereof will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

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SECTION I: DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the respective meanings given below. References to statutes, regulations, rules, guidelines and policies will be deemed to include all amendments and modifications thereto as amended from time to time.

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this Draft Letter of Offer, and references to any statute or regulations or policies will include any amendments or re-enactments thereto, from time to time.

General Terms

TERMS	DESCRIPTIONS
“Coastal Corporation Limited”, “CCL”, “COASTALCORP”, “The Company”, “Our Company”, or “Issuer”	Unless the context otherwise indicates or implies, “Coastal Corporation Limited”, a public limited company incorporated under the provision of Companies Act, 1956 and having its Registered Office at 15 - 1- 37 / 3, Jayapradha Apartments, Nowroji Road, Maharanipeta, Visakhapatnam, Andhra Pradesh, 530002
“We”, “Our”, or “us”	Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries
Our Promoters or Promoters of the Company	The promoters of our Company being (I) Mr. Thottoli Valsaraj and (II) Dr. Kambhampati Hari Babu
Promoter Group	Includes such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 and as disclosed by our Company to the Stock Exchange from time to time

Conventional Terms

TERMS	DESCRIPTIONS
ACIT	Assistant Commissioner of Income Tax.
AIF(s)	The alternative investment funds, as defined in, and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
Air Act, 1981	Air (Prevention and Control of Pollution) Act, 1981.
CAGR	Compounded annual growth rate
Category I Foreign Portfolio Investor(s)	FPIs who are registered as “Category I foreign portfolio investor” under the SEBI FPI Regulations.
Category II Foreign Portfolio Investor(s)	FPIs who are registered as “Category II foreign portfolio investor” under the SEBI FPI Regulations.
Category III Foreign Portfolio Investor(s)	FPIs who are registered as “Category III foreign portfolio investor” under the SEBI FPI Regulations.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made there under.
Companies Act/Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of sections of the Companies Act, 2013, along with the relevant rules made there under.
Competition Act	The Competition Act, 2002.
Consolidated FDI Policy	Consolidation FDI Policy dated October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
CST Act	Central Sales Tax Act, 1956.
COVID/COVID-19	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
Exchange Information	Collectively constitutes and includes, but is not limited to, a description of the nature of our Company’s business and our Company’s most recent balance sheet and profit and loss account, and similar statements for preceding years together with press releases, announcements, investor education presentations and annual reports.
FCNR Account	Foreign currency non-resident account.

TERMS	DESCRIPTIONS
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations there under.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations 2000.
FII(s)	Foreign Institutional Investors as defined under the SEBI FPI Regulations.
Financial Year/ Fiscal/ Fiscal Year/F.Y.	Period of twelve (12) months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investor or FPI	Foreign Portfolio Investors, as defined under the SEBI FPI Regulations and registered with SEBI under applicable laws in India.
Fugitive economic offender	“Fugitive economic offender” shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
FVCI	Foreign Venture Capital Investor, registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
Hazardous Waste Rules, 2008	Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
Income Tax Act or the I.T. Act / IT Act	The Income Tax Act, 1961, as amended till date.
Ind AS	New Indian Accounting Standards notified by Ministry of Corporate Affairs on February 16, 2015, applicable from Financial Year commencing April 1, 2016, as amended.
Ind GAAP	Generally Accepted Accounting Principles in India.
IFRS	International Financial Reporting Standards
LLP Act	The Limited Liability Partnership Act, 2008.
Notified Sections	The sections of the Companies Act, 2013, that have been notified by the Government as having come into effect prior to the date of this Draft Letter of Offer.
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
SEBI VCF Regulations	The erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
Securities Act	U.S. Securities Act of 1933, as amended.
State Government	The government of a state of the Union of India.
STT	Securities Transaction Tax.
Sub-account	Sub-accounts registered with SEBI under the SEBI FII Regulations other than sub-accounts which are foreign corporate or foreign individuals.
VCFs	Venture Capital Funds as defined and registered with SEBI under the SEBI VCF Regulations.
Water Act, 1974	Water (Prevention and Control of Pollution) Act, 1974.

Issue Related Terms

TERMS	DESCRIPTIONS
“Abridged Letter of Offer” or “ALOF”	Abridged letter of offer to be sent to the Eligible Equity Shareholders with respect to this Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act, 2013.

TERMS	DESCRIPTIONS
“Allot”, “Allotment” or “Allotted”	Allotment of Rights Equity Shares pursuant to this Issue.
“Allotment Accounts”	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013.
“Allotment Date”	Date on which the Allotment shall be made pursuant to this Issue.
“Allottee(s)”	Person(s) who shall be Allotted Rights Equity Shares pursuant to the Allotment.
“Application”	Application made through submission of the Application Form or plain paper Application to the Designated Branch of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process.
“Application Form” or Composite Application Form / CAF	The form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue.
“Applicant(s)” or “Investor(s)”	Eligible Equity Shareholder(s) and/or Renouncee(s) who are entitled to apply or make an application for the Rights Equity Shares pursuant to this Issue in terms of this Draft Letter of Offer.
Application Amount	The number of Equity Shares applied for and as indicated in the Application Form or Composite Application Form / CAF multiplied by the price per Equity Share payable by the Applicants on submission of the Application Form.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of having accepted the Application Form.
Allot/Allotment/Allotted Equity Shares	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Issue of Equity Shares to the successful Applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange.
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by ASBA Bidders, to make a Bid authorizing a SCSB to block the Bid Amount/Application money in the ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by Applicants for blocking the Bid Amount mentioned in the ASBA Form
ASBA Applicant(s)	Any prospective investors in this Issue who apply for Equity Shares of our Company through the ASBA process in terms of this Draft Letter of Offer.
ASBA Application Location(s)/Specified Cities	Such Branches of the SCSBs which shall collect the Application Forms used by the Applicants applying through the ASBA process and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
ASBA Bid	Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the SEBI (ICDR) Regulations;
ASBA Circulars	Collectively, the SEBI circulars bearing reference numbers SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009, CIR/CFD/DIL/1/2011 dated April 29, 2011, and SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020
ASBA Forms	An application form, whether physical or electronic, used by ASBA Applicants, which will be considered as the application for Allotment in terms of the Draft Letter of Offer.
Banker to the Issue/Refund Bank	Bank which are clearing members and registered with SEBI as banker to an issue/Refund Bank and with whom the Rights Issue Account will be opened, in this case being “/●/”
Banker to the Issue Agreement	Agreement dated /●/ entered into by and amongst the Company, Lead Manager, the Registrar and the Banker of the Issue for collection of the Application Money from Investors making an application through the ASBA facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Investors and providing such other facilities and services as specified in the agreement.

TERMS	DESCRIPTIONS
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Applicants in consultation with the Designated Stock Exchange under the Issue, as described in the Section “Terms of the Issue” beginning on page 144 of this Draft Letter of Offer.
Business Day	Monday to Saturday (except 2nd & 4th Saturday of a month and public holidays).
BSE	BSE Limited
CAN or Confirmation of Allocation Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which will be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange.
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account.
Collection Centers	Centers at which the Designated Intermediaries shall accept the ASBA Forms.
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Controlling Branches of SCSBs	Such branches of the SCSBs which coordinate Applications under this Issue made by the Applicants with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, Occupation and Bank Account details.
Depository/Depositories	A depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time, being NSDL and CDSL.
Depository Participant/DP	A depository participant as defined under the Depositories Act, 1966.
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchanges i.e. www.bseindia.com and www.nseindia.com
Designated Date	The date on which the funds are transferred by the Escrow Collection Bank from the Escrow Account(s) or the instructions are given to the SCSBs to unblock the ASBA Accounts including the accounts linked with UPI ID and transfer the amounts blocked by SCSBs as the case may be, to the Rights Issue Account, as appropriate in terms of the Letter of Offer and the aforesaid transfer and instructions shall be issued only after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange.
Designated Intermediaries/Collecting Agent	An SCSB with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Registered Broker, Designated CDP Locations for CDP, a registrar to an issue and share transfer agent (RTA) (whose names are mentioned on website of the stock exchanges as eligible for this activity).
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchanges i.e. www.bseindia.com and www.nseindia.com .
Designated Stock Exchange	[●]
DP	Depository Participant.
DP ID	Depository Participant’s Identity number.
Eligible NRI(s)	NRI(s) from such jurisdiction outside India where it is not unlawful to make an Issue or invitation under the Issue and in relation to whom this Draft Letter of Offer constitutes an invitation to subscribe for the Equity Shares Issued herein on the basis of the terms thereof.
Eligible QFIs	Qualified Foreign Investors from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Letter of Offer constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Electronic Transfer of Funds	ECS, NEFT, Direct Credit or RTGS as applicable.

TERMS	DESCRIPTIONS
Equity Shares	Equity Shares of our Company of face value ₹10/- each.
FII/Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
Issue/Rights Issue/Issue Size Rights Issue	Rights Issue of [●] Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹[●]/- per Equity Share (including a share premium of ₹[●]/- per Equity Share) aggregating upto ₹[●] lakhs by our Company, in terms of this Draft Letter of Offer.
Issue Agreement	The Issue Agreement dated April 9, 2022 between our Company and Lead Manager.
Issue Closing Date	The date on which Issue Closes for Subscription.
Issue Opening Date	The date on which Issue Opens for Subscription.
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Investors may submit their application.
Issue Price	The price at which the Equity Shares are being issued by our Company being ₹[●]/- per Equity Share.
Issue Proceeds	The proceeds of the Issue that are available to our Company.
Lead Manager/LM	Finshore Management Services Limited
Listing Agreement	Unless the context specifies otherwise, this means the Equity Listing Agreement to be signed between our Company the BSE Limited and National Stock Exchange of India Limited.
Mutual Fund(s)	Mutual fund (s) registered with SEBI pursuant to the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
NPCI	National Payments Corporation of India (NPCI), a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA)
NSE	National Stock Exchange of India Limited
“On Market Renunciation”	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
“Off Market Renunciation”	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Other Investors	Investors other than Retail Individual Investors. These include individual Applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Person/ Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust, or any other entity or organization validly constituted

TERMS	DESCRIPTIONS
	and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
“Record Date”	Designated date for the purpose of determining the Equity Shareholders eligible to apply for Rights Equity Shares, being [●].
“Renounee(s)”	Any person(s) who, not being the original recipient has/have acquired the Rights Entitlement, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars.
“Renunciation Period”	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee on or prior to the Issue Closing Date.
“Rights Entitlements” / “REs”	The right to apply for the Rights Equity Shares, being offered by way of this Issue, by an Investor, in accordance with the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, in this case being [●] Rights Equity Share for every [●] Equity Shares held by an Eligible Equity Shareholder, on the Record Date.
“Rights Entitlement Letter”	Letter including details of Rights Entitlements of the Eligible Equity Shareholders.
“Rights Equity Shareholders”	A holder of the Rights Equity Shareholders, from time to time.
“Rights Equity Shares”	Equity shares of our Company to be Allotted pursuant to this Issue, on fully paid-up basis on Allotment.
Rights Issue Account	The Bank Account opened with the Banker(s) to this Issue under Section 40 of the Companies Act, 2013 to receive monies from the SCSBs from the bank accounts of the ASBA Accounts on the Designated Date.
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Registered Brokers	Stockbrokers registered with the stock exchanges having nationwide terminals, other than the Members of the Syndicate.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, issued by SEBI.
Registrar of Company / Registrar to this Issue	Registrar to the Issue in our case is “ <i>Bigshare Services Private Limited</i> ”.
Registrar Agreement	The agreement dated April 19, 2022 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar pertaining to the Issue.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2018 as amended from time to time.
Reserved Category(ies)	Categories of persons eligible for making application under reservation portion.
Retail Individual Investors/ RIIs	Applicants or minors applying through their natural guardians, (including HUFs in the name of Karta and Eligible NRIs) who have applied for an amount less than or equal to ₹ 2 Lakh in this Issue.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s), as applicable.
Self-Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, Issuing Services in relation to ASBA, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Specified Locations	Collection Centers where the SCSBs shall accept application forms, a list of which is available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

TERMS	DESCRIPTIONS
SEBI (ICDR) Regulations / ICDR Regulation / Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/ Listing Regulations/ SEBI (LODR)	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015/ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2020 and as amended thereto, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
Transaction Registration Slip /TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
UPI	Unified Payments Interface (UPI) is an instant payment system developed by the NPCI. It enables merging several banking features, seamless fund routing & merchant payments into one hood. UPI allows instant transfer of money between any two persons' bank accounts using a payment address which uniquely identifies a person's bank a/c.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Working Days	“working day” means all days on which commercial banks in the city as specified in the offer document are open for business. However, till issue period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in the city as notified in the offer document are open for business. The time period between the bid/issue closing date and the listing of the specified securities on the stock exchanges, working day shall mean all trading days of the stock exchanges, excluding Sundays and bank holidays, as per circulars issued by the Board, as per the SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and in terms of regulation 2(1)(mmm) of SEBI ICDR Regulations 2018.
Willful Defaulter(s) or a Fraudulent Borrower (s)	A person or an issuer who or which is categorized as a willful defaulter or a fraudulent borrower by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulters or a fraudulent borrower issued by the Reserve Bank of India, as defined under Regulation 2(1)(III) of SEBI ICDR Regulations 2018.

Company Related Terms

TERMS	DESCRIPTIONS
AGM	Annual General Meeting
“Articles” or “Articles of Association” or “AOA”	The Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	The Statutory Auditors of our Company, being Brahmayya & Co. , Chartered Accountants, D.No.1-88-19, Plot No.135/4, Sector-4, MVP Colony, Visakhapatnam – 530 017, Andhra Pradesh.
Audit Committee	Audit Committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed by our Company to the Stock Exchange from time to time.
“Board of Director(s)” or “the/our Board”	Unless otherwise specified, The Board of Directors of our Company, as duly constituted from time to time, including any committee(s) thereof.
“CFO” or Chief Financial Officer	The Chief Financial Officer of our Company being “ Mr. Ganta Veera Venkata Satyanarayana ” Director (Finance) designated as CFO.
CIN	Corporate Identification Number being L63040AP1981PLC003047
Company Secretary & Compliance Officer	The Company Secretary & Compliance Officer of our Company being “ Ms. Swaroopa Meruva ”.

TERMS	DESCRIPTIONS
Corporate Social Responsibility committee	Corporate Social Responsibility committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed by our Company to the Stock Exchanges from time to time.
DIN	Directors Identification Number.
Director/Director(s)	The directors of our Company, unless otherwise specified
Equity Shares	The Equity Shares of our Company of face value of ₹10/- each, fully paid-up, unless otherwise specified in the context thereof.
Equity Shareholders	Persons/Entities holding Equity Shares of our Company.
Export	Export means taking goods out of India to a place outside India
Group Companies/Entities	Such companies with which there were related party transactions, during the period for which financial information is disclosed in this Draft Letter of Offer, which are covered under the applicable accounting standards and other companies as considered material by our Board, as identified in “Our Group Companies”
Import	Import means bringing goods into India from a place outside India
Independent Director	Non-executive & Independent Director as per the Companies Act, 2013
JV / Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
ISIN	International Securities Identification Number In this case being “INE377E01016”
KMP / Key Managerial Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations 2018, Section 2(51) of the Companies Act, 2013 and as disclosed in the chapter titled “ <i>Our Management</i> ” beginning on page 63 of this Draft Letter of Offer.
MD	Managing Director
Materiality Policy	A policy adopted by our Company for identification of material litigation(s) for the purpose of disclosure of the same in this Draft Letter of Offer.
Memorandum/Memorandum of Association/MoA	The Memorandum of Association of our Company, as amended from time to time.
Nomination and Remuneration Committee	Nomination and Remuneration committee of our Company constituted in accordance with the Companies Act, 2013 as disclosed by our Company to the Stock Exchange from time to time.
Non-Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Promoters	Shall mean promoters of our Company as mentioned in this Draft Letter of Offer.
Registered & Corporate Office	Registered & Corporate Office of the Company is presently situated at 15 – 1- 37 / 3, Jayapradha Apartments, Nowroji Road, Maharanieta, Visakhapatnam, Andhra Pradesh, 530002
RoC/Registrar of Companies	The Registrar of Companies, Vijayawada, Andhra Pradesh 29-7-33, Vishnuvardhana Rao Street, Suryaraopet, Vijayawada-520002
Shareholders	Shareholders of our Company
Subscriber to MOA / Initial Promoters	Initial Subscriber to MOA
WTD	Whole Time Director

Technical and Industry related terms

TERMS	DESCRIPTIONS
APCEIG	Andhra Pradesh Chief Electrical Inspector to Govt
APEPDCL	Andhra Pradesh Eastern Power Distribution
APEPDCL	Andhra Pradesh Eastern Power Distribution Company Limited
BAP	Best Aquaculture Practices
Block	Block freezing is a process of pushing cold air at high velocity across the product to reduce the temperature down to -18°C as quickly as possible.
BRC	British Retail Consortium
cGMP	Current Good Manufacturing Practices
CPI	Consumer Price Index
DOF	Department of Fisheries

EPCG Scheme	Export Promotion Capital Goods Scheme
EU	European Union
FAO	Food and Agriculture Organization
FDA	Food and Drug Administration
FFRM	Food Facility Registration Module
GAA	Global Aquaculture Alliance
GDP	Gross Domestic Product
HACCP	Hazard Analysis Critical Control Point
HALAL Certification	A process that ensures the features and quality of the products according to the rules established by the Islamic Council that allow the use of the mark Halal
HLSO	Headless Shell-On
HON	Head-On
IBEF	India Brand Equity Foundation
IIP	Index of Industrial Production
IQF	Individually Quick-Frozen
KLDP	Kilo Litre Per Day
MMPA	Marine Mammal Protection Act
MOCI	Ministry of Commerce and Industry
MPEDA	Marine Products Exports Development Authority
MOSPI	Ministry of Statistics and Programme Implementation
MSME	Micro & Small Enterprise
MT	Metric Tonne
NSF	National Sanitation Foundation
PMI	Purchasing Manager's Index
PMMSY	Pradhan Mantri Matsya Sampada Yojana
SGS	Swiss multinational company headquartered in Geneva, Switzerland which provides inspection, verification, testing and certification services.
SIMP	Seafood Import Monitoring Programme
SSOP	Sanitation Standard Operating Procedures

Abbreviations

TERMS	DESCRIPTIONS
₹ or Rupees or INR	Indian Rupees.
AGM	Annual General Meeting.
AS/Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India.
A. Y.	Assessment year.
BC	Before Christ.
BPLR	Bank Prime Lending Rate.
BSE	BSE Limited.
CAPEX	Capital expenditures
CARO	Companies (Auditor's Report) Order, 2020.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
CSR	Corporate Social Responsibility.
DIN	Director Identification Number.
DP ID	Depository participant's identification.
ECS	Electronic Clearing System.
EBITDA	Earnings before Interest, Tax Depreciation and Amortisation.
EGM	Extraordinary General Meeting of the Shareholders of the Company.
EPS	Earnings Per Share.
ESOS	Employee Stock Option Scheme.
FDI	Foreign direct investment.
FIPB	Foreign Investment Promotion Board.
GIR	General index register.

TERMS	DESCRIPTIONS
GoI/Government	Government of India.
GST	Goods & Service Tax
HNI	High Net Worth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISO	International Organization for Standardization.
IT Act	The Income Tax Act, 1961, as amended.
IT Rules	The Income Tax Rules, 1962, as amended.
JV	Joint Venture.
MCA	Ministry of Corporate Affairs, Government of India.
MoU	Memorandum of Understanding.
N.A.	Not Applicable.
NAV/Net Asset Value	Net asset value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued Equity Shares.
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NoC	No Objection Certificate.
No.	Number.
NR	Non-Resident.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited
NTA	Net Tangible Assets.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PCB	Pollution Control Board.
P/E Ratio	Price per Earnings Ratio.
Pvt.	Private.
RBI	Reserve Bank of India.
RoC	Registrar of Companies.
RONW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SCN	Show Cause Notice.
SCSB	Self-Certified Syndicate Bank.
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
TAN	Tax Deduction Account Number
TIN	Taxpayers Identification Number
UIN	Unique Identification Number.
US	United States.
VAT	Value Added Tax.
w.e.f.	With effect from
YoY	Year on Year.

The words and expressions used but not defined in this Draft Letter of Offer will have the same meaning as assigned to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made there-under.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlements Letter and any other Issue material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form or the Rights Entitlements Letter may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch the Letter of Offer/Abridged Letter of Offer, Application Form, Rights Entitlements Letter and other Issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard. Investors can also access the Draft Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Managers, the Stock Exchanges.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with the BSE and NSE for observation. Accordingly, this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form or any Issue materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in or into any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction and the Rights Entitlements and the Rights Equity Shares may not be offered or sold, directly or indirectly, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdictions or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Managers or their respective affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, Abridged Letter of Offer, the Rights Entitlements Letter or the Application Form. Envelopes containing the CAF should not be dispatched from the jurisdiction where it would be illegal to make an offer and all the person subscribing for the Rights Equity Shares in the Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the Rights Entitlements and the Rights Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or its affiliates to make any filing or registration (other than in India).

Our Company, the Registrar, the Lead Manager or any other person acting on behalf of our Company reserves the right to treat any Application Form as invalid where they believe that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such Application Form. Neither the delivery of this Draft Letter of Offer, Letter of Offer, the Abridged Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been



no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer or the date of such information.

The contents of this Draft Letter of Offer should not be construed as business, financial, legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NO OFFER IN THE UNITED STATES

The Rights Equity Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Letter of Offer, Abridged Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States. The rights and securities of the Company, including the Rights Equity Shares and Right Entitlements have not been and will not be registered under the United States Securities Act, 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States or the territories or possessions thereof (the “**United States**” or “**U.S.**”) or to, or for the account or benefit of, “U.S. persons” (as defined in Regulation S under the Securities Act (“**Regulation S**”), except in a transaction exempt from the registration requirements of the U.S. Securities Act. The Rights Equity Share referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, this Draft Letter of Offer/ Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time.

Neither our Company nor any person acting on behalf of our Company, will accept a subscription or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company, has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. No application form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India. Our Company is making this issue of Rights Equity Shares on a rights basis to the eligible equity shareholders and the Letter of Offer/Abridged Letter of Offer and CAF will be dispatched to (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders.

Any person who acquires Rights Entitlements and the Rights Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

Our Company, in consultation with the Lead Manager, reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in or dispatched from the United States of America; (ii) does not include the relevant certification set out in the Application Form headed “Overseas Shareholders” to the effect that the person accepting and/or renouncing the Application Form does not have a registered address (and is not otherwise located) in the United States of America, and such person is complying with laws of the jurisdictions applicable to such person in connection with the Issue, among others; or (iii) where our Company believes that the Application Form is incomplete or the acceptance of such Application Form may infringe applicable legal or regulatory requirements; or (iv) where a registered Indian address is not provided, and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form. Rights Entitlement may not be transferred or sold to any person in the United States of America.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

CERTAIN CONVENTIONS, USE OF FINANCIAL INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION

Certain Conventions

Unless otherwise specified or the context otherwise requires, all references to “India” in this Draft Letter of Offer are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

In this Draft Letter of Offer, the terms “we”, “us”, “our”, “the Company”, “our Company”, “Issuer”, “Issuer Company”, “CCL”, “Coastal Corp”, “COASTALCORP” and “Coastal Corporation Limited” unless the context otherwise indicates or implies, refers to “Coastal Corporation Limited”.

In this Draft Letter of Offer, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lacs / Lakhs”, the word “Crore” means “ten millions” and the word “billion (bn)” means “one hundred crores”. In this Draft Letter of Offer, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Financial Data

Unless stated otherwise, the financial information in this Draft Letter of Offer is extracted from the Audited Financial Statements of our Company for the financial Year ended March 31, 2021 and March 31, 2022 which have been prepared in accordance with Indian Accounting Standard (IND AS).

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points.

Unless otherwise indicated, any percentage amounts, as set forth in this Draft Letter of Offer, including in the Sections titled “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on page no. **19**, **54**, and **134** respectively, have been calculated on the basis of the Audited Financial Statements of our Company included in this Draft Letter of Offer.

Currency and Units of Presentation

All references to “Rupees”, “Rs.”, “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America

Our Company has presented certain numerical information in this Draft Letter of Offer in “Lakh” units. One lakh represents 1,00,000. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed therein are due to rounding-off.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Letter of Offer has been derived from India Brand Equity Foundation (IBEF), Marine Products Export Development Authority (MPEDA), Ministry of Commerce and Industry and other publicly available sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed, and their reliability cannot be assured. Although, we believe that the industry and market data used in this Draft Letter of Offer is reliable, neither we nor the Lead Manager nor any of their respective affiliates or advisors have prepared or verified it independently. The extent to which the market and industry data used in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in the Section titled “*Risk Factors*” beginning on page **19** of this Draft Letter of Offer. Accordingly, investment decisions should not be based on such information.

Exchange Rates

This Draft Letter of Offer may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

FORWARD LOOKING STATEMENT

The Company has included statements in this Draft Letter of Offer which contain words or phrases such as “may”, “will”, “aim”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “potential” and similar expressions or variations of such expressions, that are or may be deemed to be forward looking statements.

All statements regarding the expected financial condition and results of operations, business, plans and prospects are forward-looking statements. These forward-looking statements include statements as to the business strategy, the revenue, profitability, planned initiatives. These forward-looking statements and any other projections contained in this Draft Letter of Offer (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Important factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the Section titled “*Risk Factors*”; “*Industry Overview*”; “*Our Business*”; and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*”; beginning on page no. **19, 42, 54** and **134**, respectively, of this Draft Letter of Offer.

The forward-looking statements contained in this Draft Letter of Offer are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materializes, or if any of the underlying assumptions prove to be incorrect, the actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent written and oral forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Certain important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Uncertainty of the continuing impact of Covid-2019 on our financial conditions and operations.
- The environmentally sensitive industry in which we operate is subject to biosecurity risks at our processing and other facilities and during the transportation of raw and processed shrimp products;
- General outbreaks of shrimp diseases;
- A significant portion of our revenue being generated from our limited number of large customers and any inability to maintain our relationship with such customers or reduction in their demand for our products. Further, these large customers exercise substantial negotiating leverage with us;
- A majority of our revenue being generated through the export of shrimp to the United States;
- Competition in our processed shrimp business segment from other competitors located both in India and globally;
- Contractual agreements not being executed with suppliers for our raw shrimp and an increase in the cost of or a shortfall in the availability of raw shrimp;
- The improper handling, processing or storage of raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products;
- Exchange rate fluctuations and exchange controls and policies; and
- Failure to comply with the strict quality requirements, and regulatory and customer inspections that we are subject to; and
- Occurrences of natural disasters or calamities affecting the areas in which we have operations.

By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Our Company, the Lead Manager, or their respective affiliates do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Lead Manager will ensure that investors are informed of material developments until the time of the grant of final listing and trading permissions with respect to Equity Shares being issued in this Issue, by the Stock Exchanges. Our Company will ensure that investors are informed of material developments in relation to statements about our Company in this Draft Letter of Offer until the Equity Shares are allotted to the investors.

SECTION II: SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective Investors.

(A) PRIMARY BUSINESS OF OUR COMPANY:

Our Company is engaged in the processing of variety of Shrimps & Shrimp products and is a 100% export oriented company. We offer shrimps in different forms such as raw, cooked in frozen blocks and cooked in IQF form as per Customer’s specifications and is mainly exported to USA and also to other countries.

Our variety of Shrimps includes sea caught shrimps i.e., Sea White (*Penaeus Indicus*), Sea Tiger (*Penaeus Monodon*), Pink Brown Shrimp (*Metapenaeus monoceros*), aquaculture shrimps i.e., Black Tiger (*Penaeus Monodon*) and Vannamei (*Litopenaeus vannamei*).

We sell our products under the brand name of “Coastal”, “Coastal Premium”, “Coastal Gold”, “Jewel” and “President”.

For further detailed information, please refer to chapter titled “*Our Business*” beginning from page no. 54 of this Draft Letter of Offer.

(B) OBJECTS OF THE ISSUE:

Our Company proposes to utilize the funds which are being raised through this Issue towards the below mentioned objects:

Sr. No.	Particulars	Amount (₹ In Lakhs)
A	Investment in our wholly owned Subsidiary, Coastal Biotech Private Limited (“CBPL”) for part –financing its capital expenditure requirements in relation to the setting up of a manufacturing facility to manufacture 198 KLPD of Ethanol	[●]
B	Investment in our wholly owned Subsidiary, Continental Fisheries India Limited (“CFIL”) for part –financing its capital expenditure requirements in relation to the setting up shrimp processing unit with installed capacity of 2500 Kilograms Per Hour and 1100MT Frozen Storage	[●]
C	Issue related expenses	[●]
D	General corporate purposes	[●]
	Total Issue Proceeds	[●]

For further details, please refer chapter “*Objects of the Issue*” beginning from page no. 38 of this Draft Letter of Offer.

(C) INTENTION AND EXTENT OF PARTICIPATION IN THE ISSUE BY THE PROMOTER AND PROMOTER GROUP:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated June 28, 2022 (the “**Subscription Letters**”) undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. However, any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall not result in a breach of the minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.”

(D) SUMMARY OF OUTSTANDING LITIGATIONS:

A summary of the pending tax proceedings and other material litigations involving our Company and Subsidiaries is provided below:

Nature of cases	Number of cases	Amount involved (₹ in lakhs)
Proceedings involving moral turpitude or criminal liability on our Company	Nil	Nil
Proceedings involving material violations of statutory regulation by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	Nil	Nil

(E) CROSS REFERENCE TO THE SECTION TITLED “RISK FACTORS”:

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Letter of Offer. For the details pertaining to the internal and external risk factors relating to the Company, kindly refer to the chapter titled “*Risk Factors*” beginning on page no. 19 of this Draft Letter of Offer.

(F) SUMMARY OF CONTINGENT LIABILITIES AS DISCLOSED IN THE FINANCIAL STATEMENTS:

As on March 31, 2022 we had Contingent Liability of ₹ 937.78 Lakhs which has not been provided in our financial statements and which could affect our financial position. Details of Contingent Liabilities and commitments are as follows:

(₹ in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<u>a. Unexpired Bank Guarantee issued in favour of:</u>		
Against letters of credit (SBLC)	600.00	517.22
Outstanding Guarantees to Banks including Letters of Credit opened with Banks for supplier payments	9.78	9.79
<u>b. Estimated amount of contracts remaining</u>	328.00	3,333.14

(G) SUMMARY OF RELATED PARTY TRANSACTIONS AS DISCLOSED IN THE FINANCIAL STATEMENTS:

For details pertaining to Related Party Transactions, kindly refer to the chapter titled “*Financial Information*” beginning on page no. 68 of this Draft Letter of Offer.

(H) DETAILS OF ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR PRECEEDING THE DATE OF THIS DRAFT LETTER OF OFFER:

Our Company has not issued any Equity Shares for consideration other than cash in the last one (1) year preceding the date of this Draft Letter of Offer.

SECTION III: RISK FACTORS

RISK FACTOR

Any Investment in equity shares involves a high degree of risk. Investors should carefully consider all the information in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Rights Equity Shares. The risks described below are not the only risks relevant to our Company's business, operations or our Rights Equity Shares, but also to the industry and segments in which we operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, results of operations, cash flows and financial condition. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our business, results of operations, cash flows and financial condition could be adversely affected, the trading price of our equity shares could decline, and investors may lose all or part of their investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Financial Information" beginning on page 68 and other information contained in this Draft Letter of Offer. In making an investment decision, investors and purchasers of the Rights Equity Shares must rely on their own examination of us and our business and the terms of the Issue including the merits and risks involved. Potential investors and purchasers of our Rights Equity Shares should consult their tax, financial and legal advisors about the consequences of investing in the Issue. Prospective investors and purchasers of the Rights Equity Shares should pay attention to the fact that our Company is incorporated under the laws of India and are subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Draft Letter of Offer contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements because of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer.

The following risk factors have been determined by our Board of Directors on the basis of their materiality. In accordance with Clause (VI) in Part B of Schedule VI of the SEBI ICDR Regulations, the following factors have been considered for determining the materiality: (i) Some events may not be material individually, but may be found material collectively, (ii) some events may have material impact qualitatively instead of quantitatively; and (iii) some events may not be material at present but may have material impact in the future.

INTERNAL RISK FACTORS:

- 1. Our Company has not entered into any long-term contracts with our customers and we typically operate on the basis of orders received on hand. Inability to maintain regular order flow would adversely impact our revenues and profitability***

We have not entered into any fixed contracts with our customers and we cater to them on an order-by-order basis. As a result, our customers can terminate their relationships with us without any notice and, without consequence, which could materially and adversely impact our business. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as the customer satisfaction with the level of service that our Company provides, quality consistency, fluctuation in demand for our Company's products and customer's inventory management.

Although we place a strong emphasis on quality, pricing and timely delivery of our products, personal interaction by the top management with the customers, etc., in the absence of contracts, any sudden change in the buying pattern of buyers could adversely affect the business and the profitability of our Company.

- 2. Major portion of our revenue comes from exports to the United States of America. Any adverse Government, Geopolitical conditions may considerably disrupt our sales and such would adversely impact our financial performance.***

During the Financial Year 2022, our sales to the United States of America (USA.) accounted for more than 95% of the Company's revenue from operations prepared on Consolidated basis. However, we cannot assure you that our reliance on USA for sale of shrimps will be retained over time and we may continue to supply a substantial portion of our produce. Our failure to retain sales to USA may have an adverse effect on our financial performance and our results of operations. Further, any disruption or change in regulation in USA or in India may have an adverse effect on our financial performance and results of operations.

3. *Our Company is subject to risk resulting from foreign exchange rate fluctuations, which could adversely affect our results of operations.*

During Financial Year 2021-22, our export sales contributed to 100% of our total revenue prepared on both Standalone and Consolidated basis. Any change in currency exchange rates influence our Company's results of operations. Some of our expenses are also denominated in currencies other than Indian Rupees. In addition, depreciation of the Indian Rupee against the other foreign currencies may adversely affect our results of operations by increasing the cost of financing. Any adverse fluctuations in the value of the Indian Rupee against the relevant foreign currencies could affect our result of operation and financials.

4. *Any inability on our part to maintain quality standards could adversely impact our business, results of operations and financial condition.*

The success of our business is highly dependent upon quality of our shrimps as well as the maintenance of cleanliness and hygiene at all our manufacturing facilities. Our Company has procured the desired registration required for implementing and maintaining a quality system. Any failure on our part to meet the quality expectation or meet the quality standards required under the terms of this certification may result in withdrawal of the said certification or require us to maintain additional measure to maintain the quality. The withdrawal of any of these certification or imposition of additional conditions may affect the demand of our products and goodwill of the company and may also result in penalty where these certifications act as the basis standards for exports, this may have an adverse effect on our business, results of operations and financial condition.

5. *Increase of Shrimps prices by our suppliers of shrimps may adversely impact our cash flows.*

If prices at which we purchase shrimps increase without the proportionate increase in the prices at which we sell those products, our ability to maintain profitability in the Shrimps processing operations will be affected. We have no assurance that the prices at which trawlers will be willing or able to sell their shrimps to us will remain at levels that enables us to maintain satisfactory margins. Any such adverse increase in the prices of the shrimps may have an adverse affect on our margins and profitability.

6. *There have been few instances wherein filings as prescribed under the listing agreements with the stock exchanges have been delayed by our Company. Also our Company was suspended from trading on BSE in past.*

Our Company has been listed on BSE and NSE (w.e.f. October 8, 2021). In terms of the listing agreement CCL is required to make filings within the prescribed timeframe. Further, any delay in compliance with listing agreement and LODR Regulations may attract penalty or any other action which may affect the listing status and also liquidity of the scrip. There have been instances wherein the filings with Stock Exchange have been delayed/ not filed. Although, CCL's endeavor is to comply with listing regulations in timely manner, however, there can be no assurance that there may not be any such delay in compliances in future. Further in past, due to delays and non filing of the requisite compliance the trading in our Company's scrip have been suspended on BSE which was later revoked by the BSE vide letter dated August 23, 2013 after completing all the necessary compliances. However, there can be no assurance that there may not be any delay in compliances in future which could affect the listing of the scrip of our Company.

7. *Any failure to obtain, renew and maintain requisite statutory and regulatory permits, licenses and approvals for our operations from time to time may adversely affect our business.*

We require various statutory and regulatory permits, licenses and approvals to carry out our business and operations (cumulatively, the Approvals). A majority of these Approvals are granted for a limited duration and must be periodically renewed. Further, while we have applied for some of these Approvals, we cannot assure you that such Approvals will be issued or granted to us in a timely manner, or at all. If we do not receive these Approvals or if we are unable to renew the Approvals in a timely manner, or at all, then our business and operations may be adversely affected. Further, the Approvals are subject to numerous conditions and there can be no assurance that these Approvals will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Suspension or revocation of the Approvals by the relevant regulatory authority, on account of non-compliance or

otherwise, would impair our Company's operations and, consequently, have an adverse effect on our business, cash flows and financial condition. Our Company may also be liable to monetary penalties and imprisonment.

8. ***Our Company has not taken Brand registration license for its brands, "Coastal", "Coastal Premium", "Jewel" and "President" till the date of filling of this Draft Letter of Offer. Any delay in granting registration or refusal in obtaining registration at the time of making application for the same in future could result in loss of brand equity and the company's right to use the said brand.***

Our Company has not made any application to the Trade Mark Registry for registrations of its brands like "Coastal", "Coastal Premium", "Jewel" and "President" till the date of filling of this Draft Letter of Offer. Our Company depending on the future requirements may make further applications to register its brand for different products. While filing application for registration if the same is not accepted or if the oppositions filed against the application if any, are successful, our Company may lose the statutory protection available to it under the Trade Marks Act, 1999 for such trademarks.

9. ***Our business of Shrimps may be affected by seasonal changes or natural calamities in the area from where the shrimps are procured.***

Shrimps are procured from the vendor available in our area of operation. These shrimps are procured by our suppliers by catching them from the sea or by raising them through aquaculture. Climatic changes like heavy rainfall increase or decrease in temperature may hamper the suppliers from catching the shrimps from the sea or raising them in aquaculture. Any shortage in the quantity of shrimps available in the market may force us to procure the same at higher prices or search for some alternate source of material. Further if we are not able to procure the shrimps we may not be able to meet our sales target which could have an adverse effect on our financials and results of operations.

Any outbreak of diseases or widespread contamination affecting seafood including the shrimps used by our Company will have an adverse effect of the supply of raw material available with us. Any shortage in the quantity of shrimps available in the market may force us to procure the same at higher prices or search for some alternate source of material which could increase our cost. In addition to the above any such disease or contamination may lead to loss of sale due to loss of consumer's confidence and loss of demand. The occurrence of any of these factors could adversely affect our business and results of operations.

10. ***Risk related to the Objects of the issue.***

The objects of the issue is–

- A. Investment in our wholly owned Subsidiary, Coastal Biotech Private Limited ("CBPL") for part –financing its capital expenditure requirements in relation to the setting up of a manufacturing facility to manufacture 198 KLPD of Ethanol ("Proposed Facility").
- B. Investment in our wholly owned Subsidiary, Continental Fisheries India Limited ("CFIL") for part –financing its capital expenditure requirements in relation to the setting up shrimp processing unit with installed capacity of 2500 Kilograms Per Hour and 1100MT Frozen Storage ("Proposed Facility").

Both the projects are in Odisha which is different from the present place of operation and our Management have to deploy its resources to monitor the project. The Ethanol project is the maiden project and Shrimp processing unit at Odisha is a new project which are yet to be set up. In view of the above our Company is subject to investment risk in the event the projects could not be completed or doesn't perform upto the optimum level as planned. The adverse financial results in the subsidiaries will have an adverse impact on our Company's financials being the holding company.

11. ***We require high working capital for our smooth day to day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favourable terms may have an adverse effect on our operations, profitability and growth prospects.***

Our business demands substantial funds towards working capital requirements. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there are delays in disbursement of arranged funds, or we are unable to procure funds on favourable terms, it may result into our inability to

finance our working capital needs on a timely basis which may have an adverse effect on our operations, profitability and growth prospects.

12. *The business segment in which we operate is highly competitive, which may adversely affect our business operation and financial condition.*

Competitors in the Indian and Global market for processed seafood are intense and our company expects this competition to continue to increase and intensify in the future. Some of our competitors may have longer industry experience and greater financial, technical and other resources, which may enable them to react faster in changing market scenario and remain competitive. Growing competition may result in a decline in our market share and may affect our margins which may adversely affect our business operations and our financial condition. Price competition in shrimps market is intense. In case our prices are not competitive it could result in lower profit margins or a loss of market share, all of which could adversely affect our business, financial condition and result of operations.

13. *Product liability claims could adversely affect our Company's operations.*

Our Company sells shrimps which are consumed by our customers either directly or indirectly as eatables. Any harm caused to any person due to the consumption of the shrimps indulge our company into litigation, penalty or loss of reputation. Our Company has not obtained product liability insurance coverage for damages related to products sold which leave our Company uninsured against such losses, which may materially harm its financial condition and future operating results.

14. *Changes in technology may render our current technologies obsolete or require us to make substantial capital investments on modernization.*

Modernization and technology up gradation is essential to reduce costs and increase the output. We strive to keep our technology, equipment and machinery in line with the latest technological standards, we may be required to implement new technology or upgrade the machineries and other equipment employed by us. Further, the costs in upgrading our technology equipment and machineries may be significant which could substantially affect our financials and results of operations.

15. *Our products are subject to rejection by our customers if they do not meet the quality requirements of our customers.*

Our company is engaged in the processing of shrimps which are meant for human consumption. The products processed by us are subjected to the respective testing agencies and the requirement of the customers. In case our product does not meet the requisite quality standards and specifications as mandated by them, then our customers may reject our products. There can be no assurance that we will be able to procure alternate customers for our products and at a favourable price. Any substantial rejection of our products and/or our inability to procure other customers for our products will adversely affect our financial position.

16. *There has been a revision in the interest equalisation rates under Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit as per Reserve Bank of India (RBI) Notification RBI/2021-22/180 DOR.STR.REC.93/04.02.001/2021-22, dated 8th March, 2022*

The Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit ('Scheme') up to March 31, 2024 or till further review, whichever is earlier. The extension takes effect from October 1, 2021 and ends on March 31, 2024. However, the interest equalisation rates under the Scheme will now be 3 per cent for MSME manufacturer exporters exporting under any HS lines, and 2 per cent for manufacturer exporters and merchant exporters exporting under 410 HS lines. Previously the interest equalisation rate was 5 per cent. This would have an adverse impact on the margins of our Company.

17. *Some of our Subsidiaries/Associates/Group Companies may have conflicts of interest as they are engaged in similar business and may compete with us*

Some of our Subsidiaries are engaged in the same industry segment as our Company so there might be conflicts of interest in future. We have not entered into any non-compete agreements with such Subsidiaries and there can be no assurance that such Subsidiaries will not compete with our existing business or any future business that we might undertake or that we will be able to suitably resolve such a conflict without an adverse effect on our business and financial performance

18. Our inability to expand or effectively manage our growing customer groups may have an adverse effect on our business, results of operations and financial condition.

We have our own sales network and marketing team. To sell our products to our end consumers, we use modern trade channels. Our ability to expand and grow our product reach significantly depends on the reach and effective management of our sales network. We continuously seek to increase the penetration of our product into different customer groups. We cannot assure you that we will be able to successfully identify new consumers. Due to this our business and results of operations may be adversely affected.

19. Major portion of our revenue is concentrated from limited number of customers. Any failure to retain one or more of our customers or any disruption of sale of our product will have an adverse effect on our financial performance and results of operations.

During Financial Year 2022 sales from top 10 customers of the company stood at approximately 69.42% whereas for the same period the sale from the top 5 customer stood at approximately 49.48% of our total revenue prepared on standalone basis. However, we cannot assure you that our reliance on the select group of customers will decrease over time and we may continue to remain dependent upon them for a substantial portion of our revenues. In such an event, our failure to retain them may have an adverse effect on our financial performance and our results of operations. Further, any disruption or change in regulation in those countries where we export or in India may have an adverse effect on our financial performance and results of operations.

20. Our Contingent Liability and Commitments could affect our financial position.

As on March 31, 2022 we had Contingent Liability of ₹937.78 Lakhs which has not been provided in our financial statements and which could affect our financial position. Details of Contingent Liabilities and commitments are as follows:

(in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
<u>a. Unexpired Bank Guarantee issued in favour of:</u>		
Against letters of credit (SBLC)	600.00	517.22
Outstanding Guarantees to Banks including Letters of Credit opened with Banks for supplier payments	9.78	9.79
<u>b. Estimated amount of contracts remaining</u>	328.00	3,333.14

21. The extent to which the Coronavirus disease (COVID-19) may affect our business and operations in the future is uncertain and cannot be predicted.

The Corona Virus Disease 2019 (COVID-19) started as a locally circulating infection. On 11 March 2020, WHO characterized the COVID-19 outbreak as a pandemic with a growing number of cases reported outside of China, from Eastern Asia to Europe and North America. In the first half of 2020, the pandemic entered all regions of the world, some worse than others, including many major fish-producing and/or fish-consuming countries and global suppliers of fish feed. While fishing and aquaculture and the distribution of their products are considered an essential activity in most countries, the measures adopted to contain the spread of infection caused significant direct and indirect challenges to the sector. The drop in demand, which in some cases has resulted in reduced prices of fish and fish products, low market demand has been a main concern worldwide as this has direct negative impact on quantities sold and price per unit, reducing revenues. International trade suffered from border restrictions on the global markets. As a result of the lockdown, the capture also halted. The market effects of the pandemic have brought about several far-reaching changes, many of which are likely to persist in the long term. Aggregate prices for 2020, as measured by the Fish Price Index (FAO, 2020), were down year-on-year for most traded species. The importance of retail sales has significantly increased at the expense of food services, as

the hospitality sector has remained subdued. Consumers, who are trying to limit frequent visits to grocery stores and are concerned about future lock-downs, have shifted their seafood preferences towards preserved and prepared products, while demand for fresh fish has waned. A second wave of the pandemic in many countries underlines the continuing threat to market stability. On the positive side, product innovations, new distribution channels, e-commerce and home deliveries, and the shortening of supply chains that have coincided with this upheaval are likely to benefit the seafood industry for many years to come.

On a consolidated basis, our Company's total income increased to ₹ 50,438.30 Lakhs for the financial year 2021-22 as against ₹ 48,193.80 Lakhs in the previous year (2020-21). Our Company's net profits decreased to ₹ 1,288.09 Lakhs for the FY 2021-22 as against ₹ 1,883.95 Lakhs in the previous year. On a standalone basis, our Company's total income increased to ₹ 47,252.85 Lakhs for the FY 2021-22 as against ₹ 41,052.31 Lakhs in the previous year. Our Company's net profits decreased to ₹ 1,406.22 Lakhs in the FY 2020-21 as against ₹ 2,088.01 Lakhs in the previous year. Refer chapter titled "**Financial Information**" beginning on page no. **68** of this Draft Letter of Offer.

22. *Our Company has entered into certain related party transactions and may continue to do so in the future.*

Our Company has entered into related party transactions with our Promoters, Key Managerial Personnel and their relatives. While our Company believes that all such transactions have been conducted on the arm's length basis, there can be no assurance that it could not have been achieved on more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that our Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operation. For details, please refer to chapter titled "**Financial Information**" beginning on page no. **68** of this Draft Letter of Offer.

23. *Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.*

While we maintain insurance coverage, in amounts which we believe are commercially appropriate, including (i) Standard fire and special perils insurance policies, (ii) Marine Cargo Open Policy and (iii) Vehicle Insurance Policies we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. We have not insured our risks pertaining to Cash in transit, Keyman Insurance Policy, Vehicle Insurance, Public Liability Insurance Policy and our liabilities that may generate under Employees Compensation Act 1923. The absence of such policies may hinder our operations. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows.

24. *The industry in which we operate, is labour intensive and our operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees.*

The industry in which we operate being labour intensive depends on labour force for carrying out its activity. Although we have not experienced any labour unrest, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any labour unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

25. *Any discontinuance or non-availability of fiscal benefits enjoyed by us or our inability to comply with related requirements may have an adverse effect on our business, financial position, profitability and results of operation.*

The Government of India has provided for various fiscal incentives including concessions on duty imports under the Export Promotion Capital Goods Scheme ("EPCG Scheme"). Our Company also enjoys certain incentives under the EPCG Scheme and Subsidy for our manufacturing facilities. The EPCG Scheme allows imports at concession rates of customs duty and requires the importer to export a specified quantity of goods over a specified period of time. In the event there is any default of the EPCG Scheme and the incentives provide therein are withdrawn by the government. Any such withdrawal of incentive

could have an adverse effect on our business and results of operations. Further failure on the Company's part to comply with the obligations as stated out in the said scheme may also result in withdrawal/revocation of the benefits provided by the Government. Such may have an adverse effect on our business, financial position, profitability and results of operation.

26. *Our Promoters, our directors and our key management personnel of our Company may have interests in our Company, other than reimbursement of expenses incurred or normal remuneration or benefits.*

Our Promoter are interested in our Company to the extent of any transactions entered into by them or their shareholding and dividend entitlement in our Company. Our Directors are also interested in our Company to the extent of remuneration paid to them for services rendered as our Directors and reimbursement of expenses payable to them. Our Directors may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners.

27. *Our products are perishable in nature*

We are engaged in the business of processing of shrimps. The raw material used in the production and the finished product produced after processing both are perishable in nature and have a definite shelf life. Though we take all the possible measure for the safety and quality of the product but there may be delays in the production process or delay in the delivery of the products to the clients. Any such delay in the processing of the shrimps or any such delay in the delivery of the shrimps to the customers may cause deterioration in the quality of the finished product or the quality of the raw material used which may render them unusable. Any such delay may have an adverse affect on our business operation and financial results.

28. *Our Lenders have charge over our movable and immovable properties in respect of financial facilities availed by us.*

We have secured our lenders by creating charge over our movable and immovable properties. In the event of our default in repayment of the financial facilities availed by us and any interest thereon, our Lenders may enforce their claims. Further, any fluctuations in interest rates may directly impact the interest costs of such loans and, in particular, any increase in interest rates could adversely affect our results of operations. Furthermore, our indebtedness means that a material portion of our expected cash flow may be required to be dedicated to the payment of interest on our indebtedness, thereby reducing the funds available to us for use in our general business operations. If interest rates increase, our interest payments will increase and our ability to obtain additional debt and non fund based facilities could be adversely affected with a concurrent adverse effect on our business, financial condition and results of operations. For further details, please refer section titled – *“Financial Information”* on page 68 of this Draft Letter of Offer.

29. *Any inability to collect our dues and receivables from our customers, our results of operations and cash flows could be adversely affected.*

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for the products delivered. There is no guarantee that we will accurately assess the creditworthiness of our customers. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our customers, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause customers to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of which could increase our receivables. Any delay in collection from the customers could adversely impact our business and the result of our operations.

30. *The Right Issue Price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.*

The Issue price is based on numerous factors and may not be indicative of the market price of our Equity Shares after the Issue. The market price of our Equity Shares could be subject to significant fluctuations after the Issue and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price. Among the factors that could affect our share price are:

- Quarterly variations in the rate of growth of our financial indicators, such as earnings per share, net income and revenues;
- Changes in revenue or earnings estimates or publication of research reports by analysts;
- Speculation in the press or investment community;
- Domestic and international economic, legal and regulatory factors unrelated to our performance.

31. *Failure to maintain adequate health and safety standards at our premises may cause our Company to incur significant costs and liabilities and may damage our Company's reputation.*

Laws and regulations, impose increasingly stringent health and safety protection standards. The costs of complying with, and the imposition of liabilities pursuant to, health and safety laws and regulations could be significant, and failure to comply could result in the imposition of civil and/or criminal penalties, the suspension of permits or operations and lawsuits by third parties. Despite our Company's efforts to monitor and reduce accidents at its facilities, there remains a risk that health and safety incidents may occur. Any adverse event or accident could have a material adverse effect on our revenues, results of operations, profitability and cash flows and diversion of management time into rebuilding and restoring its reputation.

32. *Certain data mentioned in this Draft Letter of Offer has not been independently verified.*

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

33. *We are dependent on a number of key managerial personnel, including our senior management, and the loss of or our inability to attract or retain such persons with specialized technical know-how could adversely affect our business, results of operations, cash flows and financial condition.*

Our performance depends largely on the efforts and abilities of our senior management and other key managerial personnel, including our present officers who have specialized technical know-how. The inputs and experience of our senior management and key managerial personnel are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our Company does not maintain any director's and officer's insurance policy or any keyman insurance policy. The loss of the services of such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

RISKS RELATING TO RIGHTS ISSUE

1. *Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of Investor's shareholding.*

The Rights Entitlements that are not exercised prior to the end of the Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Rights Issue. Renounees may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renounees prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renounee will not be able to apply in this Rights Issue with respect to such Rights Entitlements.

2. *The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.*

In accordance with the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020, the credit of Rights Entitlement and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse. Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

3. *Applicants to this Issue are not allowed to withdraw their Applications after the Issue Closing Date.*

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation, cash flows or financial condition, or other events affecting the Applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

4. *Investors will be subject to market risks until the Equity Shares credited to the investors demat account are listed and permitted to trade.*

Investors can start trading in the Equity Shares allotted to them only after they have been credited to the investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the Stock Exchanges, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account or that trading in the Equity Shares will commence in a timely manner.

5. *Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.*

Any future issuance of our Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

6. *No market for the Rights Entitlements may develop and the price of the Rights Entitlements may be volatile.*

No assurance can be given that an active trading market for the Rights Entitlements will develop on the Stock Exchanges during the Renunciation Period or that there will be sufficient liquidity in Rights Entitlements trading during this period. The trading price of the Rights Entitlements will not only depend on supply and demand for the Rights Entitlements, which may be affected by factors unrelated to the trading in the Equity Shares, but also on the quoted price of the Equity Shares, amongst others. Factors affecting the volatility of the trading price of the Equity Shares may magnify the volatility of the trading price of the Rights Entitlements, and a decline in the price of the Equity Shares will have an adverse impact on the trading price of the Rights Entitlements

7. *The Equity Shares to be allotted may not be credited to your demat account in a timely manner and cannot be traded unless the listing and trading approval is received or at all.*

There is no guarantee that the Rights Equity Shares issued pursuant to this Rights Issue will be listed on the Stock Exchange in a timely manner. In accordance with Indian law and regulations and the requirements of the Stock Exchange, in principle and final approvals for listing and trading of the Rights Equity Shares issued pursuant to this Rights Issue will not be applied for or granted until after the Rights Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorising the issuing of Rights Equity Shares to be submitted. Accordingly, there could be a failure or delay in listing the Rights Equity Shares on the Stock Exchanges. If there is a delay in obtaining such approvals, we may not be able to credit the Rights Equity Shares allotted to the Investors to their depository participant accounts or assure ownership of such Rights Equity Shares by the Investors in any manner promptly after the Closing Date. In any such event, the ownership of the Investors over Rights Equity Shares allotted to them and their ability to dispose of any such Equity Shares may be restricted.

EXTERNAL RISK FACTORS

1. *Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.*

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

2. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under current Indian tax laws, capital gains arising from the sale of equity shares within 12 months in an Indian company are classified as short term capital gains and generally taxable. Any gain realized on the sale of listed equity shares on a stock exchange that are held for more than 12 months is considered as long-term capital gains and is taxable at 10%, in excess of Rs. 1,00,000. Any long-term gain realized on the sale of equity shares, which are sold other than on a recognized stock exchange and on which no STT has been paid, is also subject to tax in India. Capital gains arising from the sale of equity shares are exempt from taxation in India where an exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable to pay tax in India as well as in their own jurisdiction on a gain on the sale of equity shares.

3. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.*

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- custom duties on imports of raw materials and components;
- Goods and Service

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

4. *Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.*

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant

change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

5. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

6. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

Under the foreign exchange regulations currently in force in India, transfer of shares between non- residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the income tax authority. There can be no assurance that any approval required from the RBI or any other government agency can be obtained on any particular terms or at all.

7. *Any downgrading of India's sovereign rating by an independent agency may harm our ability to raise financing.*

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of our Equity Shares.

8. *Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.*

The current Covid-19 pandemic had brought the world to a standstill affecting all sectors and the livelihood of many are at stake including the Indian economy. However, our Country is achieving normalcy by various measures taken by the Government. The pandemic is still to be controlled and any major outbreak will seriously impact our business. Further, our Country in the past has experienced natural calamities such as earthquakes, tsunami, floods etc. The extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

SECTION IV: INTRODUCTION
A. ISSUE DETAIL IN BRIEF:

The present Issue of [●] Equity Shares in terms of this Draft Letter of Offer has been authorized pursuant to a resolution of our Board of Directors held on March 29, 2022 passed under Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been approved by a resolution passed by our Board at its meeting held on [●].

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in “*Terms of the Issue*” beginning on page no. 144 of this Draft Letter of Offer.

Rights Equity Shares being offered by our Company	Up to [●] Right Equity Shares.
Rights Entitlement	[●] ([●]) Rights Equity Share(s) for every [●] ([●]) fully paid-up Equity Share(s) held on the Record Date
Record Date	[●]
Face value per Equity Share	₹10/- each
Issue Price per Rights Equity Share	₹[●]/- each
Issue Size	Aggregating to ₹[●] Lakhs (<i>Assuming Full Subscription</i>)
Equity Shares issued, subscribed and paid-up prior to the Issue	1,15,78,800 Equity Shares
Equity Shares issued, subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Security Codes	BSE: COASTCORP/501831 NSE: COASTCORP ISIN: INE377E01016 ISIN for Rights Entitlement: [●]
Use of Issue Proceeds	For details, see “ <i>Objects of the Issue</i> ” beginning on page 38 of this Draft Letter of Offer.
Terms of the Issue	For details, see “ <i>Terms of the Issue</i> ” beginning on page 144 of this Draft Letter of Offer.
Issue Open Date	[●]
Last date for On Market Renunciation of Rights	[●]
Issue Close Date	[●]

*For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.

Terms of payment

Amount Payable Per Equity Share(₹)	Face Value (₹)	Premium (₹)	Total(₹)
On Application	[●]	[●]	[●]
One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time	[●]	[●]	[●]
Total	[●]	[●]	[●]

*Assuming full subscription. The Issue size will be less than ₹ 50 crores

GENERAL INFORMATION

Coastal Corporation Limited was originally incorporated as Coastal Trawlers Private Limited under the Companies Act, 1956 and received a certificate of incorporation from the Registrar of Companies, Andhra Pradesh at Hyderabad (“ROC”) on May 30, 1981. Our Company was converted into Public Limited Company vide a fresh certificate of incorporation issued by ROC on January 29, 1985. Subsequently, the name of our Company was changed to Coastal Corporation Limited vide fresh certificate of incorporation issued by ROC on February 22, 2005.

Brief of Company and Issue Information	
Name & CIN	COASTAL CORPORATION LIMITED L63040AP1981PLC003047
Registered & Corporate Office	Coastal Corporation Limited Registered Office: 15 – 1- 37 / 3, Jayapradha Apartments, Nowroji Road, Maharani-peta, Visakhapatnam, Andhra Pradesh, 530002 Contact No. 91 891 2567118 E-mail-id – cs@coastalcorp.co.in Website- www.coastalcorp.co.in
Manufacturing facilities	Unit 1 Survey No.173/2, Marikavalasa Village, Madhuravada, Visakhapatnam, Andhra Pradesh - 530048 Unit 2 Survey No.87, P. Dharmavaram Village, S Rayavaram Mandal, Visakhapatnam, Andhra Pradesh – 531 055 Unit 3 Plot No. D – 7 & 8, Ponnada Village, Kakinada SEZ, East Godavari District, Andhra Pradesh – 533448, which is yet to commence commercial operations Solar Power Project Our Company has also set up a captive consumption solar power project at Daleswaram(V), Kanchili(M), Srikakulam District, Andhra Pradesh – 530002, which is yet to commence power generation as certain documentation is in process with APEPDCL.
Address of Registrar of Companies	Registrar of Companies, Vijayawada, Andhra Pradesh 29-7-33, Vishnuvardhana Rao Street, Suryaraopet, Vijayawada-520002
Designated Stock Exchange	[●]
Company Secretary and Compliance Officer	Ms. Swaroopa Meruva Coastal Corporation Limited Registered Office: 15 – 1- 37 / 3, Jayapradha Apartments, Nowroji Road, Maharani-peta, Visakhapatnam, Andhra Pradesh, 530002 Contact No. 91 891 2567118 E-mail-id – cs@coastalcorp.co.in Website- www.coastalcorp.co.in
Chief Financial Officer	Mr. Ganta Veera Venkata Satyanarayana Wholetime Director designated as Director (Finance) & CFO Coastal Corporation Limited Registered Office: 15 – 1- 37 / 3, Jayapradha Apartments, Nowroji Road, Maharani-peta, Visakhapatnam, Andhra Pradesh, 530002 Contact No. 91 891 2567118 E-mail-id – gvvsatya@coastalcorp.co.in Website- www.coastalcorp.co.in

Statutory Auditor of the company	Brahmayya & Co. Chartered Accountants D.No.1-88-19, Plot No.135/4, Sector -4, MVP Colony, Visakhapatnam – 530 017 Andhra Pradesh Contact Person: CA C V Ramana Rao Designation: Partner Membership No: 0018545 Contact No: 9848192351/8688629285 E-mail ID: ramanarao@brahmayya.com Firm Registration No: 000513S
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Details of Key Intermediaries pertaining to this Issue and our Company:

LEAD MANAGER	REGISTRAR TO THIS ISSUE
FINSHORE MANAGEMENT SERVICES LIMITED “Anandlok”, Block-A, 2 nd Floor, Room No. 207, 227 A.J.C Bose Road, Kolkata-700020, West Bengal Telephone: + 91 33 22895101 / +91 33 4603 2561 Email: ramakrishna@finshoregroup.com Website: www.finshoregroup.com Investor Grievance Email: info@finshoregroup.com Contact Person: Mr. S. Ramakrishna Iyengar (Director) SEBI Registration No: INM000012185 CIN No: U74900WB2011PLC169377	BIGSHARE SERVICES PRIVATE LIMITED 1 st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059 Telephone: +91 22 6263 8200 / +91 22 6263 8222 Fax: 91 22 6263 8299, Email: rightsissue@bigshareonline.com Website: www.bigshareonline.com Investor Grievance Email Id: Investor@bigshareonline.com Contact Person: Mr. Vijay Surana SEBI Registration No: INR000001385 CIN NO: U99999MH1994PTC076534
BANKER TO THE ISSUE/REFUND BANK	
[•]	

Note: Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc. All grievances in relation to the application may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip..

Self-Certified Syndicate Banks (“SCSBs”)

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

Collecting Depository Participants

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE and NSE, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Statement of Inter Se Allocation of Responsibilities

Finshore Management Services Limited is the sole Lead Manager to this Issue and all the responsibilities relating to co-ordination and other activities in relation to the Issue shall be performed by them and hence a statement of inter-se allocation of responsibilities is not required.

Credit Rating

This being an Issue of Right Equity Shares, credit rating is not required.

Debenture Trustees

As the Issue is of Right Equity Shares, the appointment of Debenture trustees is not required.

Monitoring Agency

As the Issue Size is below ₹ 10,000 lakhs, the appointment of a monitoring agency is not required.

Underwriting

This Issue of Rights Equity Shares is not being underwritten and no standby support is being sought for the said Issue.

Filing of Draft Letter of Offer/Letter of Offer

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than Rs. Fifty Crores.

The Draft Letter of Offer has been filed with BSE and NSE for obtaining their in-principle approval.

However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI and with the Designated Stock Exchange. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of the Letter of Offer to the e-mail address: cfdil@sebi.gov.in.

Minimum Subscription

The objects of the Issue involve financing other than financing of capital expenditure for a project and our Promoters and members of our Promoter Group have undertaken to (i) subscribe to the full extent of their respective Rights Entitlements, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR; and (ii) have also confirmed that they shall not renounce their Rights Entitlements except to the extent of renunciation within the promoter or members of promoter group.

Accordingly, in terms of the SEBI ICDR Regulations, the requirement of minimum subscription in the Issue is not applicable.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last date for credit of Rights Entitlement	[●]
Issue Opening Date	[●]
Last date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the BSE and NSE main board platform are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE and NSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE and NSE in accordance with the applicable laws.

* Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

*# The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. **Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.***

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●]. Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date; or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. For details, see **“Terms of the Issue”** beginning on page **144** of this Draft Letter of Offer.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

B. CAPITAL STRUCTURE

The Capital Structure of our company before the Issue and after giving effect to the Issue, as at the date of this Draft Letter of Offer, is set forth below:

(₹ in Lakhs except share data)

No.	Particulars	Aggregate Nominal Value	Aggregate Value at Issue Price
A	Authorized Share Capital		
	1,50,00,000 Equity Shares of ₹10/- each	1,500.00	--
B	Issued, Subscribed & Paid-up Share Capital prior to the Issue		
	1,15,78,800 Equity Shares of ₹10/- each	1,157.88	--
C	Present issue in terms of the Draft Letter of Offer*		
	[●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- per share	[●]	[●]
D	Issued, Subscribed & Paid-up Share Capital after the Issue**		
	[●] Equity Shares of ₹10/- each	[●]	--

* This Rights Issue has been authorized pursuant to a resolution of our Board dated March 29, 2022

** Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares.

Notes to the Capital Structure:

- a) Our Company has formulated an employee stock option scheme titled ‘Coastal Corporation Limited – Employee Stock Option Scheme 2021’ (the “CCL Scheme 2021”). The Scheme has been authorized pursuant to a resolution of the Board passed at the meeting held on January 12, 2021 and has been authorized by the shareholders of the Company in the EGM of our Company held on February 11, 2021. The CCL Scheme 2021 shall be operated and administered by the Nomination and Remuneration Committee to grant options to eligible employees. The CCL Scheme shall have 1,00,000 (One Lakh) options. As on date, the Company has not granted any options pursuant to such scheme.

The purpose of CCL Scheme 2021 includes, among others, a) to provide means to enable the Company to attract and retain appropriate human talent in the employment of the Company; b) to motivate the employees of the Company with incentives and reward opportunities; c) to achieve sustained growth of the Company and the creation of shareholder value by aligning the interests of the employees with the long term interests of the Company; and d) to create a sense of ownership and participation amongst the employees or otherwise increase their proprietary interest.

Our Company shall grant options to the eligible employees which shall be vested into them upon its exercise.

- b) Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares. Our Company has formulated an employee stock option scheme titled ‘Coastal Corporation Limited – Employee Stock Option Scheme 2021’ (the “CCL Scheme 2021”), however, as on date our Company has not granted any options pursuant to such scheme.
- c) All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Draft Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up.
- d) At any given time, there shall be only one denomination of the Equity Shares.

The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon.

- No Equity Shares held by our Promoter or members of our Promoter Group have been pledged or encumbered as of the date of this Draft Letter of Offer.
- Details of Equity Shares held by our Promoters or members of our Promoter Group and locked as on the date of this Draft Letter of Offer are as under:

Name of the promoter/promoter group	No. of shares held	No. of shares locked in	Locked in upto
Mr. Valsaraj Thottoli	12,99,152	5,00,000	22.05.2024
		2,75,000	15.04.2025
Ms. Jeeja Valsaraj	3,74,200	1,75,000	15.04.2025
Dr. Kambhampati Hari Babu	2,56,085	2,50,000	15.04.2025
Ms. Jayasree K	1,34,400	1,00,000	15.04.2025
Ms. Chandana Kambampati	21,200	10,000	22.05.2024
Ms. Chetana Chukkapalli	1,11,200	1,00,000	15.04.2025
Dr. Kambhampati Hari Babu (HUF)	7,81,865	-	-
Ms. Vijeta Valsaraj	4,30,400	-	-
Ms. Vineesha Valsaraj	4,30,400	-	-
Mr. Viswanath Thottoli	48,000	-	-
Mr. K Venkatesh	1,91,200	-	-
TVR Estates & Resorts Private Limited	6,79,288	-	-

The statement showing specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of this Draft Letter of Offer with the designated stock exchange:

Except as disclosed below, no Equity Shares have been acquired by our Promoter or Promoter Group in the last one year immediately preceding the date of this Draft Letter of Offer:

Name of the Promoter /Promoter Group	Date of transaction	No. of equity shares allotted/purchased/sold	Price per equity share (₹)	Nature of transaction
Mr. Valsaraj Thottoli	11.02.2022	2,75,000	187	Preferential allotment
Ms. Chetana Chukkapalli	11.02.2022	1,00,000	187	Preferential allotment
Ms. Jeeja Valsaraj	11.02.2022	1,75,000	187	Preferential allotment
Ms. Jayashree K	11.02.2022	1,00,000	187	Preferential allotment
Dr. Kambampati Hari Babu	11.02.2022	2,50,000	187	Preferential allotment

Intention and extent of participation in the Issue by the Promoter and Promoter Group:

Our Promoter(s) and entities forming part of our Promoter Group have, vide their letters dated June 28, 2022 (the “**Subscription Letters**”) undertaken to: (a) subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company; and (b) subscribe to, either individually or jointly and/ or severally with any other Promoter or member of the Promoter Group, for additional Rights Equity Shares, including subscribing to unsubscribed portion (if any) in the Issue.

Such subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations. However, any such participation of additional Rights Equity Shares (including any unsubscribed portion of the Issue) shall not result in a breach of the minimum public shareholding requirement stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.”

The ex-rights price per Equity Share arrived in accordance with Regulation 10(4)(b) of the SEBI Takeover Regulations is ₹ [●]/-

Shareholding Pattern of our Company as per the last filing with the Stock Exchange in compliance with the provisions of the SEBI Listing Regulations:

- a) *The shareholding pattern of our Company for the Quarter ending March 31, 2022 can be accessed on the website of the BSE and NSE at:*

<https://www.bseindia.com/stock-share-price/coastal-corporation-ltd/coastcorp/501831/shareholding-pattern/>

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=COASTCORP&tabIndex=equity>

- b) *The statement showing shareholders holding more than 1% of the total number of Equity Shares for the Quarter ending March 31, 2022 is as follows:*

For Promoters and Promoters Group Category

<https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=501831&qtrid=113.00&QtrName=>

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=COASTCORP&tabIndex=equity>

For Public Category

<https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=501831&qtrid=113.00&QtrName=>

<https://www.nseindia.com/companies-listing/corporate-filings-shareholding-pattern?symbol=COASTCORP&tabIndex=equity>

SECTION V: PARTICULARS OF THE ISSUE

A. OBJECTS OF THE ISSUE

We intend to utilize the issue proceeds for the following objects:

- C. Investment in our wholly owned Subsidiary, Coastal Biotech Private Limited (“CBPL”) for part –financing its capital expenditure requirements in relation to the setting up of a manufacturing facility to manufacture 198 KLPD of Ethanol
- D. Investment in our wholly owned Subsidiary, Continental Fisheries India Limited (“CFIL”) for part –financing its capital expenditure requirements in relation to the setting up shrimp processing unit with installed capacity of 2500 Kilograms Per Hour and 1100MT Frozen Storage
- E. To meet the Issue Expenses
- F. General Corporate Purposes

The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the object clause of our Memorandum.

Requirement of Funds

Our funding requirement is dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial condition. Such factors may entail rescheduling and/or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The following table summarizes the requirement of funds:

Sr. No.	Particulars	Amount (₹ in Lakhs)
A	Investment in our wholly owned Subsidiary, Coastal Biotech Private Limited (“CBPL”) for part –financing its capital expenditure requirements in relation to the setting up of a manufacturing facility to manufacture 198 KLPD of Ethanol	[●]
B	Investment in our wholly owned Subsidiary, Continental Fisheries India Limited (“CFIL”) for part –financing its capital expenditure requirements in relation to the setting up shrimp processing unit with installed capacity of 2500 Kilograms Per Hour and 1100MT Frozen Storage	[●]
C	Issue related expenses	[●]
D	General corporate purposes	[●]
	Total Issue Proceeds	[●]

Means of Finance:

We propose to meet the requirement of funds for the stated objects of the Issue from the Issue Proceeds. Hence, no amount is required to be raised through means other than the Issue Proceeds. Accordingly, the requirements under Regulation 62(1)I of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals) are not applicable.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail re-scheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013 / Companies Act, 1956.

Details of the Use of the Proceeds

A. Investment in our wholly owned Subsidiary, Coastal Biotech Private Limited (“CBPL”) for part –financing its capital expenditure requirements in relation to the setting up of a manufacturing facility to manufacture 198 KLPD of Ethanol:

Our Company proposes to utilize ₹ [●] lakhs from the Net Proceeds towards making an investment in our wholly owned subsidiary, CBPL for part-financing its capital expenditure requirements in relation to the setting up of a manufacturing facility to manufacture 198 KLPD of Ethanol at Village Maringi in Parlakhemundi Tahsil in Gajapathi District, Odisha. The total project cost for setting up of the facility is ₹ 15,650 lakhs which will be funded by way of term loan to the extent of ₹ 12,500 lakhs and promoter contribution to the extent of ₹ 3,150 lakhs. CBPL has made an application to Canara Bank, for a term loan of ₹ 10,000 lakhs and working capital requirement of ₹ 7,500 lakhs vide application dated June 14, 2022 . Of the total promoter contribution of ₹ 3,150 lakhs, our Company has already invested ₹ 832.13 lakhs in the project upto March 31, 2022, proposes to utilize ₹ [●] lakhs from the Net Proceeds and balance will be funded from our internal accruals.

We will invest the abovementioned investment in CBPL in the form of Equity. We expect dividends on our investment. CBPL does not have any stated dividend policy and our Company cannot be assured of any dividends from it. Our Company will remain invested in CBPL, and will derive benefits from it, to the extent of our direct or indirect shareholding in it.

B. Investment in our wholly owned Subsidiary, Continental Fisheries India Limited (“CFIL”) for part–financing its capital expenditure requirements in relation to the setting up shrimp processing unit with installed capacity of 2500 Kilograms Per Hour and 1100MT Frozen Storage

Our Company proposes to utilize ₹ [●] lakhs from the Net Proceeds towards making an investment in our wholly owned subsidiary, CFIL for part-financing its capital expenditure requirements in relation to the setting up shrimp processing unit with installed capacity of 2500 Kilograms Per Hour and 1100MT Frozen Storage at Plot No 13 & 14, IDCO Sea Food Park Deras, Haridamada, Khurda District, Odisha. The total project cost for setting up of the facility is ₹ 4,200 lakhs which will be funded by way of term loan to the extent of ₹ 2,000 lakhs and promoter contribution to the extent of ₹ 2,200 lakhs. Axis Bank, has sanctioned term loan of ₹ 2000 lakhs vide letter dated March 25, 2022 and April 4, 2022. Of the promoter contribution of ₹ 2,200 lakhs, our Company has already invested ₹ 324.82 lakhs in the project upto March 31, 2022, proposes to utilize ₹ [●] lakhs from the Net Proceeds and balance will be funded from our internal accruals.

We will invest the abovementioned investment in CFIL in the form of Equity. We expect dividends on our investment. CBPL does not have any stated dividend policy and our Company cannot be assured of any dividends from it. Our Company will remain invested in CFIL, and will derive benefits from it, to the extent of our direct or indirect shareholding in it.

C. General Corporate Purpose

The Issue Proceeds will be first utilized towards the Objects as mentioned as mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the Issue Proceeds, in compliance with the Regulation 62(2) of SEBI ICDR Regulations, 2018. Our Company intends to deploy the balance Issue Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

(i) Strategic initiatives (ii) brand building and strengthening of marketing activities; and (iii) ongoing general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Issue Proceeds for general corporate purposes, as mentioned above.

D. Issue Related Expense

The expenses for this Issue include issue management fees, registrar fees, printing and distribution expenses, issue related advertisement expenses, depository charges and listing fees etc. to the Stock Exchanges, among others. All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	Estimated Expenses (₹ in Lakhs)	As a % of Total Estimated Issue Expenses	As a % of the Total Issue Size
Fees payable to the intermediaries like Lead Manager, RTA, Banker including Brokerage, Selling Commission and upload Fees etc.	[•]	[•]	[•]
Advertising and Marketing Expenses	[•]	[•]	[•]
Fees payable to Regulators Including Stock Exchanges	[•]	[•]	[•]
Printing and Other Miscellaneous charges	[•]	[•]	[•]
Total	[•]	[•]	[•]

Appraisal Entity

Not applicable.

Strategic and/ or Financial Partners

There are no Strategic and Financial partners.

Bridge Financing Facilities

As on the date of this Draft Letter of Offer, we have not raised any bridge loans which are proposed to be repaid from the Issue Proceeds.

Interim Use of Proceeds

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Issue Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue.

Monitoring Utilization of Funds

As the Issue size is less than ₹ 10,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Issue Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

Key Industry Regulation for the proposed objects of the issue (If different from existing business of issuer)

The object of the issue is to utilize the fund in the existing business activity of our Company. So specific key industry regulations are same as the present industry regulations applicable to our Company.

Interest of Promoter, Promoter Group and Directors, in the objects of the Issue

Our Promoter, Promoter Group and Directors do not have any interest in the objects of the Issue. No part of the Net Proceeds will be paid by our Company as consideration to our Promoter, Promoter Group and Directors of our Company.

B. STATEMENT OF POSSIBLE TAX BENEFITS

To,
The Board of Directors
Coastal Corporation Limited
Registered Office- 15 – 1- 37 / 3,
Jayapradha Apartments, Nowroji Road,
Maharanipeta, Visakhapatnam,
Andhra Pradesh, 530002

Dear Sirs,

Sub: Statement of possible Special tax benefit available to Coastal Corporation Limited, its shareholders and its material subsidiaries (if any).

Ref: Proposed Right Issue of Equity Shares of Coastal Corporation Limited.

We report that there are no possible special direct tax benefits available to the Company, its shareholders and its material subsidiaries under the Income-tax Act, 1961, presently in force in India.

This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue.

Neither we are suggesting nor advising the investor to invest money based on this statement. The contents of this statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We hereby give consent to include this statement of tax benefits in the Draft Letter of Offer, the Letter of Offer and in any other material used in connection with the Issue.

No assurance is given that the revenue authorities / courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We would not assume responsibility to update the view, consequence to such change.

We shall not be liable to Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith of intentional misconduct.

Signed in terms of our separate report of even date.

For and on behalf of
M/s. Brahmayya & Co.
Chartered Accountants
Firm Registration No: 000513S

Sd/-

C V Ramana Rao
(Partner)
Membership No: 0018545
Place: Visakhapatnam
Dated: 13th April, 2022
UDIN No: 22018545AGZWBP2824

INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is obtained or extracted from “www.ibef.org” and also extracted from publicly available information, data and statistics and has been derived from various government publications and industry sources. Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and, accordingly, investment decisions should not be based on such information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction.

Overview of Indian Economy**Introduction**

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

Market size

India’s gross domestic product (GDP) at current prices stood at Rs. 51.23 lakh crore (US\$ 694.93 billion) in the first quarter of FY22, as per the provisional estimates of gross domestic product for the first quarter of 2021-22.

India is the fourth-largest unicorn base in the world with over 21 unicorns collectively valued at US\$ 73.2 billion, as per the Hurun Global Unicorn List. By 2025, India is expected to have ~100 unicorns by 2025 and will create ~1.1 million direct jobs according to the Nasscom-Zinnov report ‘Indian Tech Start-up’.

India needs to increase its rate of employment growth and create 90 million non-farm jobs between 2023 and 2030’s, for productivity and economic growth according to McKinsey Global Institute. Net employment rate needs to grow by 1.5% per year from 2023 to 2030 to achieve 8-8.5% GDP growth between 2023 and 2030.

According to data from the Department of Economic Affairs, as of August 27, 2021, foreign exchange reserves in India reached US\$ 633.5 billion mark.

Budget 2021-22

In Union Budget 2022-23, the Budget allocation for the Ministry of Fisheries, Animal Husbandry and Dairying has been increased by 44 per cent to Rs 6,407.31 crore and for Food Processing Industries by 2.25 times to Rs 2,941.99 crore for the next fiscal.

Recent Developments

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity – venture capital (PE-VC) sector recorded investments worth US\$ 10.7 billion across 137 deals in August 2021, registering a 5x YoY growth. Some of the important recent developments in Indian economy are as follows:

- India’s merchandise exports between April 2021 and August 2021 were estimated at US\$ 164.10 billion (a 67.33% YoY increase). Merchandise imports between April 2021 and August 2021 were estimated at US\$ 219.63 billion (an 80.89% YoY growth).
- In August 2021, the Manufacturing Purchasing Managers’ Index (PMI) in India stood at 52.3.

- The gross GST (Goods and Services Tax) revenue collection stood at Rs. 112,020 crore (US\$ 15.21 billion) in August 2021.
- According to the Department for Promotion of Industry and Internal Trade (DPIIT), FDI equity inflow in India stood at US\$ 547.2 billion between April 2000 and June 2021.
- India's Index of Industrial Production (IIP) for July 2021 stood at 131.4 against 122.6 for June 2021.
- Consumer Food Price Index (CFPI) – Combined inflation was 3.11 in August 2021 against 3.96 in July 2021.
- Consumer Price Index (CPI) – Combined inflation was 5.30 in August 2021 against 5.59 in July 2021.
- Foreign portfolio investors (FPIs) invested US\$ 2.5 billion in India in August 2021.

OVERVIEW OF SEA FOOD INDUSTRY

India has emerged as one of the top exporters of seafood globally. India's seafood exports registered strong growth during 2016-17 and touched an all-time high at 11,34,948 MT worth US\$ 5.78 billion (Rs 37,870.90 crore) as against 9,45,892 MT and US\$ 4.69 billion a year earlier. India's top four exports markets for seafood are USA, South East Asia, European Union and Japan.

Factors like increased production of certain varieties of shrimp, diversification of aquaculture species, sustained measures to ensure quality, and increase in infrastructure facilities for production of value added products were responsible for India's positive growth in exports of seafood.

USA remained the largest market for [Indian seafood exports](#) with 1,88,617 MT in 2016-17, accounting for 29.98 per cent in dollar terms registering a growth of 29.82 per cent. Similarly, South East Asia remained the second largest destination of India's marine products, with a share of 29.91 per cent in dollar terms, followed by the EU (17.98 per cent), Japan (6.83 per cent), the Middle East (4.78 per cent), China (3.50 per cent) and other countries (7.03 per cent). Overall, exports to South East Asia registered a strong growth of 49.90 per cent in dollar earnings.

In terms of products, frozen shrimp maintained its position as the top item of export, accounting for 64.50 per cent in value terms. Shrimp exports increased by 20.33 per cent in dollar terms. Frozen Fish was the second largest export item registering a growth of 26.92 per cent in terms of value.

It is important to note here that India has been able to achieve the feat of becoming the leading exporter of shrimps in a short span of time. Indian seafood exports are likely to grow over 20 per cent in 2017-18. In fact, there is a need to focus on developing other aquatic species in order to diversify India's dependence on shrimps in terms of seafood exports.

Indian Overview

With an estimated \$5 billion in foreign exchange earnings each year, India stays as the third largest shrimp producer of the world. The nation exports 90 percent of its shrimp, with the majority of shipments going to the United States, European Union, China, and Japan. According to economists, the sector employs 1.2 million people across the value chain — from cultivation to processing, retailing, and exporting.

Inter-state and intra-state transportation are critical to India's shrimp industry. Farming, processing and research are centred in various locations. Because of the industry's structure, lockout limitations made it susceptible to labour shortages and market disruptions.

Despite the fact that, Covid-19 and sluggish overseas markets largely affected Andhra Pradesh's seafood industry, which has contributed over 38 per cent of total export revenue in 2020-21. The pandemic severely impacted seafood exports during the first half of the year, but it revived well in the last quarter of 2020-21 as it exported 11,49,341 MT of marine products worth Rs. 43,717.26 crore (USD 5.96 billion). With its long coastline, India is ideally suited for the development of the seafood industry. The planned development will open up many opportunities for the seafood industry. Overall market consumption has decreased due to the nearly entire shut-down of the restaurant and catering businesses globally though there has been a large increase in retail grocery sales and takeaway delivery since the bulk of the population chooses to stay at home which in-turn affected the shrimp market globally.

Global Overview

Shrimp is one of the most commonly consumed types of shellfish and it has been increasingly popular among seafood lovers in recent years.

The shrimp industry is driven by a number of factors, including increased demand due to the increased health benefits of shrimp, increased adoption of new environmentally friendly production technologies, government contracts and laws. In 2020, the global shrimp market is estimated at \$ 18.30 billion and is projected to reach \$ 23.4 billion by 2026.

Though the situation was challenging and Covid-19 has adversely impacted aquaculture production across the globe, this sector performed better during this fiscal by contributing 67.99 per cent of exported items in dollar terms and 46.45 per cent in quantity, which is 4.41 per cent and 2.48 per cent higher, respectively when compared to 2019-20. Frozen shrimp contributed 51.36 per cent in quantity and 74.31 per cent of the total dollar earnings. USA remained its largest importer (2,72,041 MT), followed by China (1,01,846 MT), EU (70,133 MT), Japan (40,502 MT), South-East Asia (38,389 MT), and the Middle-East (29,108 MT). However, shrimp exports declined by 9.47 per cent in dollar value and 9.50 per cent in quantity. The overall shrimp export was 5,90,275 MT worth 4,426.19 million dollars. The export of Vannamei (whiteleg) shrimp decreased from 5,12,204 MT to 4,92,271 MT in 2020-21.

56.37 per cent of the total Vannamei shrimp exports in dollar value, was exported to USA, followed by China (15.13 per cent), EU (7.83 per cent), South East Asia (5.76 per cent), Japan (4.96 per cent) and the Middle East (3.59 per cent), it said. Japan, the major market for Black Tiger (*Penaeus monodon*) shrimp, had a share of 39.68 per cent in dollar terms, followed by USA (26.03 per cent), South-East Asia (9.32 per cent), EU (8.95 per cent), the Middle-East (6.04 per cent) and China (3.76 per cent). Frozen fish, with a share of 16.37 per cent in quantity and 6.75 per cent in dollar earnings, retained the second position in exports basket though its shipments plummeted by 15.76 per cent in quantity and 21.67 per cent in dollar terms.

Around 75% of farmed shrimp is produced in Asia, mostly in China and Thailand and in the Asia Pacific region India is the world's largest exporter among all others. The remaining 25% is produced mostly in Latin America, with Brazil, Ecuador, and Mexico being the biggest producers. Despite the facts, the global shrimp business has faced many challenges, including a reduction in output due to the Covid-19 lockout, which has delayed harvest in the first half of 2020, and overdue pond stockings in most producing nations, which has reduced real farming days.

Government Initiatives

The governments of the major producing countries have classified the fish industry as a high priority business, which they are now promoting with a variety of tax cuts and incentives. Government bodies in India, for example, such as the MPEDA (Marine Products Exports Development Authority), are supporting shrimp culture through a cluster farming approach, and the recent Government Policy of "Economic Revolution through Blue Revolution" is giving shape to the scheme "Pradhan Mantri Matsya Sampada Yojana" (PMMSY) for fisheries in May 2020, with an investment of more than 20,000 crore. This initiative seeks to increase Indian fish and shrimp production. This plan intends to sustain the aquaculture industry and improve output; it also includes an export strategy to help farmers double their revenue.

Improving productivity is a key objective with the introduction of this new technology to fuel market growth. The state government of Odisha in India has recently unveiled biofloc farming technology in order to enhance intensive aquaculture. The technology seeks to provide jobs to unemployed people, interested farmers, and entrepreneurs who were affected by the pandemic. As people's lifestyles change and the quest for protein-rich meals drives critical innovations, the aquaculture business will only flourish. The health benefits of a seafood diet, as well as its ability to aid in prevention of disease (Alzheimer's, Cancer, and so on), add value to this food source. The dynamic breakthrough of modern technology in this business, as well as the increase of the retail market, will only hasten the sector's development.

The epidemic, on the other hand, has been difficult for the industry, resulting in some closures, supply chain disruption, a lack of manpower, and import and export bans (among others). However, as rules continue to ease in various places as a result of the vaccine's deployment and a return to economic normalcy, the business is swiftly returning in some areas. Initiatives taken by some governments, such as regulations and strategies to promote aquaculture industry expansion, only serve to pave the way for future development, alongside technological solutions. This expansion will create more chances for important industry participants and farmers in the foreseeable future, making aquaculture a sector to monitor.

(Source: www.ibef.org)

SEA FOOD EXPORT PERFORMANCE

During the financial year 2020-21, India exported 11,49,510 MT of Seafood worth US\$ 5.96 Billion. USA and China are the major importers of Indian seafood. Frozen Shrimp continued to be the major export item followed by frozen fish.

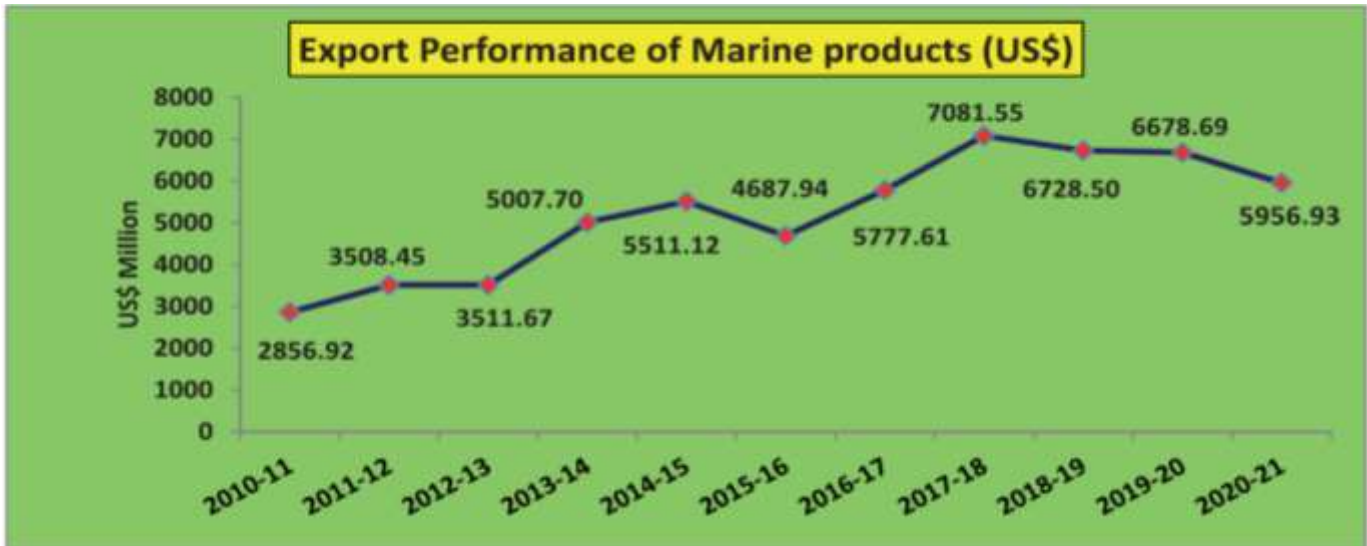
Export summary are given below:

Export Performance during 2020-21 compared to 2019-20

Export Details	2020-21	2019-20	Growth %
Quantity in Tons	11,49,510	12,89,651	-10.87
Value in Crores	43,720.98	46,662.85	-6.30
USD in Million	5,956.93	6,678.69	-10.81
Unit Value (USD/Kg)	5.18	5.18	0.00

The COVID Pandemic has not spared the seafood sector as well. Though the seafood export was drastically affected during the first half of the year, the sector revived well and has shown improvement in the last quarter of the year. However, the seafood export during this year has declined by 6.30% in rupee terms, 10.81% in US dollar value terms and 10.87% in quantity terms. The average unit value remained almost same compared to last year.

The decadal export performance of marine products is given below:



Aquaculture sector has performed better this year as evident from the figures given above. The aquaculture sector has contributed 67.98% of exported items in terms of US\$ and 46.44% in terms of quantity which is 4.40% and 2.48% respectively more when compared to 2019-20. Capture fisheries contribution reduced from 56.03% to 53.56% in terms of quantity and reduced from 36.42% to 32.02% in terms of US\$ value. The unit value of aquaculture products increased by marginal value 0.1 US\$ from 7.49 to 7.59 US\$ but the unit value of capture fisheries items reduced marginally from 3.37 to 3.10 US\$.

Contribution of Aquaculture and Capture Fisheries

Year	Aqua Culture (%)		Capture Fisheries (%)	
	2019-20	2020-21	2019-20	2020-21
Qty	43.97	46.44	56.03	53.56
Value in ₹	63.57	68.06	36.43	31.94
Value in US \$	63.58	67.98	36.42	32.02
US \$/KG	7.49	7.59	3.37	3.10

It is pertinent to note that Tilapia and Ornamental fish has performed well with 55.83% and 66.55% increase respectively in quantity and 38.07% and 14.63% respectively increase in US\$ earnings. Tuna, though showed 14.6% increase in quantity, it showed a negative growth of 7.39% in US\$ earnings. Scampi and Crab exports reduced both in quantity and value. Please see Table given below for details.

Major Item-wise exports details

Frozen shrimp continued to be the major item of export in terms of quantity and value, accounting for a share of 51.36 % in quantity and 74.31% of the total USD earnings. But the Unit value increase of frozen shrimp was almost inconspicuous at 0.04% from 7.496 to 7.499 and Shrimp exports during the period declined by 9.47% in USD value and 9.50% in quantity.

The overall export of shrimp during 2020-21 was to the tune of 5,90,275 MT worth USD 4,426.19 Million. USA is the largest importer (2,72,041 MT) of frozen shrimp followed by China (1,01,846 MT), European Union (70,133 MT), Japan (40,502 MT), South East Asia (38,389 MT), Middle East (29,108 MT) and Other Countries (38,257 MT).

The export of Vannamei shrimp has decreased from 5,12,204 MT to 4,92,271 MT in 2020-21. Out of the total Vannamei shrimp exports, in USD value terms, about 56.37 % was exported to USA followed by 15.13% to China, 7.83% to European Union, 5.76 % to South East Asia, 4.96 % to Japan, 3.59 % to Middle East and 6.36% to Other Countries. Japan in this year is the major market for Black Tiger shrimp with a share of 39.68% in terms of USD value followed by USA (26.03%), South East Asia (9.32%) and European Union (8.95%) in USD, Middle East (6.04%), China (3.76%) and Others (6.23%).

Frozen Fish retained the second position as the largest export item, accounting for a share of 16.37% in quantity and 6.75% in USD earnings. This year the export of Frozen fish has declined by 15.76% in Quantity and 21.67% in terms of USD value.

Other Items was the third largest category that shown a marginal positive growth of 0.24%, 0.40% by quantity and rupee value respectively however declined in USD terms by 4.89%. This category was predominantly (75.70% in quantity and 66.21% by value) constituted by Surimi and Surimi analogue (imitation) products.

Frozen Squid has shown a decline of 30.19%, 9%, and 13% in terms of quantity, rupee value and USD earnings respectively. However, Unit value of realization has been appreciably increased by 24.62% from 3.59 to 4.47.

Export of Frozen Cuttlefish has shown a negative growth of 16.38 % in quantity, 19.08% in rupee value and 22.50% in USD terms.

Dried Items are the only items which have shown an increase of 1.47%, 17% and 11.46% in all terms quantity, rupee value and USD earnings, respectively. In addition, unit value of dried items has been positively increased by 9.84% from 1.67 to 1.83.

Export of Chilled Items has shown a decline of 16.89 %, 24.35% and 27.90% in terms of quantity, rupee value and USD earnings respectively.

Live Items have shown a decline of 39.91%, 26.08% and 29.53% in terms of quantity, rupee and USD value respectively. However the unit value is increased by 17.26% from 6.37 to 7.47 USD this year. Export of Chilled and Live items were negatively affected mainly due to the reduced air cargo connectivity resulted due to the COVID pandemic situation.

The details of major items of exports are given below:

Item wise Export Details during April-March 2020-21

Q: Quantity in Tons, V: Value in ₹ Crores, \$: USD Million, UV\$:USD/Kg					
ITEM		Share %	2020 - 21	2019 - 20	Growth (%)
FROZEN SHRIMP	Q:	51.35	590275	652253	-9.50
	V:	74.38	32520.29	34152.03	-4.78
	\$:	74.30	4426.19	4889.12	-9.47
	UV\$:		7.50	7.50	***
FROZEN FISH	Q:	16.37	188130	223318	-15.76
	V:	6.73	2941.65	3610.01	-18.51
	\$:	6.75	402.31	513.60	-21.67
	UV\$:		2.14	2.30	-7.02
FROZEN CUTTLE FISH	Q:	5.16	59292	70906	-16.38
	V:	3.72	1626.34	2009.79	-19.08
	\$:	3.73	221.97	286.40	-22.50
	UV\$:		3.74	4.04	-7.31
FROZEN SQUID	Q:	5.32	61176	87631	-30.19
	V:	4.57	1998.90	2196.59	-9.00
	\$:	4.59	273.37	314.23	-13.00
	UV\$:		4.47	3.59	24.62
DRIED ITEMS	Q:	7.45	85661	84417	1.47
	V:	2.63	1148.38	981.50	17.00
	\$:	2.64	156.94	140.81	11.46
	UV\$:		1.83	1.67	9.84
LIVE ITEMS	Q:	0.38	4379	7287	-39.91
	V:	0.55	239.69	324.26	-26.08
	\$:	0.55	32.72	46.43	-29.53
	UV\$:		7.47	6.37	17.26
CHILLED ITEMS	Q:	1.53	17622	21202	-16.89
	V:	1.09	477.99	631.84	-24.35
	\$:	1.09	65.14	90.34	-27.90
	UV\$:		3.70	4.26	-13.25
OTHERS	Q:	12.44	142975	142638	0.24
	V:	6.33	2767.74	2756.84	0.40
	\$:	6.35	378.30	397.77	-4.89
	UV\$:		2.65	2.79	-5.12
TOTAL	Q:	100.00	1149510	1289651	-10.87
	V:	100.00	43720.98	46662.85	-6.30
	\$:	100.00	5956.93	6678.69	-10.81
	UV\$:		5.18	5.18	***

Market-wise export details

USA retained the title as the major importer of Indian seafood with a share of 41.15% in terms of USD. USA imported 2,91,948 MT of seafood in the current financial year. Export to USA has showed a growth of 0.48% in rupee value however declined by 4.34% and 4.35% in quantity and USD value terms respectively. Frozen Shrimp continued to be the principle item exported to USA with a share of 95.63% in USD value. Exports of Vannamei shrimp to USA showed a growth of 6.75% in quantity, 13.16% in rupee value and 7.81% in USD terms. The Black Tiger Shrimp exports to USA decreased by 70.96%, 63.33% and 65.24% in terms of Quantity, rupee value and USD terms respectively.

China continued to be the second largest market destination for Indian Seafood with a share of 15.77% in USD earnings and 19% in quantity terms. China imported 2,18,343 MT of Seafood worth USD 939.17 million. The export to China has declined by 33.73%, 28.17% & 31.68% in quantity, rupee value and USD terms respectively. Frozen Shrimp is the major item of exports to China accounting a share of 46.64% in quantity and 61.87% in USD earnings.

European Union continued to be the third largest destination for Indian Seafood with a share of 13.80% in USD. Frozen Shrimp continued to be the major item of exports to EU accounting for a share of 45.91% in quantity and 58.38% in USD earnings out of the total exports to EU. Export of frozen shrimp to EU decreased by 5.27% and 6.48% in quantity and USD value.

South East Asia is the fourth largest market destination of Indian Marine products accounting for a share of 11.17% in USD terms. Overall exports to South East Asia declined by 2.55% in quantity 1.09% in rupee value and 5.72% in US \$ earnings.

Japan is the fifth largest destination for Indian Seafood with a share of 6.92% in USD earnings and 7.55% in quantity terms. Exports to Japan have shown a positive growth of 10.58% in quantity terms and 3.87% in rupee value terms however, shown a decline of 2.40 % in USD terms. Frozen Shrimp continued to be the major item of exports to Japan accounting a share of 46.65% in quantity and 76.87% in USD earnings. Exports of Frozen shrimp to Japan increased by 3.95%, 1.54% in quantity, rupee value respectively however declined 3.94% in USD terms respectively.

Middle East is the sixth largest destination for Indian Seafood with a share of 4.22% in USD value terms. This market has shown a decline of 15.30%, 11.34%, 15.51% in quantity, rupee value and USD value respectively. Frozen Shrimp continued to be the major item of exports to Middle East accounting a share of 72.23% in USD earnings.

The exports to **Other Countries** showed a positive growth of 2.61% in terms of quantity terms however decreased by 0.93% by rupee terms and 5.36% in USD terms when compared to previous year. The other countries export basket contributed to a share of 6.98% in USD terms. Among other countries Canada (35.86%), Russia (20.27%), Bangladesh (8.19%), Tunisia (6.64%), Dominican Republic (3.67%) together contributes almost 75% share in USD terms.

The details on major markets for Indian marine products are given below:

Market wise Export details April-March 2020-21

Q: Quantity in Tons, V: Value in ₹ Crore, \$: USD Million					
Market		Share %	2020 - 21	2019 - 20	Growth (%)
JAPAN	Q:	7.55	86814	78507	10.58
	V:	6.94	3033.36	2920.28	3.87
	\$:	6.92	412.11	422.24	-2.40
USA	Q:	25.40	291948	305178	-4.34
	V:	41.15	17990.40	17904.37	0.48
	\$:	41.15	2451.04	2562.54	-4.35
EUROPEAN UNION	Q:	13.29	152770	165773	-7.84
	V:	13.78	6022.83	6136.71	-1.86
	\$:	13.80	821.83	876.47	-6.23
CHINA	Q:	18.99	218343	329479	-33.73
	V:	15.80	6908.63	9617.44	-28.17
	\$:	15.77	939.17	1374.63	-31.68
SOUTH EAST ASIA	Q:	18.94	217710	223396	-2.55
	V:	11.15	4876.05	4929.90	-1.09
	\$:	11.17	665.60	705.99	-5.72
MIDDLE EAST	Q:	4.23	48606	57387	-15.30
	V:	4.22	1843.39	2079.12	-11.34
	\$:	4.22	251.13	297.23	-15.51
OTHERS	Q:	11.60	133319	129929	2.61
	V:	6.97	3046.32	3075.03	-0.93
	\$:	6.98	416.05	439.60	-5.36
TOTAL	Q:	100.00	1149510	1289651	-10.87
	V:	100.00	43720.98	46662.85	-6.30
	\$:	100.00	5956.93	6678.69	-10.81

Major reasons for the decline in exports of marine products during 2020-21 in addition to COVID-19 impact are listed below:

A. Production side:

1. Reduced fish landings due to less number of fishing days, and the uncertainty among the fishers regarding the prices as exporters have reduced the purchase of raw materials, citing slow logistic movements and market uncertainties.
2. Scarcity of laborers was a major issue in fishing and processing plants. Though aquaculture production was not affected, reduced logistics has affected the movement of consignments.
3. Scarcity of containers at seaports was the major issue in logistics coupled with increased freight charges.
4. Export of high value products like chilled and live products were significantly impacted due to the limited flight availability and high air freight costs.
5. Scarcity of packaging, labeling material, allied products and services were also observed.

B. Market Side:

1. **China:** In addition to container shortage, increased freight charges, COVID-19 testing on the imported seafood consignments at the customs and local authority level increased the market uncertainties. Suspension of processing units with COVID positive results have created apprehension among exporters. But it is noticed from March 2021 onward the export situation is getting better.
2. **USA:** Due to scarcity of containers it was difficult for exporters to execute orders, in time. Closure of HoReCa segment also affected the demand.
3. **EU:** During the fiscal major EU countries has continued the locked down or movement restrictions. This has made the retail, restaurant, supermarkets and hotel consumption sluggish. Feedback from importers indicates that Vietnam prices are much more competitive due to their Free Trade Agreement with EU.
4. **Japan:** COVID-19 lock down, restrictions, state of emergency in major cities are some of the factors that affected the demand and consumption.

EXPORT PROMOTION

Marketing Services

The issues related to trade policy, SPS/TBT Notifications, Anti-dumping duty, Section 609 of US Public Law, Marine Mammal Protection Act (MMPA), Seafood Import Monitoring Programme (SIMP) and EU notification no. 1005/2009, which are affecting market access for the Indian marine products in major markets were addressed and also under the various trade agreements, the issues related to marine sector are analyzed and inputs furnished to the Department of Commerce for taking up those at appropriate levels. Comments and inputs were also provided to Department of Fisheries and Ministry of Food Processing Industries for policy formulations related to seafood industry.

For ease of doing business, export facilitation certificates like, DS-2031, Duty free import certificate, certificate of legal origin, and Non-radioactivity certificate were made online. This reduced the transaction cost of the seafood export during this pandemic period.

Marine Fish production in India has been continuously increased from 0.58 million tons in 1950 to 3.72 million tons in 2019-20 (Handbook on Fisheries Statistics: 2020, DoF). The potential for marine fish production for India is estimated to be 5.31 million tons. The marine sector including the capture fisheries contributes to 1.1 % of the GDP and 5.15 % of the agricultural GDP (NFDB, 2018). In 2019-20, India has exported seafood valued US\$ 6.68 billion. Capture fisheries contributed nearly 36.5% of the export value, while the rest came from aquaculture.

Anti dumping duty on exports of Indian Shrimp to USA

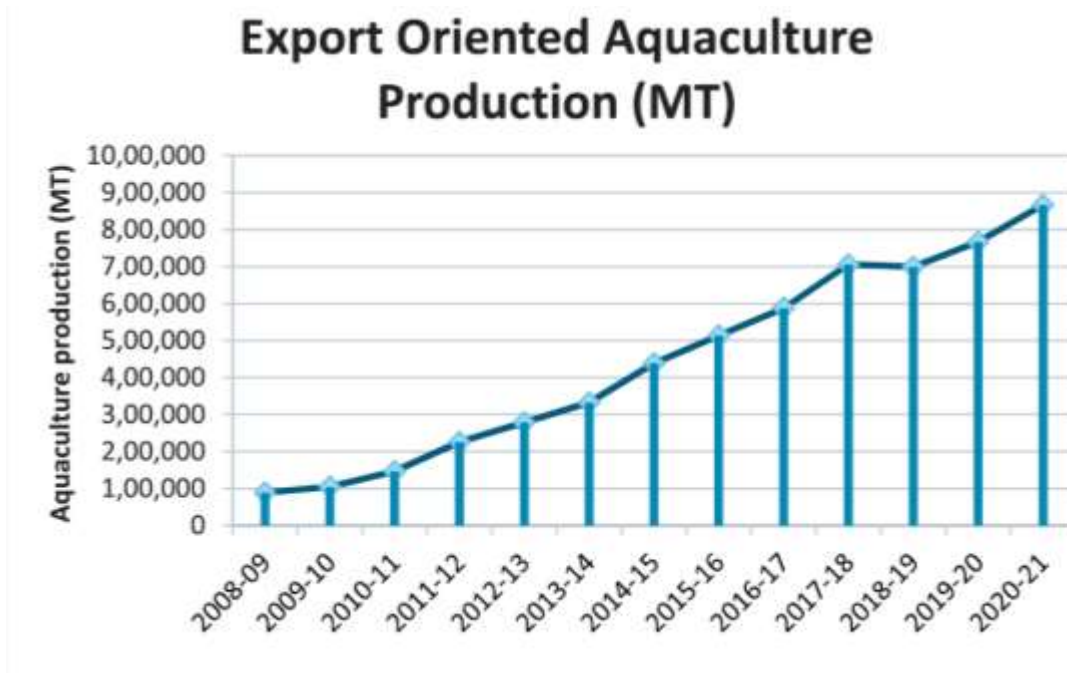
Based on the representations of Southern Shrimp Producers Alliance (the association of local shrimp producers in USA), the US DOC was imposing anti-dumping duty on shrimp imports from India since 2004. The initial anti dumping duty was 10.17%. This

was reviewed subsequently in Administrative Reviews. So far 14 administrative reviews have been conducted and the present antidumping duty imposed for Indian shrimp is 3.06%.

CULTURE FISHERIES

Export production through Aquaculture:

Export oriented aquaculture production, showed a remarkable increase during the year 2020-21 with a production of 8,66,600 MT, which is significantly high compared to a production 7,66,809 MT of year 2019-20. The increase in production solely depends on the increase in the production of Pacific White leg shrimp (*Litopenaeus vannamei*).



Shrimp Aquaculture production

India’s total Aquaculture production of shrimp estimated based on the reports received from the field is 8,43,679 MT during 2020-21, registering an increase of 12.83 % over the production of 7,47,694 MT recorded during the previous year. The increase was propelled mainly by the increase in production of pacific white shrimp (*Litopenaeus vannamei*).

The vannamei production during the year was 8,15,745 MT, which is more than 1,04,071 MT of the previous year production of 7,11,674 MT, thus registering an increase of 14.62 %. L.vannamei production contributed to around 96% of the total shrimp aquaculture production in the country.

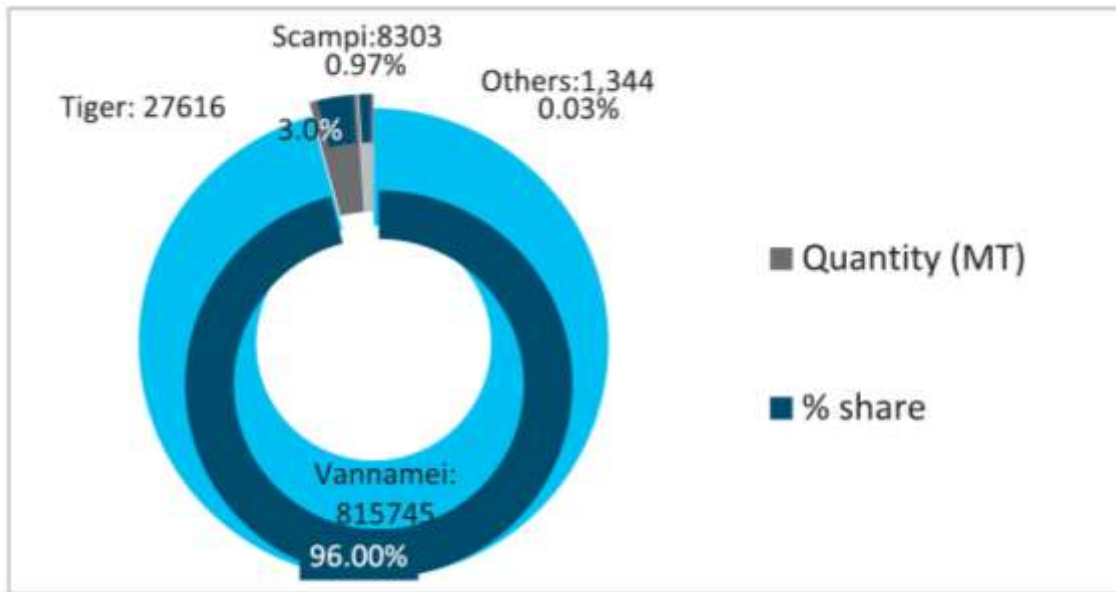
Total production of tiger shrimp, other shrimp and Scampi registered a decline of 22%, 45% and 13% respectively compared to previous year. The shrimp production comprising Vannamei, Black Tiger and other shrimp increased from about 7,47,694 MT during 2019-20 to 8,43,679 MT during 2020-21.

Total production of Shrimp and Scampi (8,51,982 MT) also registered an increase of about 12.51% compared to previous year.

Species-wise culture production in 2020-21 vs 2019-20

Species	2020-21	2019-20	Difference	% increase/ decrease
L. vannamei	8,15,745	7,11,674	+1,04,071	+14.62
P. monodon	27,616	35,437	-7,821	-22.07
Other shrimp	318	582	-264	-45.36
Scampi	8,303	9,540	-1,237	-12.97
TOTAL	8,51,982	7,57,233	94,749	+12.51

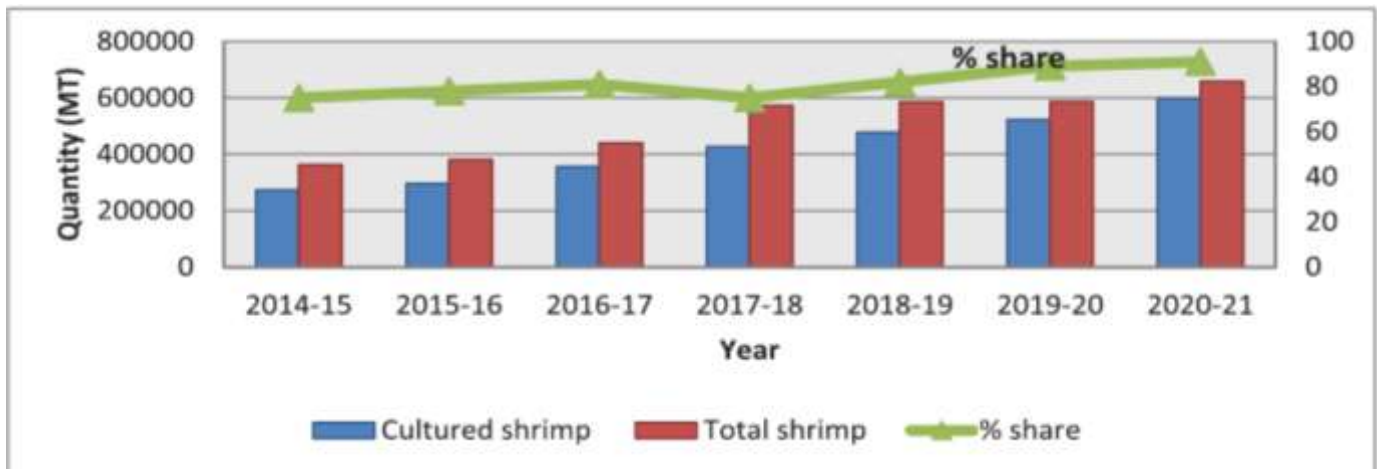
Vannamei shrimp continued to contribute the lion’s share of India’s cultured shrimp and prawn production. The below figure shows that the share of vannamei in total shrimp and prawn production during 2020-21 was 96 % of the total shrimp aquaculture production in the country.



Composition of shrimp species in aquaculture production 2020-21

The contribution of the native species, Black Tiger shrimp (*Penaeus monodon*) was 27,616 MT, which formed about 3% of the total production quantity. Scampi and other shrimps (*Penaeus indicus* and other penaeid shrimps) accounted for 0.97% and 0.03% respectively of the total shrimp production.

The below figure provides the trends in the contribution of cultured shrimps, in terms of quantity to shrimp exports from country during the last 7 years. The figures illustrates that there is an increase in contribution of aquaculture to shrimp export both in absolute terms as well as in percentage share.



Progress in contribution of aquaculture to shrimp exports

(Source: MPEDA)

Impact of COVID-19 on the Indian Aquaculture industry

The COVID pandemic and sluggish overseas markets cast their shadow over India’s resurgent seafood sector as the country exported 11,49,341 MT of marine products worth Rs 43,717.26 crore (US\$ 5.96 billion) during FY 2020-21, registering a contraction of 10.88 per cent as compared to a year earlier. USA, China and the European Union were the leading importers, while frozen shrimp retained its position as the major export item, followed by frozen fish.

In 2019-20, India exported 12,89,651 MT of seafood worth Rs 46,662.85 crore (US\$ 6.68 billion), marking a decline of 6.31 per cent in rupee terms and 10.81 per cent in dollar value in 2020-21.

“The pandemic drastically affected seafood exports during the first half of the year, but it revived well in the last quarter of 2020-21. Also, the aquaculture sector performed better during this fiscal by contributing 67.99 per cent of exported items in dollar terms and 46.45 per cent in quantity, which is 4.41 per cent and 2.48 per cent higher, respectively when compared to 2019-20,” said Mr. K S Srinivas, Chairman of the Marine Products Export Development Authority (MPEDA).

(Source: Ministry of Commerce & Industry and other publicly available sources)

OUR BUSINESS

BRIEF OVERVIEW: -

Our Company is engaged in the processing of variety of Shrimps & Shrimp products. We offer shrimps in different forms such as raw in frozen blocks and cooked in IQF form as per Customer's specifications.

Our variety of Shrimps includes (i) sea caught shrimps i.e., Sea White (*Penaeus Indicus*), Sea Tiger (*Penaeus Monodon*), Pink Brown Shrimp (*Metapenaeus monoceros*), (ii) aquaculture shrimps i.e., Black Tiger (*Penaeus Monodon*) and Vannamei (*Litopenaeus vannamei*).

We sell our products under the brand name of "Coastal", "Coastal Premium", "Coastal Gold", "Jewel" and "President". We have launched these brands as part of our marketing strategy to target different segment in different regions. Also, we are engaged in customized packaging of Shrimps as per requirement of our customers. Our products are exported to foreign markets which mainly includes U.S.A., and also to other countries like Europe, Canada, U.A.E., Saudi Arabia, Australia, Hong Kong, Korea, China.

We have three processing facilities: Unit I located in Survey No. 173/2, Marikavalasa Village, Madhuravada, Visakhapatnam, Andhra Pradesh; Unit II located in Survey No.87, P. Dharmavaram Village, S Rayavaram Mandal, Visakhapatnam, Andhra Pradesh – 531055 and Unit III located at Plot No. D – 7 & 8, Ponnada Village, Kakinada SEZ, East Godavari District, Andhra Pradesh – 533448, which is yet to commence commercial operations. As on March 31, 2022, our processing facilities (Unit I and II) have a combined approved freezing capacity of 71 metric tons per day. Our Company has established (a) Seacrest Seafoods Inc. during the Year 2015-16 in the State of Delaware, U.S.A, with an objective to export from India and sell sea foods in the American Markets (b) Continental Fisheries India Private Limited during the year 2014-15 in Andhra Pradesh, India with an objective to carry on the business of deep sea fishing and (c) Coastal Biotech Private Limited during the year 2020-21 with an objective to manufacture ethanol, as fully owned subsidiaries. Our Company has also set up a captive consumption solar power project at Daleswaram(V), Kanchili(M), Srikakulam District, Andhra Pradesh – 530002, which is yet to commence commercial production as certain documentation is in process with APEPDCL.

Our processing facilities Unit I and Unit II have received approval from the Marine Products Export Development Authority as per the Marine Products Export Development Authority Rules, 1972 for Processing and Storage. Our Unit III has made an application dated 30th March, 2022 to the Marine Products Export Development Authority seeking registration of Processing Plant, Storage Premises & Peeling Shed. Our facility enjoys the compliance under HACCP guidelines for hygiene and food safety and Best Aquaculture Practices (BAP) Status, which signifies that our units are BAP certified. Further, Our Company also earns British Retail Consortium (BRC) certification and HALAL Certification for its product operations.

Some of the other prominent certifications, awards and recognitions received by our Company includes:-

- Certificate from NSF Food Safety Certification, LLC, Michigan, USA confirming meeting of Seafood Processing Standard as per Global Aquaculture Alliance (GAA) and Best Aquaculture Practices (BAP)
- HALAL Registration Certificate issued by Halal Committee, Jamiat Ulama- E- Maharashtra vide Certificate No. JUHF-1014-0819 for Cooked IQF Shrimps, Balanced IQF Shrimps, Raw IQF Shrimps, Cooked IQF HON Shrimps, Balanced IQF HON Shrimps, Raw IQF HON Shrimps and Block Frozen Shrimps kept at Unit II at Survey No. 87, Dharmavaram Village, S. Rayavaram Mandalam, Yelamanchili, Visakhapatnam.
- HALAL Registration Certificate issued by Halal Committee, Jamiat Ulama- E- Maharashtra vide Certificate No. JUHF-1013-0818 for Cooked IQF Shrimps, Balanced IQF Shrimps, Raw IQF Shrimps, Cooked IQF HON Shrimps, Balanced IQF HON Shrimps, Raw IQF HON Shrimps and Block Frozen Shrimps kept at Marikavalasa Village, Paradesipalem Panchayat, Chinnagadila (Mandalam) Visakhapatnam- 531 163 (A.P.)
- Certificate of Compliance in compliance to HACCP (Hazard Analysis and Critical Control Point), cGMP (Current Good Manufacturing Practices) and SSOP (Sanitation Standard Operating Procedures) vide Certificate No. HACCP/2020/44 issued by NSF International for Processing & Packing of Raw and Cooked Shrimps in Block and IQF Forms packed in laminated poly bag and corrugated master carton.
- Certificate of Conformity in compliance to HACCP (Hazard Analysis and Critical Control Point), cGMP (Current Good Manufacturing Practices) and SSOP (Sanitation Standard Operating Procedures) vide Certificate No. HACCP/2018/35 issued by NSF International for Processing of Whole and Processed (de headed, Peeled, Deveined) Raw Shrimps in

Block Frozen and Individually Quick Frozen Form and Cooked Shrimps in Individually Quick Frozen Form Primarily Packing in Single / Multilayer Polyethylene bag.

- Global Aquaculture Alliance Best Aquaculture Practices (BAP) certification by SGS vide Certificate No. IN19/818844075 for Production of Frozen Raw and Cooked Shrimps (Product Species: Farm Raised Shrimp [(Litopenaeus Vannamei)] for Unit II at Survey No. 87, Dharmavaram Village, S. Rayavaram Mandalam, Yelamanchili, Visakhapatnam.
- Global Aquaculture Alliance Best Aquaculture Practices (BAP) certification by SGS vide Certificate No. IN20/818844073 for Production of Frozen Raw and Cooked Shrimps (Product Species: Farm Raised Shrimp [(Litopenaeus Vannamei)] for Marikavalasa Village, Paradesipalem Panchayat, Chinnagadila (Mandalam) Visakhapatnam- 531 163 (A.P.).
- Certificate of Conformity for Global Standard for Food Safety issued by NSF Certification, LLC vide Certification No. C0389389 for The Processing and Packing of Individually Quick Frozen Raw and Cooked Shrimp and Block Frozen Raw Shrimp packed in laminated poly bag and corrugated master carton and achieved Grade A for Unit II at Survey No. 87, Dharmavaram Village, S. Rayavaram Mandalam, Yelamanchili, Visakhapatnam.
- Certificate of Conformity for Global Standard for Food Safety issued by NSF Certification, LLC vide Certification No. C0082504 for Processing and Packing of Raw and Cooked Shrimp in Block and IQF Forms packed in laminated poly bag and corrugated master carton and achieved Grade A for Marikavalasa Village, Paradesipalem Panchayat, Chinnagadila (Mandalam) Visakhapatnam- 531 163 (A.P.).
- SGS issued a Certificate vide Certificate No. IN16/80258 certifying that the Company has been assessed and certified as meeting the requirements of SA 8000:2008 for receiving, Pre Processing, Processing, Freezing, Storage and Export of Frozen Shrimps.
- Certificate of Registration issued by Registrar Corp dated October 14, 2020 to registered company with the U.S. Food and Drug Administration pursuant to the Federal Food Drug and Cosmetic Act, as amended by the Bioterrorism Act of 2002 and the FDA Food safety Modernization Act.
- National Award - 2014 for Outstanding Entrepreneurship to our promoter Mr. Valsaraj Thottoli (Third Prize), presented by Ministry of Micro, Small & Medium Enterprises, Government of India.
- Certificate of Excellence for excellence in export through Deepsea Fishing during the year 1992-93 from the Marine Products Export Development Authority (Ministry of Commerce, Government of India), Cochin
- Excellence in Export Performance (2015): By Federation of Telangana and Andhra Pradesh Chamber of Commerce and Industry for achieving fast growth of exports by developing new markets thereby increasing the exports.
- Top Multi Product Exporter in Andhra Pradesh: By Federation of India Export Organisations (Southern Region) Export Excellence Awards 2015-2016.
- National Award - 2015 for Outstanding Entrepreneurship to our promoter Mr. Valsaraj Thottoli (First Prize), presented by Ministry of Micro, Small & Medium Enterprises, Government of India.
- National Award - 2015 Export Award in Micro & Small Enterprises (MSMEs), under Outstanding Export Performance-Medium (Mfg) by Government of India to our promoter Mr. Valsaraj Thottoli.

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To establish, undertake and carry on the business of shippers, ship owners, shipping agents, ship operators, ship repairers & scrap ship chandlers, ship and shipping brokers, charters, charter trawlers, wharfingers, bunkers, marine surveyors, steamer agency, wharf and general agents, stevedores, cold storage operators, fleet owners, freight contractors, carriers, underwriters, to lease, purchase, hire fishing boats, dum barges, self propelled barges, dredgers, welding and developing ports and all kinds of related business.
2. To establish, undertake, administer and carry on the business of all kinds of agencies, suppliers, stockists, Agents, Buyers, Sellers, Clearing Agents, Merchants, Freight Contractors, Steamer Agents, Forwarding Agents, Dealers, Distributors or otherwise to deal in all kinds of electronic, electrical goods, scrap, plastics, computers, hardware devices, tele communications equipments, data processing equipments, all kinds of metals, alloys, industrial & chemical raw materials, pharmaceuticals, leather products, sports goods, automobiles, handicrafts, ornamental stones, straw products, apparels, furniture including all general merchandise.
3. To establish, undertake, promote, administer and carry on the business of Exporters, Importers, Laison Agents, Suppliers, Stockists, agents, buyers, sellers, C & F Agents, dealers and distributors of all kinds of foods, household goods, food grains, cereals, seeds, fruits, agricultural products and produce, rice, sugar, tea, coffee, nuts, fruits, coconuts, cashewnuts, spices and pickles, vegetables, agro-herbal, horticultural, aquaculture, pisciculture, sericulture, agriculture and floriculture

products, aqua seed and equipment, mushrooms, crabs, medicinal herbs and poultry, dairy & dairy products, processed food products and all kinds of vegetarian and non-vegetarian, frozen, health and instant foods.

4. To carry on the business and to deal in Bio-medical products through Bio-Technology in agriculture, horticulture, floriculture, sericulture, apiculture, pisciculture, aquaculture, dairy and mushrooms growing of any description and to cultivate on its own and on contract basis both commercial and non-commercial crops, maintaining nurseries and gardens and related products either in raw or processed, refined or manufactured state, whether in India or abroad and to promote, organize and engage in industries and business in bio-technology, plant and animal hybrid production, tissue culture, hybrid seed production, bio-chemical and biological products, Research & Development centres and Biotech parks.
5. To carry on the business of all types of works contracts and execution of all types of works obtained from various departments of Central and State Governments, Railways and other undertakings and also contracts on sub-contract basis and also to carry on all kinds of Civil, Structural, Infra Projects, technology parks, interlinking waterways and other related works of all kinds of juristic Persons and individuals.
6. To establish, erect, build, manage and run, undertake and carry on the business of civil contractors, promoters, developers, building, suppliers, constructors, transport contractors, shipping contractors and earth works and all kinds of constructions, demolition works, fabrication and general engineering works, or otherwise deal in all kinds of civil works and projects, electrical, mechanical, power generation and maintenance, roads and bridges, highways, sheds and offices.
7. To acquire land by purchase, lease or otherwise and to develop the same in any manner whatsoever, particularly by leveling, sub-dividing into plots, providing all infrastructural facilities and to carry on the business of real estate owners, dealers, construction of farm houses & pleasures gardens, flats, townships, apartments, residential and commercial complexes, educational complexes, colonies and other similar structures, shops and all kinds of resorts, hotels, godowns for industrial and commercial purposes, all kinds of real estate business and projects on its own or joint ventures with any individuals, firms or juristic person in India and abroad.
8. To set up electric power projects of any M.W. Capacity and Plants based on conventional or non-conventional energy sources, thermal projects, solar energy plants, wind energy plants, Mechanical, Electrical, Hydel and through renewable sources and similar projects and to generate, transmit, distribute, purchase, sell and supply electricity power or any other energy from any type of source in India and abroad by using the inputs of hydro/thermal, naphtha/gas, diesel, wind, nuclear renewable (bio-gas) sources or any other globally accepted one.
9. To establish, promote and maintain petroleum refineries, running of oil wells, off shore wells or shore wells, crude oil, to explore oil and natural gas & drillers and to act as dealers, distributors, producers, processors, exporters, importers, C&F agents or otherwise deal in all kinds of petroleum, petroleum products, diesel, kerosene, gases, oil, crude oil & its products, natural gases, oils including edible oils, lubricants, colours, paints, varnishes and to undertake execution of works to search for oil and metals.
10. To set-up steel plants and steel rolling mills for producing all kinds of steel, re-rolling of ferrous & non-ferrous bars, sheets and to carry on the business of manufacturers, dealers, distributors, stockists, importers, exporters, buyers, sellers, warehouse, agents, suppliers, trading or otherwise deal in all kinds of iron products, materials including sponge iron, steel & steel products, leafsprings, scrap and related products.
11. To acquire, take on charter Mechanised Fishing Trawlers of any length, foreign or indigenous or from any other source or any other types of fishing boats foreign or indigenous from within or without India, to catch prawn, fish and other sea foods by operation of mechanized trawlers, boats, country boats or any other craft suitable for catching any variety of fish, prawn or sea foods and to purchase, sell in home markets or to export to foreign countries with or without processing.
12. To store and preserve prawn, fish, sea foods or any other food products by deep freezing or ordinary storage.
13. To construct or to take on lease marine food or any other food processing plant or plants with or without collaboration of any Indian or foreign agencies and to process, manufacture sea foods or any other food products and to sell such products in home markets or to export to foreign countries.
14. To carry on the business of repairers of ocean going vessels, trawlers, boats, ships of any length, foreign or indigenous, ship breakers, drydockers and to construct, own or acquire ship repairing, breaking and drydocking units and yards in India or elsewhere in the world and to act as brokers, consultants and or agents for other ocean going vessel operations and to provide placement, training services, manning and management of vessels, trawlers and ships and to carry on the business of construction activity mainly in the field of infrastructural facilities, port development, jetty development dredging activities and express highways.
15. To carry on the business of importers, exporters, agents, brokers, distributors and dealers in aqua feed, shrimp feed, hatchery feed and related chemicals, drugs and pesticides and to act as consultants for aqua units, supply of technical know-how and to act as agents, commission agents, brokers and middlemen in marine and aqua food and other allied products trade.
16. To design, develop, export and import computers, computer software relating to all kinds of projects including medical, medical transcriptions & services. Business Processes Outsourcing (BPO), scientific, technical, financial, economic, legal

and also to provide services as programmers, system analysts, to obtain technical know-how by entering into foreign collaborations for development of computer systems, products, training, recruitment & placement in India and abroad for development & export of software in all kinds of IT enabled services.

17. To establish, undertake and carry on the business of call centers and to provide a complete range of internet related services such as registering domain names, designing, hosting and maintenance of new or existing web sites in India or abroad by establishment, equipping and installing by purchasing or taking on lease of internet services, telecommunications, communication satellites, terminals, distribution networks and other means of network services and allied services connected with the business of the Company.
18. To impart, training, conduct workshops, seminars, to send persons to abroad and also to carry on the business of the contract electronic manufacturing and to develop software related thereto.
19. To establish and carry on the business as consultants, developers, manufacturers, franchisers, licensors, designers, assemblers, buyers, sellers, traders, dealers, distributors, agents, exporters, importers, stockists, engineers and operators in all kinds of computer applications, all kinds of computers, mini-computers, components, parts and accessories thereof, equipments, machineries, apparatus, instruments, communication & allied equipments, hardware, micro processors and computer stationary items.
20. To carry on the business of production, reception, recording and reproduction in India or elsewhere of and to relay, televise, broadcast, exhibit or otherwise distribute by means of satellite communication, newspapers, telegraphy, television network or any other means of transmission whatsoever, programmes or parts of programmes which may or are intended to provide suitable material for entertainment, education, public communication for the intended benefit of persons living in India or any other part of the world.
21. To carry on the business of manufacturers and producers of fats, fertilizers, cattle food, poultry feeds, insecticides, manures, sips, sprays, vermifuges, fungicides, medicines and remedies of all kinds of agricultural produce borrowing or other purpose or remedies for man or animals and whether produced from vegetable or animal matter or by any chemical process, or by waste of fish and prawn food products or by Molasses.

Our Product and its features:

Our key product line consists of sea caught and aquaculture shrimps, raw or cooked in frozen blocks or IQF forms, as per the customer specifications. Shrimps are low in fat and calories, Shrimps are slightly neutral in flavours, hence preferred as a healthy and nutritious addition to rice, stir fried assortments, salads, pastas and soups. Shrimps are loaded with high levels of Omega 3 fatty acids, calcium, iodine, Zinc and protein. Shrimps are also rich in antioxidants and anti carcinogenic minerals.

Varieties of Shrimp Products Sea Caught: • Sea Tiger • Sea Whites • Pink Brown Shrimps and Aquaculture shrimps: • Vannamei • Black Tiger

❖ Our Competitive Strengths:

We believe that the following are our primary competitive strengths:

- **Strategic Location of our Processing Units**

Our Company operates three processing facilities, all of them are located in the prime aquaculture zone near coastal area of Andhra Pradesh. The location of our Processing Units facilitates us to procure the raw materials (i.e., shrimps) easily and process them immediately after harvest, which results in production of high-quality shrimp products. The abundance, quality and access to shrimps, is a significant strength of our Company.

- **Smooth flow of operations**

Established relationship with customers and suppliers ensure stability in demand and an uninterrupted supply of materials. We have maintained long-standing relationship with our major customers. We are successful in building a strong client base for our business. Our existing relationships help us to get repeat business from our customers. This has helped us to maintain a long-term working relationship with our customers and improve our customer retention strategy. We believe that our existing relationship with our clients represents a competitive advantage in gaining new clients and increasing our business.

- **Existing Supplier Relationship**

Our existing supplier relationship protects the business with terms of supply and pricing of the products, the quality of the products offered etc. We, being a small and medium size organization, rely on personal relationships with our suppliers. Our company enjoys existing relationship with our suppliers. Further we also leverage the past experience of our management in maintaining effective supplier relationship.

- **Existing brands**

We sell our products under various brands namely “Coastal”, “Coastal Premium”, “Coastal Gold”, “Jewel” and “President”. We have launched these brands as part of our marketing strategy to target different segment in different regions and over a period of time, these brands have established their presence in various markets. These brands also enable us to focus on our strategies based on competition in the respective markets. Also, we are engaged in customized packaging of Shrimps as per requirement of our customers

- **Experienced management team**

Our Company is managed by a team of experienced personnel with exposure in various aspects of seafood industry. Our Promoter and Managing Director, Mr. Valsaraj Thottoli has an overall experience of over 35 years in the seafood business. Our management team consists of experienced Managerial Persons who oversee every aspect of our business We believe that the experience of our management team and its in-depth understanding of the seafood industry will enable us to continue to take advantage of both current and future market opportunities.

- **Quality Products**

Quality is an important aspect of our industry. We emphasize on ensuring that our quality standards are adhered to at every stage of processing starting from raw material procurement to packaging of final product. We follow HACCP guidelines for hygiene and food safety. We have received the HACCP and BAP certifications for processing and exporting of raw, fresh, chilled and frozen fishery products.

❖ **Our Business Strategy:**

1. **Product diversification and Increase in Volume of Sales:** As part of our growth strategy, we intend to focus on increase in volume of sales by increasing our area of operation. This is being achieved by setting up a unit at Odisha, which has a coastal advantage and abundant availability of raw shrimps.

Our Company is also diversifying into manufacturing of Ethanol in our wholly owned subsidiary CBPL. It is strategically located at Odisha, owing to its coastal advantage and its proximity to the ports and availability of raw materials.

2. **Quality Assurance:** We will continue to maintain quality of our existing product to cater to various customers in the market. We endeavor to maintain the quality of our products, and follow strict procedures to ensure quality control, timely delivery and competitive prices. The company intends to strengthen its product development effort by leveraging skills of its employees which will help to increase the sales of the Company and retain customers.
3. **Increase geographical presence:** Going forward we plan to establish our presence in the more regions. Our emphasis is on expanding the scale of our operations as well as growing our supply chain network, which we believe will provide attractive opportunities to grow our client base and revenues.
4. **Leverage and enhance our brand name:** We believe that our brand commands a recall amongst the consumers in the areas where we operate due to its image and goodwill established over the years. We intend to leverage the brand equity that we enjoy. Also, we plan to leverage our existing brands, which have good recall with customers to introduce a wider range of products.
5. **Improving operational efficiencies:** Our Company intends to improve operating efficiencies to achieve cost reductions to have a competitive edge over the peers. We will be addressing the increase in operational output through continuous process improvements, quality check and technology development. Our employees are regularly motivated to increase efficiency with error free exercise. We believe that this can be done through continuous process improvements. Further we believe that this can be done through domestic presence and economies of scale. We believe in strong in-house management to control the entire process. It controls costs by eliminating unnecessary intermediaries for procuring materials in cost efficient manner by optimizing logistics and maximizing labour efficiency.

6. **Leveraging our Market skills and Relationships:** This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting contracts in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

❖ **Competition:**

We face competition from domestic as well as international players. Our competitiveness depends on several factors like availability of product, product range, product traits, quality, price, brand, customer's requirement and delivery schedules. Our major competitors include Devi Seafoods Limited, Nekkanti Seafoods Limited and Liberty Frozen Foods Pvt. Ltd. We face competition from international players also. There are no entry barriers in this industry, any new entrant into this industry or any increase in the processing capacity of the existing players would further intensify competition. We believe that our ability to compete effectively is primarily dependent on ensuring consistent product quality and timely delivery at competitive prices, thereby strengthening our brand over the years. We believe that our focus on customer satisfaction and our reliability combined with our quality consciousness provides us with competitive advantage in our business.

Plant & Machinery, Technology, Process etc.:

Plant & Machinery

Our Company has considered the most suitable technology for processing the shrimps. Our Company is equipped with modern processing machinery to produce internationally accepted quality standard products. Our Company has the most efficient Individual Quick Freezing (IQF) machinery and plate freezers for block freezing. The facility also provides for suitable equipment to regularly clean and maintain to comply with CGMP standards. Periodical maintenance and upgradation of equipment at regular intervals is ensured to maintain maximum efficiency. Our Company's plant and machinery includes machines such as individual quick freezers, plate freezers, ice making machines, water chillers, grading machines, water treatment plant, cold storage plant, effluent treatment plant, generators, RO plant, ice plant for raw material and etc.

Cold Storage

Our Company has a cold storage facility which is maintained at a temperature of -18°C or below within its processing facility to ensure that the finished product is duly kept and well maintained in the freezer before exporting. Such cold storage freezer is well equipped to store a 1000MT of the process-finished product before the same is duly exported to the respective customers. Our reefer / insulated vehicles with refrigeration capabilities enable us to carry out our local logistical requirements i.e., from farms to the processing facilities.

Packing

Packing of the finished product is the last stage of our process flow. Once the product is frozen, it is duly packed in the packaging material, as per the customer specification under the brand that we operate or otherwise. Such packed product is duly kept in the cold storage to ensure that the same is maintained in the best quality and is ready to be exported to the customers.

Technology

The Company has latest technologies in processing the shrimp and in meeting with the global standards. The Company is fully equipped with the freezers and equipment for processing and storing the products. The Company has the latest machines, which include individual quick freezer, water chillers, water treatment plant, effluent treatment plant, ice plant, grading machines, plate freezers, ice making machines, palletised cold storage and etc.

Manufacturing process

The description of raw shrimp process starting from receiving raw shrimp from supplier to shipping is explained below:

- **Raw shrimp purchase in farm:**

Raw materials purchased from approved farms/ supplier. Raw materials harvested and chill killed for every lot by the purchase supervisor. Raw materials as HON shrimps sent to the Processing Plant full of ice to maintain the temperature below $<4^{\circ}\text{C}$ and brought to the processing plant in insulated trucks.

- **Raw Material Receiving:**

Monitoring the temperature of raw material before unloading to the receiving hall by the receiving supervisor. Once the Raw Material reaches the factory, the material is unloaded and a lot number is assigned. Organoleptic and sensory evaluation of raw material -One sample for every 500 kg of raw material by QC personal and recorded.

The raw material is inspected for organoleptic acceptance, time and temperature relationship and also checked for Sulphite by using sulphite strips. Material meeting specifications are accepted. During washing temperature shall not be above $+4$ degree c. Washing is done with chilled chlorinated water ($< 2^{\circ}\text{C}$, 10 PPM) to bring down the microorganisms load and to remove filth, sand and mud. Washed material is allowed to drain off water on a SS stand for correct weighing. The raw material will directly go to pre-processing to make Head Less and Peeled Shrimp.

- **Pre-Processing:**

The material received from the Receiving Section undergoes a beheading process in chill running water at $+2^{\circ}\text{C}$ Then as per buyers requirement some HON raw material is converted into Head less & peeled shrimp.

The pre-processed material is washed in a bubble washer with chill water for filth and then sent to the processing section. During de-heading activity online-QC personnel monitor raw material by organoleptic and sensory evaluation, drawing sample for every half an hour from the line,

Icing: Layered ice fully ensuring raw material is covered properly with ice. Temperature shall be maintained above $+4$ degree c.

- **Grading monitoring**

Grading activity is monitored by Online-QC personnel for organoleptic and sensory parameters every half an hour and observations recorded.

- Odour
- Dehydration
- Discolouration
- Decomposition
- Black spot on shell or meats
- Broken/damaged,bruiced pieces
- Loose shells, Soft shells
- Icing of graded product and temperature of grading material.

- **Peeling and cutting monitoring-** This activity is monitored by QC personal for below parameters for every 15 minutes.

- Product temperature
- Defects like black spot, brownmeat, discolouration, brokentail, Tail rot / Black tail etc.

- **Processing:**

The material received in form of HLSO or PUD i.e., raw shrimp is sorted and graded and soaked feed to IQF freezer.

- **Treatment** -In this activity temperature of product is monitored for every 150 kg of material in the treatment tubs, The material graded is treated with salt or non phosphate or sodium tripolyphosphate as per buyers requirement for raw and cooked IQF products. Then the materials HOSO, HL, Peeled Shrimp are frozen IQF forms as per requirements.

- **Packing:**

Packaging materials are delivered in clean, well maintained and covered. All incoming packaging materials will be verified for conformity with order specifications. The finished product is first packed in laminated pouches or duplex and allowed to pass through metal detectors then packed in master cartons with proper labelling as per specification.

- **Finished Product Evaluation:**

After product is packed and stored, on the next day samples are from the final packaging and inspected for quality, weights, glaze, Organoleptic and Sensory parameters. Observations are recorded in the finished production inspection report

Samples of each finished production code receive qualitative and quantitative evaluations prior to being released for shipment. Specific attributes that are evaluated include color, flavor, smell, texture and workmanship.

- **Storage:**

The finished cartons are then stored in the frozen store on a FIFO basis at -18 Degree centigrade or below until it is shipped off. Products of different varieties and different grades are placed in separate places for easy sourcing while shipping the cargo.

- **Shipping:**

Refrigerated containers are brought to processing premises and loaded directly into containers. Before loading, container will be pre cooled to -18° C

Approach to Marketing

We market our shrimp products through two channels:

- Direct sales to global customers from India and through agents
- Sales through our Subsidiary to customers in the United States.

Our Company markets its products internationally by establishing and maintaining contacts with many retail, foodservice and distributing companies around the globe. Our Company has the facility to produce, process and pack as per the specifications of the customers. Our Company exhibits/ attends various seafood shows around the world such as the Boston SeaFood Expo, etc. to showcase and explain the products as well as processing capabilities owned by our Company.

Further, our sales and marketing team is regularly in contact with our customers to understand the evolving needs of customers as well as market trends. We routinely host customer visits, where our customers inspect the products from time to time and also carry out third party food safety and compliance audits.

Existing Capacity and Capacity Utilisation:

In our business, the capacities are approved by The Marine Products Export Development Authority (MPEDA), under Ministry of Commerce & Industry, Government of India to various processing units based on their processing and cold storage facilities. MPEDA has approved total freezing capacity of 32 MT per day for our Unit – I and 39 MT per day for Unit – II. The approved capacities and capacity utilization as approved by MPEDA during the last 3 years are as under:

Year	Installed capacity	Production	Capacity Utilisation
FY 2018-19	2,13,00,000.00	69,42,202.00	32.59%
FY 2019-20	2,13,00,000.00	71,45,383.82	33.55%
FY 2020-21	2,13,00,000.00	59,66,959.06	28.01%

Intellectual Property Details:

The company is using logos mentioned in below table.

Sr. No.	Logo	Class	Trademark Type	Owner of Trademark	Application No.	Date of application	Status
1	COASTAL GOLD	29	DEVICE	Coastal Corporation Limited *	749470	24.03.1997	ACTIVE
2	LOGO	35	DEVICE	Coastal Corporation Limited	3177631	05/02/2016	ACTIVE

**The logo is registered in the name of Coastal Trawlers Limited (the erstwhile name of our Company). Our Company has made an application on February 7, 2017 to the Trade Mark Registry for change the name to Coastal Corporation Limited*

Subsidiary / Associate Companies / Joint Venture details:

As on the date of this Draft Letter of Offer, our Company has only three (3) wholly-owned subsidiaries namely

- (i) Continental Fisheries India Limited
- (ii) Coastal Biotech Private Limited
- (iii) Seacrest Seafoods, Inc., USA

OUR MANAGEMENT

A) Board of Directors

As per the Articles of Association, our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors. Our Company currently has 7 (seven) directors on its Board. The present composition of our Board of Directors and its committees are in accordance with the corporate governance requirements provided under the Companies Act, 2013 and SEBI Listing Regulations. The detailed composition are as follows:

Sl. No.	Name of the Director	DIN	Age	Designation
1	Valsaraj Thottoli	00057558	68	Vice Chairman & Managing Director
2	Ganta Veera Venkata Satyanarayana	00187006	60	Whole Time Director designated as Director-Finance
3	Venkata Suryanarayana Malakapalli	00372812	76	Independent Director
4	Jeeja Valsaraj	01064411	58	Non-Executive Director
5	Venkateswara Rao Kamireddi	01678973	77	Independent Director
6	P Ramaswamy Kalyanraman	01993027	74	Independent Director
7	Emandi Sankara Rao	05184747	61	Independent Director

The following table sets forth details regarding the Board of Directors as on the date of this Draft Letter of Offer:

Sl. No.	Particulars	Details
1	Name of the Director	Valsaraj Thottoli
	Father's Name	Kelappan Thottoli
	Residential Address	11-9-38/13, Flat No.:502, Aspen Heights Apts., Daspalla Hills, Near Nursing College, Visakhapatnam Urban, PIN:530003, Andhra Pradesh, India.
	Date of Birth	31.07.1954
	Age	68 Years
	Designation	Vice Chairman & Managing Director
	DIN	00057558
	Occupation	Service
	Date of Appointment	29.09.2020
	Date of expiration of current term	28.09.2025
Directorship in other companies	1. Continental Fisheries India Limited 2. Coastal Biotech Private Limited	

Sl. No.	Particulars	Details
2	Name of the Director	Ganta Veera Venkata Satyanarayana
	Father's Name	Ganta Ramakrishna Rao
	Residential Address	15-1-36 G3, ASPEN Castle, NowrojiRoad, Visakhapatnam Urban, PIN:530002, Andhra Pradesh, India.
	Date of Birth	06.09.1961
	Age	60 Years
	Designation	Whole-time Director designated as Director - Finance
	DIN	00187006
	Occupation	Service
	Date of Appointment	29-09-2017
	Date of expiration of current term	28.09.2022
Directorship in other companies	Continental Fisheries India Limited Coastal Biotech Private Limited Snehadhara Chits and Finance Private Limited	

Sl. No.	Particulars	Details
3	Name of the Director	Venkata Suryanarayana Malakapalli
	Father's Name	(Late) Venkata Raju Malakapalli
	Residential Address	12-2-417/A/11, Gudimalkapur, Jaya Nagar, Hyderabad – 500028, Telangana State, India.
	Date of Birth	05.04.1946
	Age	76 Years
	Designation	Independent Director
	DIN	00372812
	Occupation	Pensioner
	Date of Appointment	29.09.2020
	Date of expiration of current term	28.09.2025
	Directorship in other companies	Continental Fisheries India Limited

Sl. No.	Particulars	Details
4	Name of the Director	Jeeja Valsaraj
	Husband's Name	Valsaraj Thottoli
	Residential Address	H.No.11-9-38, Flat No.502, Plot No.50-51, ASPEN Heights, Jaganath Temple Road, Daspalla Hills, Visakhapatnam Urban, PIN:530003, Andhra Pradesh, India.
	Date of Birth	01.02.1964
	Age	58 Years
	Designation	Non-Executive Director
	DIN	01064411
	Occupation	Business
	Date of Appointment	30.09.2021
	Date of expiration of current term	NIL
	Directorship in other companies	NIL

Sl. No.	Particulars	Details
5	Name of the Director	Venkateswara Rao Kamireddi
	Father's Name	Veera Raju Kamireddi
	Residential Address	D.NO.:2-268/2, Sri Sai Nivas, Old Dairy Farm, Indira Gandhi Nagar, Visakhapatnam – 530040, Andhra Pradesh, India.
	Date of Birth	15.06.1945
	Age	77 Years
	Designation	Independent Director
	DIN	01678973
	Occupation	Professor
	Date of Appointment	31.08.2019
	Date of expiration of current term	30.08.2024
	Directorship in other companies	Continental Fisheries India Limited

Sl. No.	Particulars	Details
6	Name of the Director	P Ramaswamy Kalyanraman
	Father's Name	R Panditha Cholanalloor
	Residential Address	B-41, Sriram Sadhana, M S R Road Gokula, Mathikere Post, Bangalore – 560054, Karnataka, India.
	Date of Birth	30.03.1948
	Age	74 Years

Designation	Independent Director
DIN	01993027
Occupation	Pensioner
Date of Appointment	11.09.2018
Date of expiration of current term	10.09.2023
Directorship in other companies	Centrum Infrastructure and Realty Limited Kogta Financial (India) Limited Ramaiah Capital Private Limited Chem Finance Limited

Sl. No.	Particulars	Details
7	Name of the Director	Emandi Sankara Rao
	Father's Name	Emandi Kondala Rao
	Residential Address	B 23,24, Albert Mansion, Road No.7, Prabhat Colony, Santacruz (East), Mumbai-400055, Maharashtra, India.
	Date of Birth	31.12.1960
	Age	61 Years
	Designation	Independent Director
	DIN	05184747
	Occupation	Superannuation
	Date of Appointment	30.09.2021
	Date of expiration of current term	29.09.2026
	Directorship in other companies	1. GMR Infrastructure Limited 2. Steel Exchange India Limited 3. Ramky Pharma City (India) Limited 4. GMR Power And Urban Infra Limited 5. Delhi Duty Free Services Private Limited 6. Delhi International Airport Limited

Past Directorships in listed companies

- a) **Details of current and past directorship(s) for a period of five years in listed companies for each Director mentioned above, whose shares have been/were suspended from being traded on any of the stock exchanges, during his/her tenure:**
None of our Directors are, or were a director of any listed company other than the issuer company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last five years preceding the date of this Draft Letter of Offer.
- b) **Details of current and past directorship(s) in listed companies for each Director mentioned above, who have been/were delisted from the stock exchange(s) during his/her tenure in the past ten years:**
None of our Directors are or were a director of any listed company other than the issuer company, which has been, or was delisted from any stock exchange during the term of their directorship in such company during the last ten years preceding the date of this Draft Letter of Offer.

Family Relationships between the Directors

Mr. Valsaraj Thottoli and Mrs. Jeeja Valsaraj are having family relationship as under:

Sr. No.	Name of the Director	Related to Director	Relationship
1	Valsaraj Thottoli	Jeeja Valsaraj	Husband
2	Jeeja Valsaraj	Valsaraj Thottoli	Wife

Arrangements with major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding between major shareholders, customers, suppliers or others pursuant to which any of the Directors were selected as a Director or member of a senior management as on the date of this Draft Letter of Offer.

Service Contracts

Our Company has not executed any service contracts with its directors providing for benefits upon termination of their employment.

Director’s association with the Securities Market

None of the Directors of our Company are associated with securities market.

B) Our Senior and Key Managerial Personnel

The details of our senior and the key managerial personnel as on the date of this Draft Letter of Offer are set out below. All the Key Managerial Personnel’s are permanent employees of our Company. Except for certain statutory benefits, there are no other benefits accruing to the Key Managerial Personnel.

1. Mr. Valsaraj Thottoli is the Managing Director of our Company.
2. Mr. Ganta Veera Venkata Satyanarayana is the Whole-time Director of our Company.
3. Ms. Swaroopa Meruva is the Company Secretary & Compliance Officer of our Company.

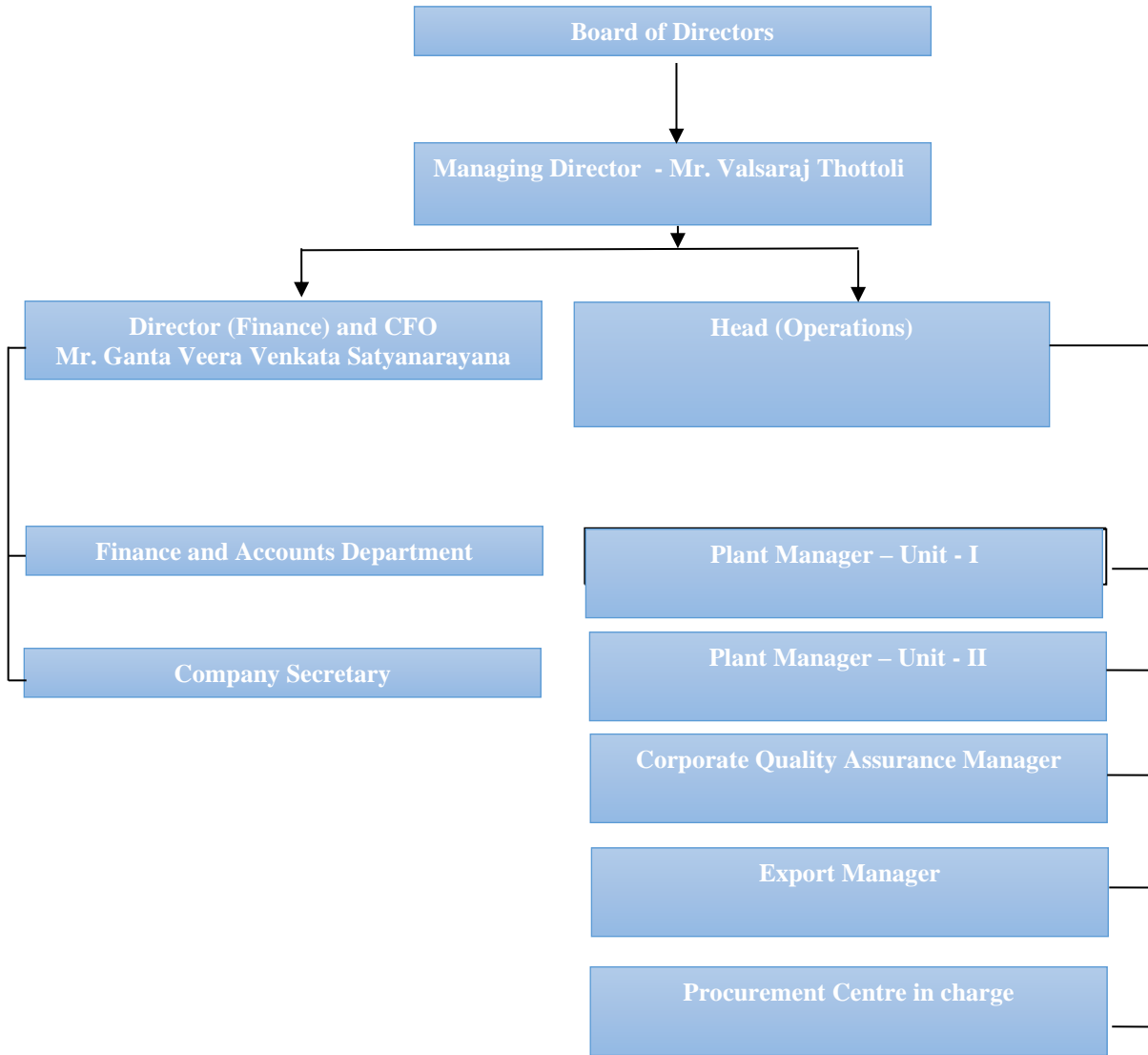
Relationship amongst the Key Managerial Personnel and or Directors of our Company

Sr. No.	Name of the KMP	Related to	Relationship
1	Ganta Veera Venkata Satyanarayana	No Relation	NA
2	CS Swaroopa Meruva	No Relation	NA

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of shareholding in our Company

C) Current Organisational Structure



SECTION VII: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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1. Consolidated audited financial results for the quarter ended and for the year ended March 31, 2022

Independent Auditors’ Report on Annual Consolidated Financial Results of Coastal Corporation Limited, Visakhapatnam pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of
Coastal Corporation Limited,
Visakhapatnam.

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended 31 March 2022, and (b) reviewed the Consolidated Financial results for the quarter ended March 31, 2022, (refer “Other Matters” section below), which were subject to limited review by us, both included in the accompanying “Statement of Consolidated Financial Results for the Quarter and Year ended March 31, 2022” of “Coastal Corporation Limited”(Holding Company) and its subsidiaries (Holding and subsidiaries together referred to as “the Group”) being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (‘Listing Regulations’).

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the audit report of the other auditor on separate financial statements of one wholly owned subsidiary situated outside India referred to in the Other Matters section below, the Consolidated Financial Results for the year ended March 31, 2022:

- i) includes the results of the following wholly owned subsidiaries :
 - a) Continental Fisheries India Pvt Limited
 - b) Coastal Bio-Tech Private Limited and
 - c) Seacrest Seafoods Inc., USA
- ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended; and
- iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the consolidated net profit and consolidated total other comprehensive income and other financial information of the group for the year ended 31 March 2022.

(b) Conclusion on Reviewed Consolidated Financial Results for the quarter ended March 31, 2022

With respect to the Consolidated Financial Results for the quarter ended March 31, 2022, based on our review conducted and procedures performed as stated in paragraph (b) of the Auditors’ responsibilities section below, and based on the consideration of audit report for the year ended March 31, 2022 of the other auditors referred to in Other Matters section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2022,

prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2022

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Standalone Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion.

Management’s Responsibilities for the Statements

This Statement which includes the consolidated financial results is the responsibility of the Holding Company’s Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2022 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Consolidated financial results for the quarter and year ended March 31, 2022 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This respective Board of directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Results, the respective Board of Directors of the companies included in the group are responsible for assessing the ability of the respective entities, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the Company’s financial reporting process of the Group.

Auditor’s Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2022

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2022 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient

and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial results/Financial information of the entities within the group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Annual Consolidated Financial Results, which have been audited by the other auditor, such other auditors remains responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and quantitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Results, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2022

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2022 in accordance with the Standard on Review Engagements ("SRE") 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than the audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and conclusion section above.

As part of our annual audit, we also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Other Matters

- The statements include the results for the quarter ended March 31, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the statement is not modified in respect of this matter.
- We did not audit the financial statements of two wholly owned subsidiary companies one situated in India and the other situated outside India, included in the consolidated financial results, whose financial statements reflect total assets of Rs 1952.52 Lakhs as at 31st March 2022, and total revenues of Rs. 3292.59 Lakhs for the year ended March 31, 2022 and total net loss of Rs. 148.65 Lakhs for the year ended March 31, 2022 and net cash inflows of Rs. 120.44 Lakhs for the year ended March 31, 2022 as considered in the statement. These financial statements have been audited by the other auditors whose reports have been furnished to us by the management and our opinion and conclusion on the Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries are based solely on the reports of the other auditors and the procedures performed by us as stated under Auditor's Responsibilities section above. Our report on the Statement is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

*For BRAHMAYYA & CO.,
Chartered Accountants
Firm Reg. No. 000513S*

*(C V RAMANA RAO)
Partner
Membership No.018545
UDIN: 22018545AJXJTG3625
Place: Visakhapatnam
Date: 30th May, 2022*

COASTAL CORPORATION LIMITED						
CIN No: L63040AP1981PLC003047						
Website: www.coastalcorp.co.in, E-mail: cclinvestors@gmail.com						
AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31-03-2022						
Statement of Consolidated Audited Results for the period ended 31st March 2022						
(Rs. In Lakhs)						
				CORRESPONDING		
	PARTICULARS	3 MONTHS	3 MONTHS	3 MONTHS	YEAR	YEAR
		ENDED	ENDED	ENDED	ENDED	ENDED
		01.01.2022 to 31.03.2022	01.10.2021 to 31.12.2021	01.01.2021 to 31.03.2021	01.04.2021 to 31.03.2022	01.04.2020 to 31.03.2021
	(Refer Notes Below)	(Audited)	(Un-Audited)	(Audited)	(Audited)	(Audited)
I	REVENUE FROM OPERATIONS					
	Sale Of Manufactured Goods	12,246.65	14,187.19	9,463.30	45,945.89	39,219.66
	Sale Of Trading Goods	390.97	425.68	3,469.30	3,163.62	8,128.17
II	Other Income	330.59	390.10	275.80	1,328.79	845.97
III	TOTAL REVENUE (I+II)	12,968.21	15,002.97	13,208.40	50,438.30	48,193.80
IV	EXPENSES				-	
	(a) Cost Of Materials Consumed	7,525.93	9,488.08	6,837.89	32,060.04	28,093.66
	(b) Cost Of Sale Of Trading Goods	385.72	286.55	3,178.67	2,473.99	7,010.25
	(c) Changes In Inventories Of Finished Goods	1,799.58	117.98	173.05	(1,031.89)	(806.08)
	(d) Employees Benefits Expenses	518.12	460.98	423.15	1,724.18	1,416.43
	(e) Finance Costs	168.85	255.14	49.31	605.70	429.52
	(f) Depreciation And Amortisation Expenses	118.69	98.78	100.15	430.78	353.20
	(g) Other Expenses	3,223.29	3,641.90	2,502.99	12,240.79	9,083.66
	Total Expenses (a to g)	13,740.18	14,349.41	13,265.21	48,503.59	45,580.64

V	Profit Before Tax (III - V)	(771.97)	653.56	(56.81)	1,934.71	2,613.16
VI	Tax Expenses					
	Current Tax	(146.15)	168.15	33.21	559.25	723.77
	Deferred Tax	(0.43)	9.66	27.17	26.57	37.07
	Tax Relating To Earlier Years	(9.87)	3.45	10.98	(6.42)	10.98
VII	Net Profit For The Period (V TO VI)	(615.52)	472.30	(128.17)	1,355.31	1,841.34
VIII	Other Comprehensive Income					
	A. Items that will not be reclassified to profit or loss in subsequent periods:					
	(i) Remeasurement gains/(losses) on the defined benefit plans	15.04	(13.62)	(23.13)	(25.81)	(54.47)
	Income tax effect on the above	(3.78)	3.43	5.82	6.50	13.71
	(ii) Gains/(losses) on restatement of Equity Instruments measured at FVTOCI	(28.00)		77.30	(28.00)	77.30
	Income tax effect on the above					
	iii) Net gains or losses on sale of Equity instruments measured at FVTOCI	(21.30)			(21.30)	-
	B. Items that will be reclassified to profit or loss in subsequent periods:					
	(i) Remeasurement gain/(loss) on the cash flow hedging instrument	(65.70)	27.53	(118.94)	(24.43)	27.29
	(ii) Exchange Difference on Translation of Foreign operations	25.82	-	(21.22)	25.82	(21.22)
	Total other comprehensive income for the year, net of tax	(77.92)	17.34	(80.17)	(67.22)	42.61
IX	Total Comprehensive income	(693.44)	489.64	(208.34)	1,288.09	1,883.95
X	Paid up Capital	1,157.88	1,067.88	1,067.88	1,157.88	1,067.88
XI	(i) Earnings per share					

	(Rs. 10/- Each) (Not Annualised)					
	(a) Basic	(5.52)	4.42	(1.26)	12.55	18.10
	(b) Diluted	(5.32)	4.08	(1.20)	11.71	17.89

(Rs. in Lakhs)

COASTAL CORPORATION LTD-CONSOLIDATED STATEMENT OF ASSETS & LIABILITIES			
		31.03.2022 (Audited)	31.03.2021 (Audited)
<u>ASSETS</u>			
Non-current assets			
	Property plant and Equipment	4,440.52	4,418.21
	Capital Work In progress	9,153.08	3,232.45
	Right of Use Asset	1,103.63	628.06
	Investment in Property	1,331.79	1,176.83
	Investments in Subsidiaries & Associates		
	Financial assets		
	Investments	98.00	218.30
	Loans	214.99	129.17
	Other Financial Assets	965.00	647.11
	Other Non -Current Assets	1,650.24	1,266.88
		18,957.25	11,717.01
Current Assets			
	Inventories	10,904.45	10,094.89
	Financial assets		
	1) Trade Receivables	3,950.15	2,867.41
	2) Cash and cash equivalents	1,421.50	1,918.11
	3) Bank balance other than above	1,401.57	2,944.54
	4) Current Financial assets- Others	282.11	176.45
	4) Current Tax Assets(Net)	99.63	76.62
	5) Other Current Assets	2,740.36	2,992.96
		20,799.77	21,070.98
	TOTAL Assets	39,757.02	32,787.99
<u>EQUITY AND LIABILITIES</u>			
	-	-	-
	Equity		
	Equity Share Capital	1,157.88	1,067.88
	Other Equity	19,299.30	16,509.31
		20,457.18	17,577.19

Non-current liabilities			
	Financial Liabilities		
	1) Borrowings	2,509.02	1,544.11
	2) Trade Payables	-	-
	3) Lease Liabilities	70.57	47.72
	4) Other Financial Liabilities	115.38	117.05
	Provisions	115.35	91.72
	Deferred Tax Liability(Net)	191.35	170.06
		3,001.67	1,970.66
Current liabilities			
	Financial Liabilities		
	1) Borrowings	14,682.23	12,250.54
	2) Trade Payables	570.34	386.18
	3) Lease Liabilities	7.37	6.58
	4) Other Financial Liabilities	593.32	229.37
	Provisions	27.91	15.87
	Other Current Liabilities	417.00	351.60
		16,298.17	13,240.14
	TOTAL	39,757.02	32,787.99

COASTAL CORPORATION LIMITED
CIN No: L63040AP1981PLC003047
Consolidated statement of Cash Flow for the period ended March 31, 2022
(All amounts in Lakhs Rupees except for share data or as otherwise stated)

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
(A)	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before Tax	1,934.71	2,613.16
	<u>Adjustments for :</u>		
	Depreciation of property, plant and machinery	408.11	335.40
	Depreciation on investment property	10.65	9.56
	Amortization of intangible assets	0	0
	Amortization of right of use asset	12.02	8.24
	Profit on sale of fixed assets (net)	(0.74)	-
	Loss on sale of fixed assets (net)	0	1.25
	Interest income	(161.32)	(263.93)
	Interest expense	509.90	293.64
	Unrealized foreign exchange gain (foreign subsidiary)	-	(21.22)
	Interest expense on lease liabilities	2.50	28.83
	Gratuity and compensation absences	9.86	(66.21)
	Operating profit before working capital changes	2,725.68	2,938.71
	<u>Movement in working capital</u>		
	(increase)/decrease in inventories	(809.57)	235.05
	(increase)/decrease in trade receivables	(1,082.74)	887.88
	(increase)/decrease in other receivables	(749.89)	(1,238.58)
	Increase/(decrease) in trade payables	184.16	(1,123.32)
	Increase /(decrease) in other payables	427.68	(66.93)
	Cash generated from operations	695.32	1,632.80
	Income tax paid	(571.71)	(771.05)
	Net cash flows from operating activities (A)	123.61	861.75
(B)	<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		

	Purchase of property, plant and equipment including intangible assets	(618.49)	(1,310.70)
	Increase in Capital work in progress	(5,920.63)	(3,002.52)
	Proceeds from sale of property, plant and equipment	23.20	9.66
	Government grant received	650.00	-
	Proceeds from sale of investments	92.30	-
	Interest received	161.32	263.93
	Net cash flows used in investing activities (B)	(5,612.30)	(4,039.63)
(C)	<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
	Proceeds from issue of equity shares	1,262.25	953.70
	Repayment of long term borrowings (net)	964.92	1,523.21
	Repayment from short-term borrowings (net)	2,431.69	1,081.86
	Payment towards lease rentals	(354.19)	(306.20)
	Issue of equity share warrants	-	420.75
	Dividend paid	(320.36)	-
	Tax on dividend	-	-
	Interest paid	(509.90)	(293.67)
	Net cash flow from financial activities (C)	3,474.41	3,379.67
	Net decrease in cash and cash equivalents (A+B+C)	(2,014.28)	201.79
	Cash and cash equivalents at the beginning of the year	4,743.23	4,541.45
	Cash and Cash equivalents at the year end	2,728.95	4,743.23
	Components of cash and cash equivalents		
	Cash on hand	0.89	1.06
	Balances with banks		
	-on current accounts	1,420.61	1,917.05
	-on deposit accounts	1,307.45	2,825.12
	Total cash and cash equivalents	2,728.95	4,743.23

Notes:

1. The Financial results of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
2. The above financial results are recommended by the Audit Committee are considered and approved by the Board of Directors at their meeting held on 30th May, 2022.
3. The Standalone Financial Results are audited by the Statutory Auditors of the Company as per Regulation 33 of SEBI (LODR) Regulation, 2015, financials of M/s. Continental Fisheries India Limited, Indian Subsidiary was audited by the Statutory Auditors of the Company, financials of M/s. Seacrest Seafoods Inc., overseas subsidiary of the Company was reviewed by Auditors of that Country and the financials of the Indian Subsidiary M/s. Coastal Biotech Private Limited was audited by the other Auditors.
4. The entire operations of the Company relate to only one segment. Hence segmental reporting as per Ind AS 108 is not made.
5. The Board of Directors have declared an interim dividend of Rs.2 per equity shares at its Board Meeting held on 2nd May, 2022 for the Financial Year 2021-22.
6. Previous Year/Period Figures have been regrouped, wherever necessary in line with the current period/year presentation.
7. The Company has taken into account the possible impact of COVID-19 in preparation of the Audited Financial Results including its assessment of recoverable value of its assets based on internal and external information for the year ended 31st March 2022. Based on the assessment done by the management of the Company, there is not much impact of COVID-19 on the results of the quarter and year ended March 31st, 2022. The Company will be closely monitoring the changes to future economic conditions.
8. The results for the year ended 31st March 2022 are also available on the Bombay Stock exchange website, National Stock Exchange website and on the Company's website.

For **Coastal Corporation Limited**

Sd/-

T Valsaraj
Managing Director

The Statutory Auditor's Report and the Consolidated Audited Financial Statements for the year ended March 31, 2021

INDEPENDENT AUDITOR'S REPORT

**TO
THE MEMBERS OF
COASTAL CORPORATION LIMITED,**

Report on the Consolidated Ind AS financial statements

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of COASTAL CORPORATION LIMITED (“the Holding Company”) and its subsidiaries (Holding Company and its subsidiaries together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash flows for the year ended on that date, and notes to the Consolidated Ind AS financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the accompanying Consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the **Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements** section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the Consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	How our audit addressed the Key Audit Matter
1	Valuation of Investments in Unquoted Equity Shares of M/s Coastal Developers Pvt Ltd and M/s Seagold Aqua Farms India Pvt Ltd	
	<p>The valuation of the investments involves judgement and continues to be an area of inherent risk because quoted prices are not readily available.</p> <p>Refer: Note 49.2 to the Standalone Ind AS financial statements</p>	<p>We assessed the managements' approach to valuation for these investments by performing the following procedures:</p> <ul style="list-style-type: none"> • Understood and evaluated the procedure followed by the management to gather the data inputs used in the valuation models. • We assessed the appropriateness of the methodology applied in determining the fair value of the investments. • We evaluated the methodology and assumptions used by management, including reasonableness of the market value considered for immovable properties by comparing it with the guideline values determined by the State Government for similar properties.

		<ul style="list-style-type: none"> • We tested the calculation of the fair value based on the assumptions applied. • We found the disclosures in the standalone Ind AS financial statements to be appropriate. <p><i>Conclusion: Based on the work performed and the evidence obtained, we consider the methodology and assumptions used by management to be appropriate.</i></p>
2	Purchase cost of Raw Shrimps	
	<p>Company procures its principle raw materials from the agents and farmers of aquaculture and the price of the same is highly volatile to the market conditions.</p> <p>The tentative prices of the raw shrimps are published by the local farmers of aquaculture through online app. acqubrahma.in. Based upon the production requirements, export commitments of the company and after considering the tentative prices, the management decides the price at which the raw materials have to be procured.</p>	<p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> • We have evaluated the design and tested the implementation of internal controls relating to procurement of raw materials and payments made to the agents and suppliers of the raw materials with source documentation. • We have performed the test of controls over procurement procedure to evaluate the operating effectiveness of the controls placed in recognition of the purchase costs. • We have performed test of details through correlating the raw materials procured with that of the material processed based on the production reports. • We tested the payments made to the suppliers based on the credit terms of payments. <p><i>Conclusion: Based on the work performed, we found the raw material costs recorded to be correct based on available evidence.</i></p>

Information Other than the Consolidated Ind AS financial statements and Auditor’s Report thereon

The Holding Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the Consolidated Ind AS financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and based on the work done/audit report of the other auditor, we conclude that there is a material misstatement of this “other information”, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Consolidated Ind AS financial statements

The Holding Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 design, implementation and maintenance of adequate 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 Consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Ind AS financial statements, , the respective Board of Directors of the companies included in the Group responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditor, such other auditor remains responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

Materiality is the magnitude of misstatements in the Consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Ind AS financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit

work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us along with the consideration of audit report of the other auditor referred to in para (a) of the “Other matters” paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a) We did not audit the financial statements of the wholly owned subsidiary situated outside India, included in the consolidated financial results, whose financial statements reflects total assets of Rs 1415.24 Lakhs as at 31st March 2021, and total revenues of Rs.8133.98 Lakhs for the year ended March 31, 2021 and total net loss of Rs. (203.53) Lakhs for the year ended March 31, 2021 and net cash outflows of Rs.232.40 Lakhs for the year ended March 31, 2021 as considered in the statement. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditor.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to the financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanation given to us, the remuneration paid during the current year by the Holding Company and its subsidiaries which are incorporated in India is in accordance with the provisions of Section 197 of the

Act. The remuneration paid to any director by the Holding Company and its subsidiaries which are incorporated in India, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Group does not have any pending litigations that would impact its financial position.

ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There is no amount which is required to be transferred to the Investor Education and Protection Fund by the company.

For, BRAHMAYYA & CO.

Chartered Accountants

Firm Reg No. 000513S

Sd/-

C.V. RAMANA RAO

Partner

Partner Membership No. 018545

UDIN: 21018545AAAADX3927

Place: Visakhapatnam

Date: 29.06.2021

Annexure “A” to the Independent Auditors’ Report

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **Coastal Corporation Limited** of even date)

Report on the Internal Financial Controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the Internal Financial Controls with reference to the financial statements of **COASTAL CORPORATION LIMITED** (hereinafter referred to as “Company”) and its subsidiary companies, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements 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 the respective 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 under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Internal Financial Controls with reference to the financial statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 with reference to the financial statements 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 with reference to the financial statements included obtaining an understanding of Internal Financial Controls with reference to the financial statements, 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 judgement, 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to the financial statements

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. A company’s internal financial control over financial reporting includes those policies and procedures that

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in Annexure “A” to the Independent Auditors’ Report 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

(3) 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.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of Internal Financial Controls with reference to the financial statements, 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 with reference to the financial statements 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 and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such Internal Financial Controls with reference to the financial statements were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls with reference to the financial statements issued by the Institute of Chartered Accountants of India.

For, BRAHMAYYA & CO.
Chartered Accountants
Firm Reg No. 000513S

Sd/-

C.V. RAMANA RAO
Partner
Partner Membership No. 018545
UDIN: 21018545AAAADX3927

Place: Visakhapatnam
Date: 29.06.2021

COASTAL CORPORATION LIMITED
CIN: L63040AP1981PLC003047
Consolidated Balance Sheet as at March 31, 2021

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

Particulars	Note	As at 31 st March, 2021	As at 31 st March, 2020
I. ASSETS			
(1) Non Current Assets			
(a) Property, plant and equipment	2	4,418.21	3,545.27
(b) Capital work in progress	3	3,232.45	229.93
(c) Right of Use asset	4	628.06	313.25
(d) Investment Property	5	1,176.83	1,095.29
(e) Financial assets			
(i) Investments	6	218.30	141.00
(ii) Loans	7	129.17	111.45
(iii) Other financial assets	8	647.11	1,217.80
(iv) Other non current assets	9	1,249.61	675.03
		11,699.74	7,329.02
(2) Current Assets			
(a) Inventories	10	10,094.88	10,329.94
(b) Financial assets:			
(i) Trade receivables	11	2,867.41	3,755.29
(ii) Cash & cash equivalents	12	1,918.11	1,539.88
(iii) Bank balances other than above	13	2,944.54	3,063.36
(iv) Other financial assets	14	126.47	-
(c) Current Tax Assets (Net)	15	76.62	275.57
(d) Other current assets	16	3,061.76	1,765.97
		21,089.79	20,730.01
Total Assets		32,789.53	28,059.03
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	1,067.88	1,016.88
(b) Other equity	18	16,509.31	13,301.92
Total Equity		17,577.19	14,318.80
(2) Non Current Liabilities			
(a) Financial liabilities:			
(i) Borrowings	19	1,544.10	20.89
(ii) Trade payables		-	-
(iii) Lease liabilities	4a(i)B	47.72	5.43
(iv) Other financial liabilities	20	117.05	13.00
(b) Provisions	21	91.72	113.46
(c) Deferred Tax Liability (Net)	22	171.28	147.92
		1,971.87	300.70
(3) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	23	12,234.34	11,152.48
(ii) Trade payables	24	386.18	1,509.50
(iii) Lease liabilities	4a(i)B	6.58	3.19
(iv) Other financial liabilities	25	245.57	404.20
(b) Provisions	26	15.87	5.88
(c) Other Current Liabilities	27	351.93	364.28
		13,240.47	13,439.53
Total Equity and Liabilities		32,789.53	28,059.03
Summary of significant accounting policies			
The accompanying notes are an integral part of the standalone financial statements.			

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

As per our report of even date

for, **Brahmayya & Co.**
Chartered Accountants
Firm Reg No. 0005135

Sd/-
C.V. Ramana Rao
Partner Membership No. 018545
Place: Visakhapatnam
Date: 29.06.2021

for, and on behalf of the Board

Sd/-
T.Valsaraj
Vice Chairman & Managing Director
(DIN: 00057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 00187006)

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visakhapatnam
Date: 29.06.2021

COASTAL CORPORATION LIMITED
CIN: L63040AP1981PLC003047
Consolidated Statement of Profit and Loss for the period ended March 31, 2021

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

Particulars	Note	For the year ended 31 st March, 2021	For the year ended 31 st March, 2020
I. INCOME			
Revenue from Operations			
Sale Of Manufactured goods	28	39,219.66	54,974.91
Sale of Trading Goods	29	8,128.17	5,452.84
Other Income		845.97	1,481.09
Total Revenue (I)		48,193.80	61,908.84
II. EXPENSES			
Cost of Materials Consumed	30	28,093.66	39,502.58
Cost of Sale of Trading goods		7,010.25	4,289.87
(Increase)/Decrease in Inventories of Finished Goods	31	(806.08)	996.32
Operating expenses	32	5,430.34	6,080.32
Employee Benefits Expenses	33	1,416.43	1,466.74
Finance cost	34	429.52	685.00
Depreciation and Amortisation	35	353.20	331.96
Other Expenses	36	3,653.32	4,092.76
Total Expenses (II)		45,580.64	57,445.55
III. Profit Before Tax (I - II)		2,613.16	4,463.29
IV. Tax Expense			
Current tax	37	725.31	1,130.00
Tax relating to earlier years		10.98	(32.29)
MAT credit Entitlement		(1.54)	-
Deferred tax charge/ (credit)		37.07	(42.43)
		771.82	1,055.28
V. Profit for the year (III - IV)		1,841.34	3,408.01
VI. OTHER COMPREHENSIVE INCOME (OCI)			
A. Items that will not be reclassified to profit or loss in subsequent periods:			
(i) Remeasurement gains/(losses) on the defined benefit plans		(54.47)	(40.82)
Income tax effect on the above		13.71	10.27
(ii) Remeasurement gains/(losses) on Equity instruments measured at FVTOCI		77.30	-
B. Items that will be reclassified to profit or loss in subsequent periods:			
(i) Remeasurement gain/(loss) on the cash flow hedging instrument		27.29	(129.41)
(ii) Exchange differences on translation of foreign operations		(21.22)	89.48
Total other comprehensive income for the year, net of tax		42.61	(70.47)
Total comprehensive income for the year, net of tax (V + VI)		1,883.95	3,337.54
Earnings Per Equity Share	38		
Basic (Rs.)		18.10	33.51
Diluted (Rs.)		17.89	33.51
Summary of significant accounting policies			
	1		

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

As per our report of even date

for, **Brahmayya & Co.**
Chartered Accountants
Firm Reg No. 0005135

Sd/-
C.V. Ramana Rao
Partner Membership No. 018545
Place: Visahakapatnam
Date: 29.06.2021

for, and on behalf of the Board

Sd/-
T.Valsaraj
Vice Chairman & Managing Director
(DIN: 00057558)

Sd/-
Swaroop Meruva
Company Secretary
Place: Visahakapatnam
Date: 29.06.2021

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 00187006)

COASTAL CORPORATION LIMITED
CIN: L63040AP1981PLC003047
Consolidated Statement of Cash Flows for the period ended March 31, 2021

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(A) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2613.16	4,463.29
Adjustments for :		
Depreciation of property, plant and equipment	335.40	317.95
Depreciation on investment property	9.56	9.05
Amortisation of intangible assets	-	-
Amortisation of right of-use asset	8.24	4.96
Profit on sale of fixed assets (net)	0	(0.55)
Loss on sale of fixed assets (net)	1.25	-
Interest income	(263.93)	(220.54)
Interest expense	293.64	619.84
Unrealised foreign exchange gain (foreign subsidiary)	(21.22)	89.49
Interest expense on lease liabilities	28.83	0.41
Gratuity and compensated absences	(66.21)	19.23
Operating profit before working capital changes	2,938.71	5,303.11
Movement in working capital:		
(increase)/decrease in inventories	235.05	1,147.21
(increase)/decrease in trade receivables	887.88	3,111.14
(increase)/decrease in other receivables	(1,238.58)	(600.72)
increase/(decrease) in trade payables	(1,123.32)	(2,040.03)
increase/(decrease) in other payables	(66.93)	(494.15)
Cash generated from operations	1,632.80	6,426.56
Income tax paid	(771.05)	(1,402.30)
Net cash flows from operating activities (A)	861.75	5,024.26
(B) CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment, including intangible assets	(1,310.70)	(547.00)
Increase in Capital work in progress	(3,002.52)	7.50
Proceeds from sale of property, plant and equipment	9.66	4.00
Government Grant Received	-	-
Proceeds from sale of investments in deposits	-	-
Interest received	263.93	220.68
Net cash flows used in investing activities (B)	(4,039.63)	(314.82)
(C) CASH FLOWS FROM FINANCING ACTIVITIES		
Cash proceeds from issue of equity shares	51.00	-
Proceeds from Securities Premium	902.70	-
Repayment of long - term borrowings (net)	1523.21	(97.38)
Repayment from short - term borrowings (net)	1081.86	(1,557.47)
Payment towards lease rentals	(306.20)	(310.00)
Issue of equity Share Warrants	420.75	-
Dividend paid	-	(305.06)
Tax on dividend	-	(62.72)
Interest paid	(293.64)	(619.84)
Net cash flows from financing activities (C)	3,379.67	(2,952.47)
Net decrease in cash and cash equivalents (A+B+C)	201.78	1,756.98
Cash and cash equivalents at the beginning of the year	4,541.45	2,784.47
Cash and cash equivalents at the year end	4,743.23	4,541.45

Components of cash and cash equivalents:

Cash on hand	1.06	1.31
Balances with banks		
-On current accounts	1,917.05	1,538.57
-On deposits accounts	2,825.12	3,001.57
Total cash and cash Equivalents	4,743.23	4,541.45

As per our report of even date

for, **Brahmayya & Co.**
Chartered Accountants
Firm Reg No. 0005135

Sd/-
C.V. Ramana Rao
Partner Membership No. 018545
Place: Visahakapatnam
Date: 29.06.2021

for, and on behalf of the Board

Sd/-
T.Valsaraj
Vice Chairman & Managing Director
(DIN: 00057558)

Sd/-
Swaroopa Meruva
Company Secretary
Place: Visahakapatnam
Date: 29.06.2021

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 00187006)

COASTAL CORPORATION LIMITED
CIN: L63040AP1981PLC003047

Consolidated Statement of Changes in Equity for the period ended March 31, 2021

A. EQUITY SHARE CAPITAL

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

Particulars	No.	Amount
Equity Shares of Rs.10 each fully paid up		
Balance at the beginning of the reporting period	10,168,800	1,016.88
Changes in equity share capital during the year	5,10,000	51.00
Balance at the end of the reporting period	1,06,78,800	1067.88

B. OTHER EQUITY

Particulars	Balance as on 01.04.2020	Total comprehensive income for the year	Dividends	Transfer to retained earnings*	Any other change (to be specified)	Balance as on
						31.03.2021
Reserves & Surplus						
Securities Premium Reserve	46.95	902.70	-	-	-	949.65
General Reserve	108.61	-	-	-	-	108.61
Retained Earnings	13,232.33	1,841.34	-	(129.41)	-	14,944.26
Cash Flow Hedging Reserve	(129.41)	27.29	-	129.41	-	27.29
Foreign Currency Translation Reserve	84.96	(21.22)	-	-	-	63.74
Share Application Money		420.75				420.75
Remeasurement gains/(losses) on Equity instruments measured at FVTOCI		77.30				77.30
Remeasurement gains/(losses) on the defined benefit obligations	(41.53)	(40.76)	-	-	-	(82.29)
Total	13,301.92	3,207.40	-	-	-	16,509.31

*Represents the restatement of Company's investment in its wholly owned foreign subsidiary company up to 31.03.2020. The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

for, and on behalf of the Board

for, **Brahmayya & Co.**
Chartered Accountants
Firm Reg No. 0005135

Sd/-
T.Valsaraj
Vice Chairman & Managing Director
(DIN: 00057558)

Sd/-
G.V.V.Satyanarayana
Director (Finance)
(DIN: 00187006)

Sd/-
C.V. Ramana Rao
Partner Membership No. 018545
Place: Visahakapatnam
Date: 29.06.2021

Sd/-
Swaroop Meruva
Company Secretary
Place: Visahakapatnam
Date: 29.06.2021

COASTAL CORPORATION LIMITED

CIN: L63040AP1981PLC003047

Consolidated Notes to Financial Statements for the period ended March, 2021

2. Property, plant and equipment

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

Fixed Assets	Gross Block			Depreciation			Net Block			
	Balance as at 01.04.2020	Additions	(Disposals)	Balance as at 31.03.2021	Upto 01.04.2020	For the year	On disposals	Total upto 31.03.2021	Balance as at 31.03.2021	Balance as at 31.03.2020
	Freehold land	275.45	269.63	-	545.08	-	-	-	-	545.08
Buildings	1,923.79	115.82	-	2,039.61	401.34	60.27	-	461.61	1,578.00	1,522.45
Plant and equipment	2,418.40	501.10	-	2,919.50	1,016.40	187.42	-	1,203.82	1,715.68	1,402.00
Furniture and Fixtures	105.14	5.20	-	110.34	68.92	9.11	-	78.03	32.31	36.22
Computers	28.74	2.26	-	31.00	24.78	2.15	-	26.93	4.07	3.96
Vehicles	763.33	336.61	210.34	889.60	487.90	71.14	157.58	401.46	488.14	275.43
Office Equipment	105.22	30.48	-	135.70	75.46	5.31	-	80.77	54.93	29.76
Roads	4.06	-	-	4.06	4.06	-	-	4.06	-	-
Total	5,624.13	1,261.10	210.34	6,674.89	2,078.86	335.40	157.58	2,256.68	4,418.21	3,545.27
Previous year	5,086.98	547.00	9.85	5,624.13	1,767.29	317.97	6.40	2,078.86	3,545.27	3,319.69

5 Investment properties

Fixed Assets	Gross Block			Depreciation			Net Block			
	Balance as at 01.04.2020	Additions	(Disposals)	Balance as at 31.03.2021	Upto 01.04.2020	For the year	On disposals	Total upto 31.03.2021	Balance as at 31.03.2021	Balance as at 31.03.2020
	Freehold land*	733.39	10.49	-	743.88	-	-	-	-	743.88
Buildings	392.06	80.61	-	472.67	30.16	9.56	-	39.72	432.95	361.90
Total	1,125.45	91.10	-	1,216.55	30.16	9.56	-	39.72	1,176.83	1,095.29
Previous year	1,125.45	-	-	1,125.45	21.11	9.05	-	30.16	1,095.29	1,104.34

*Freehold land includes land of 28.49 acres situated in survey no: 206-4E1 in Tenerala village, procured in the year 2017-18. The cost of said land includes the cost of coconut trees procured along with the land and the same has to be recognised as plant, property and equipment as per Ind AS 16. As the cost of bearer plants are not reliably measured, the same has not been recognised as PPE in the books of account.

5a Information regarding income and expenditure of Investment properties

Particulars	2020-21	2019-20
Rental income derived from investment properties	32.80	49.15
Direct operating expenses (including repairs and maintenance) generating rental income	3.62	2.29
Direct operating expenses (including repairs and maintenance) that did not generating rental income	0.00	0.00
Profit arising from investment properties before depreciation and indirect expenses	29.18	46.86
Less: Depreciation	9.56	9.05
Profit arising from Investment Properties before indirect expenses	19.62	37.81

5b Disclosure of Fair values of the Investment properties

Particulars	31st March 2021	31st March 2020
Freehold Land	1,704.43	1,234.35
Buildings	369.87	369.87

5c Estimation of fair value

The group obtains valuations for its investment properties at least once in a three years from a Independent Valuer. The fair values of investment properties have been determined by V J R Associates & Techno Design Govt. Registered Valuers & Chartered Engineers. The best evidence of fair value is current prices in an active market for similar properties. The valuer has considered the current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect the differences with regard to availability of the infrastructure facilities, locality of the property and market demand for those properties. All resulting fair value estimates for investment properties are included in level 3.

4 Right of Use assets

Particulars	Leasehold Land	Total
Balance as at March 31, 2020	313.25	313.25
Additions	323.05	323.05
Disposals	-	-
Amortisation	8.24	8.24
Balance as at March 31, 2021	628.06	628.06

4a. Leases

(i) As Lessee

A. Movement in lease liabilities

Particulars	Lease Liabilities
Balance as at 01-04-2020	8.62
Additional lease obligations recognised	308.10
Unused amounts reversed	0
Interest expense on lease liabilities	28.83
Amounts paid during the year	291.25
Balance as at 31-03-2021	54.30

B. Maturity analysis of lease liabilities

Particulars	Leasehold Land
Less than 1 year	6.58
1 to 5 years	3.67
More than 5 years	41.45
Total undiscounted lease liabilities at 31 March 2021	51.70
Lease liabilities included in the statement of financial position at 31st March 2021	54.30
Current	6.58
Non Current	47.72

C. Amounts recognised in profit or loss

Particulars	Amount in Lakhs
Interest on lease liabilities	28.83
Variable lease payments not included in the measurement of lease liabilities	0
Income from sub-leasing right-of-use assets	0
Expenses relating to short-term leases	0
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0

(iii) As Lessor - Operating leases

The group has entered into operating leases on its commercial buildings. These leases have terms ranging between 5 and 8 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The total contingent rents recognised as income during the year is Rs. 32.80 Lakhs (31 March 2020: Rs. 49.15 Lakhs). Future minimum rentals receivable under non-cancellable operating leases as at 31 March are, as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Within one year	16.80	49.15
After one year but not more than five years	0.00	121.87
More than five years	0.00	0.69

3. Capital work in progress

Particulars	As at March 31, 2021	As at March 31, 2020
Capital works in progress:		
a. Civil works under progress	3,232.45	82.23
b. Capital stock in Stores	-	147.70
Total	3,232.45	229.93

6 . Non Current Financial assets - Investments

Particulars	As at March 31, 2021	As at March 31, 2020
Other unquoted investments (designated at FVTOCI)		
(i) 7,00,000 (March 31, 2019: 7,00,000) Equity Shares of Rs.10 each of Coastal Developers Pvt Ltd	126.00	70.00
(ii) 7,10,000 (March 31, 2019: 7,10,000) Equity Shares of Rs.10 each of Seagold Aqua Farms India Pvt Ltd	92.30	71.00
Total	218.30	141.00

6a Details of Material Subsidiaries

Name and Principal Place of Business	Proportion of Ownership Interest/ Voting Rights	
	As at March 31, 2021	As at March 31, 2020
"Continental Fisheries India Pvt Ltd Principal Place of Business:15-1-37/2, Jayaprada Apartments, Nowroji Road, Visakahapatnam."	100.00%	100.00%
"Seacrest Seafoods Inc. Principal Place of Business: 7855 NW 12th Street, Suite 221, Miami, Florida"	100.00%	100.00%

6b Reasons for Investments in Equity Instruments designated to be measured at Fair Value through Other Comprehensive Income

The Company has elected an irrevocable option of classifying the non current investments under fair value through other comprehensive income as they are not held primarily for trading.

7. Non Current Financial assets - Loans

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless otherwise stated:		
Security Deposits	129.17	111.45
Loan to Subsidiary company	-	-
Total	129.17	111.45

8. Non Current Financial assets - Others

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks		
- Deposits with original maturity of more than 12 months	594.08	1141.15
Interest Accrued on Deposits	53.03	76.65
Total	647.11	1,217.80

9. Other non current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless otherwise stated:		
Capital Advances	1249.61	675.03
Total	1,249.61	675.03

10. Inventories

Particulars	As at March 31, 2021	As at March 31, 2020
(At lower of cost and net realisable value)		
Raw Materials	0.00	-
Finished Goods	9715.04	10046.21
Stores, spares and packing materials	379.84	283.73
Total	10,094.88	10,329.94

11. Trade Receivables

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables		
Unsecured, Considered Good and due for less than six months *	2865.78	3753.66
Doubtful	4.23	4.23
	2,870.01	3,757.89
Less: Allowance for credit losses	2.60	2.60
	2,867.41	3,755.29

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

12. Cash & cash equivalents

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks:		
- On Current Accounts	1872.92	1492.59
- On Earmarked Balances (Unpaid Dividend accounts - less than seven years)	44.13	45.98
Cash on hand	1.06	1.31
	1,918.11	1,539.88

13. Bank balances other than above

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with Banks:		
- Deposits with original maturity of more than three months but less than 12 months	2825.12	3001.57
Interest Accrued on Deposits	119.42	61.79
	2,944.54	3,063.36

14. Current Financial assets - Others

Particulars	As at March 31, 2021	As at March 31, 2020
Cash flows in hedging instruments	27.29	0.00
Interest Receivable	99.18	0.00
Total	126.47	-

15. Current Tax Assets (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Current tax assets		
Advance payment of Direct Taxes	775.09	1380.00
Income tax deducted at source	26.84	25.57
	801.93	1,405.57
Less:		
Current tax liabilities	725.31	1,130.00
Provision for Income Tax		
	76.62	275.57

16. Other current assets

Particulars	As at March 31, 2021	As at March 31, 2020
Advances made to suppliers	348.95	108.98
Export and other incentives receivable*	1040.36	993.32
Income tax Refund Receivable	274.92	39.05
Balances with revenue authorities	497.79	383.70
Prepaid expenses	223.31	159.29
Other assets	676.43	81.63
	0.00	-
	3,061.76	1,765.97

* Export and other incentives receivable has been recognized in the following manner:

- a) Incentives in the form of duty credit scrips 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.

17. Equity share capital

Particulars	As at March 31, 2021	As at March 31, 2020
Authorised 1,50,00,000 (March 31, 2020: 1,50,00,000) Equity shares of Rs.10/- each	1,500.00	1,500.00
Total	1,500.00	1,500.00
Issued, Subscribed and Paid Up 1,06,78,800 (March 31, 2020: 1,01,68,800) Equity share of Rs.10/- each fully paid up	1,067.88	1,016.88
Total	1,067.88	1,016.88

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	No.	Rs.	No.	Rs.
Outstanding at the beginning of the year	10,168,800.00	1,016.88	10,168,800.00	1,016.88
Add : shares issued during the year	510,000.00	51.00	-	-
Outstanding at the end of the year	10,678,800.00	1067.88	10,168,800.00	1,016.88

B. 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.

C. Issue of Bonus Shares

Pursuant to the approval of the shareholders on 16th May, 2018, record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on 24th May, 2018 Accordingly, the Company has allotted 76,26,600 number of fully paid Bonus shares on 25th May, 2018 in the ratio of three equity share of Rs. 10 each fully paid up for every one existing equity shares of Rs. 10 each fully paid up.

Pursuant to the approval of the shareholders on 14th September, 2015, record date for ascertaining the eligibility of the shareholders for receiving the bonus shares was fixed on 1st October, 2015. Accordingly, the Company has allotted 12,71,100 number of fully paid Bonus shares on 3rd October, 2015 in the ratio of one equity share of Rs. 10 each fully paid up for every one existing equity shares of Rs. 10 each fully paid up.

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	% Holding	No.	% Holding	No.
Equity Shares of Rs. 10/- each Held By				
Haribabu Kambampati	7.32	781,600	7.69	781,600
T.V.R.Estates & Resorts Pvt Ltd	6.36	679,288	6.68	679,288
Satyasree Achanta	8.93	954,146	9.38	954,146
Aditya Achanta	9.43	1,07,240	12.68	1,289,800
T. Valsaraj	9.59	1,024,152	5.15	524,152

17. Other Equity

Particulars	As at March 31, 2021	As at March 31, 2020
a) Securities Premium	949.65	46.95
b) General Reserve	108.61	108.61
c) Retained Earnings	14,944.26	13232.33
d) Money received against share warrants	420.75	-
e) Other Comprehensive Income		
Foreign Exchange Translation Reserve	63.74	84.96
Re-measurement of Defined benefit plans	-82.29	-41.53
Re-measurement gain on Equity instruments measured at FYTOCI	27.29	-129.41
Cash flows hedging reserve	77.30	-
Total	16,509.31	13,301.92

Nature of reserves:

- Securities premium : Securities premium represents premium received on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.
- General reserve : The general reserve is created by way of transfer of part of the profits before declaring dividend pursuant to the provisions of Companies Act, 1956.
- Retained earnings : Retained earnings generally represents the undistributed profit amount of accumulated earnings of the company

d) Money received against share warrants

- The company at its extraordinary general meeting held on 11th February, 2021 issued 14,10,000 number of share warrants convertible into 14,10,000 equity shares of the Company of the face value of Rs.10/- each.
- Each warrant will be convertible into one equity share, the said right can be exercised at any time within a period of 18 months from the date of issue of such Warrants. 25% of the consideration is paid by the allottees to the Company upon issue and allotment of the warrants. The amount paid will be forfeited if the allottees of warrants have not exercised their right for conversion within a period of 18 months from the date of issue of warrants.
- As on the balance sheet date, two of the allottees has exercised the right of converting the 5,10,000 share warrants into equity shares. The amount received against the share warrants are utilised for the proposed objects motioned in EGM notice .
- Equity Shares to be issued and allotted by the Company on exercising of the option against the warrants, shall rank pari-passu in all respects with the then existing fully paid-up Equity Shares of the Company.

e) Other Comprehensive Income:

Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of:

A. Items that will not be reclassified to profit and loss

(i) The Company has made an irrevocable election to present the subsequent fair value changes of investments in OCI. This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value including tax effects. The company transfers restated fair value amounts from this reserve to retained earnings when the relevant financial instruments are disposed.

(ii) The actuarial gains and losses along with tax effects arising on defined benefit obligations are recognised in OCI.

B. Items that will be reclassified to profit and loss:

(i) The effective portion of changes in fair value of cash flow hedging instruments are recognised in OCI. The accumulated gains/losses will be reclassified to profit and loss in the periods when the hedged items affects profit or loss.

19. Non Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured Loans		
Term Loans from a bank on hypothecation of Motor Vehicles (Terms of repayment: Refer note no. 39)	1544.10	20.89
Total	1,544.10	20.89

20. Non Current Financial Liabilities - Others

Particulars	As at March 31, 2021	As at March 31, 2020
Deposits Refundable	117.05	13.00
Total	117.05	13.00

21. Non Current Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
- Gratuity (Funded)	91.72	113.46
Total	91.72	113.46

22. Deferred Tax Liability (Net)

Particulars	As at March 31, 2021	As at March 31, 2020
Major components of Deferred Tax Liabilities and Assets arising on account of timing difference are:		
Liability:		
- Difference between tax and book depreciation	205.42	178.28
Asset:		
- Expenditure charged to Statement of Profit & Loss in the current year but allowed for tax purposes on payment basis	27.08	30.04
- Difference between Lease rentals charged to Profit & Loss account and claimed for tax purposes	7.06	0.32
Deferred Tax Liability (net)	171.28	147.92

23. Current Financial Liabilities - Borrowings

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Loans repayable on demand: from Banks (Secured By hypothecation of raw materials, work in progress, finished goods, and book debts and collaterally secured by the fixed assets, both present and future, of the Company).	12234.34	11,152.48
Total	12,234.34	11,152.48

24. Current Financial Liabilities - Trade Payables

Particulars	As at March 31, 2021	As at March 31, 2020
Outstanding dues to creditors other than micro enterprises and small enterprises	228.92	1297.77
Outstanding dues to micro enterprises and small enterprises	157.26	211.73
Total	386.18	1,509.50

Dues to Small and Medium Enterprises:

(a) Principal amount and interest due thereon remaining unpaid	157.26	211.73
(b) Interest paid in terms of Section 16 of MSMED Act, 2006	-	-
(c) Interest due and payable for the period of delay excluding interest specified under MSMED Act, 2006	-	-
(d) Interest accrued and remaining unpaid at the end of the year	-	-
(e) Further interest due and payable in terms of section 23 of MSMED Act, 2006	-	-
Terms and conditions of the above financial liabilities: Trade payables are non-interest bearing and are normally settled on 30-120 days terms.		

25. Current Financial Liabilities - Others

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debts	16.20	16.20
Outstanding dues towards Capital works	8.35	0.43
Cash flows in hedging instruments	0.00	129.41
Unclaimed dividends	44.09	45.89
Other liabilities	176.93	212.28
Total	245.57	404.20

26. Current Provisions

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits: - Gratuity (Funded)	15.87	5.88
Total	15.87	5.88

27. Other Current Liabilities

Particulars	As at March 31, 2021	As at March 31, 2020
Advances received against sales	69.02	39.32
Statutory dues payable	86.54	110.57
Other liabilities	196.37	214.39
Total	351.93	364.28

28. Revenue from Operations

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of Products		
Income from Sale of Shrimp	37,150.74	50,398.94
Other Operating Revenue		
Export Incentives	2,068.93	4,575.98
Revenue from Operations	39,219.66	54,974.91

(A) Revenue disaggregation by industry vertical is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fixed price contracts	38,442.975	50,398.94
Total	38,442.98	50,398.94

(B) Revenue disaggregation by geography is as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a. Domestic	-	87.84
b. Exports	38,150.52	50,311.10
Total	38,150.52	50,398.94

(C) Reconciliation of revenue recognized with the contracted price with customers is as follows

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Gross Revenue	38,442.98	56,117.09
Less: Sales Returns		265.31
Less: Amounts adjusted for Discounts, rebates, refunds etc		-
Revenue recognised in the statement of profit and loss	38,442.98	55,851.78

(D) Changes in advances received from customers (Contract liability) are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Balance at the beginning of the year	0	0.99
Add: Amounts received during the year	0.23	0.23
Less: Revenue recognised during the year	0	0.23
Less: Revenue recognised during the year	0.23	0.99
Balance at the end of the year (Net)	-	0.23

(E) The details in respect of percentage of revenues generated from top customers are as follows:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from 1st top customer	7,165.26	10,765.29
Revenue from 2nd top customer	4,668.51	4,006.60
Revenue from 3rd top customer	4,544.08	3,521.22

(F) Other disclosures:

(i) The amounts receivable from customers become due after expiry of credit period which on an average is less than 90 days. There is no significant financing component in any transaction with the customers.

(iii) The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration.

29. Other Income

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of agriculture produce		4.47
Lease rental income	32.80	49.15
Interest Income from:		
- Financial assets at amortised cost	265.29	220.26
- Others		0.28
Net Gain on Foreign Exchange Fluctuations	411.31	1,111.06
Refund of Anti Dumping Duty		14.53
Unclaimed credit balances written back	0.26	4.10
Net gain on disposal of property, plant and equipment		0.55
Grants Received under PMRPY Scheme	12.56	25.78
Grants Received under TMA Scheme for exporters	64.41	49.82
Refund of GST paid for earlier years		-
Other Misc Income	10.44	1.08
Freezing & Processing charges	8.75	
Insurance Claims	34.30	
Grants received from MPDA for exports	5.85	
Total	845.97	1,481.09

30. Cost of Materials Consumed

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw Materials Consumed		
Opening stock at the beginning of the year	0.00	155.11
Add : Purchases	28,093.66	39,347.47
Less : Sale of materials	0.00	0.00
Less : Closing stock at the end of the year/period	28,093.66	39,502.58
		0.00
	28,093.66	39,502.58

30A Cost of Sale of Trading goods

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cost of Sale of Trading goods	7,010.25	4,289.87

(A) Cost of Sale of Trading goods

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw Shrimps	28,366.99	39,502.58

31. (Increase)/Decrease in Inventories of Finished Goods

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening stock of inventories Finished goods of Shrimp	8,452.18	9,448.50
Closing stock of inventories Finished goods of Shrimp	9,258.26	8,452.18
Decrease/(Increase) in inventories of finished goods	(806.08)	996.32

32. Operating expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores, spares and consumables	1,625.53	1,916.25
Processing charges	1,898.39	2,316.80
Power and Fuel	569.39	662.22
Repairs and maintenance:		
- Plant and Machinery	385.98	371.80
- Vehicles	344.88	330.97
Other operating charges	606.18	482.27
Total	5,430.34	6,080.32

33. Employee Benefits Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and allowances	1,061.80	1,066.16
Contribution to provident fund and other funds	127.43	108.43
Gratuity expense	32.49	38.27
Managerial remuneration	165.12	225.53
Staff welfare expenses	29.60	28.35
Total	1,416.43	1,466.74

Employee benefit plans:

As per Indian Accounting Standard 19 "Employees' Benefits" the disclosures of Employee Benefits as defined in the Standard are given hereunder:

Defined Contributions Plans:

Contributions to Defined Contribution plans, recognized as expense for the year, are as under:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Employer's Contributions to Provident and Pension Funds	97.96	82.76

Defined Benefit Plans:

A. The company provides for gratuity to the employees as per Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity is payable on retirement/resignation. The gratuity plan is a funded plan and the company makes contributions to recognised funds in India.

B. The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the "Projected Unit Credit Method" which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

I. Reconciliation of opening and closing balances of Defined Benefit obligations

Particulars	Gratuity (Funded) This year	Gratuity (Funded) This year
Defined Benefit obligation at beginning of the year	260.06	170.97
Interest Cost	17.51	13.64
Current Service Cost	51.86	35.86
Benefits paid	(5.94)	(0.89)
Actuarial loss / (gain) on obligation	47.58	40.48
Defined Benefit obligation at year end	371.06	260.06

II. Reconciliation of opening and closing balances of fair value of plan assets

Particulars	Gratuity (Funded) This year	Gratuity (Funded) This year
Fair value of plan assets at beginning of the year	160.29	131.26
Interest Income	10.71	11.23
Contributions	105.29	19.04
Benefits paid	(5.94)	(0.89)
Re measurements - Return on Assets (Excluding Interest Income)	(6.88)	(0.35)
Fair value of plan assets as at the end of the year	263.46	160.29

III. Reconciliation of fair value of assets and obligations as at 31.3.2021

Particulars	Gratuity (Funded) 31 March, 2021	Gratuity (Funded) 31 March, 2021
Fair value of plan assets	263.46	160.29
Present value of obligation	371.06	260.06
Amount recognized as liability in Balance sheet	-107.60	-99.77

Company is maintaining the planned assets through a group policy with Life Insurance Corporation of India

IV. Expenses recognized during the year in the Statement of Profit & Loss under employee benefit expenses

Particulars	Gratuity (Funded) This year	Gratuity (Funded) This year
Current Service Cost	25.70	35.86
Interest Cost	17.51	13.64
Expected return on plan assets	(10.71)	(11.23)
Actuarial (gain)/ loss	-	-
Expenses recognized in the statement of Profit & Loss	32.50	38.27

V. Amount to be recognized in statement of other comprehensive income

Particulars	Gratuity (Funded) This year	Gratuity (Funded) This year
Re measurements of the net defined benefit liability/ (asset)	47.584	40.48
(Return)/loss on plan assets excluding interest income	6.884	0.35
Expenses recognized in the statement of Other Comprehensive Income	54.47	40.82

Particulars	Gratuity (Funded) This year	Gratuity (Funded) This year
(Gain)/loss from change in demographic assumptions	-	-
(Gain)/loss from change in financial assumptions	(5.01)	36.69
(Gain)/loss from change in experience adjustments	52.59	3.78

VI. Significant estimates: actuarial assumptions

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.91%	6.81%
Salary escalation rate	10.00%	10.00%
Mortality rate	100.00%	100.00%
Withdrawal rate	3.00%	3.00%

VII. Maturity Profile of Defined Benefit Obligations:

Particulars	Gratuity	Gratuity
	This year	This year
Expected outflow in year1	15.87	5.88
Expected outflow in year2	15.71	12.75
Expected outflow in year3	21.93	12.68
Expected outflow in year4	11.93	17.62
Expected outflow in year5	21.35	8.42
Expected outflow in year6	16.28	15.15
Expected outflow in year7	25.73	14.43
Expected outflow in year8	16.2	13.43
Expected outflow in year9	28.62	12.84
Expected outflow in year10	30.60	19.97

VIII. Significant estimates : Sensitivity analysis

Discount rate, Salary Escalation Rate and Attrition/Withdrawal rate are significant actuarial assumptions. The change in Present value of Defined Benefit Obligation for a change of 100 Basis Points from the assumed assumption is given below:

Particulars	Change of assumption (+increase/ - decrease)	Effect on gratuity valuation	Effect on gratuity valuation
		This year	This year
Impact on present value of defined benefit obligation if			
- discount rate increase by	+1%	326.13	228.67
- discount rate decrease by	-1%	426.14	298.39
- salary increase by	+1%	418.92	292.60
- salary decrease by	-1%	328.96	230.80
- withdrawal/attrition increase by	+1%	360.56	252.47
- withdrawal/attrition decrease by	-1%	383.46	269.00

IX. Other Disclosures

Particulars	Gratuity	Gratuity
	This year	This year
a) Best Estimate Contribution during the next year	107.59	99.77
b) Discontinuance liability	252.98	174.91

As per the enterprise's accounting policy actuarial gains and losses are recognized immediately during the same year itself. The above information is certified by the Actuary.

34. Finance cost

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest Expense	311.94	619.84
Interest expense on lease liabilities	28.83	0.41
Bank charges	88.75	64.75
Total	429.52	685.00

35. Depreciation and Amortisation

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on plant, property and equipment	335.40	317.95
Depreciation on investment property	9.56	9.05
Amortisation on right-of-use assets	8.24	4.96
Total	353.20	331.96

36. Other Expenses

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Rates & Taxes	508.36	966.08
Insurance	201.17	212.95
Directors' Sitting Fees	5.39	3.95
Auditors' Remuneration	0.00	0.00
for Audit Fees	3.90	3.90
for Taxation Matters	0.58	0.00
Travelling & Conveyance expenses	60.64	70.55
Donations	1.15	31.45
Legal and Professional fees	203.14	201.15
Commission on Sales	95.27	230.41
Selling and distribution expenses	2,320.34	2,267.85
Net Loss on Sale of PPE	0.81	-
Miscellaneous Expenses	114.04	104.47
C.S.R.Expenses	138.54	-
Total	3,653.32	4,092.76

37. Income Tax Expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current tax		
- Based on provisions u/s 115BAA of the Income Tax Act, 1961	725.31	1,130.00
Deferred tax		
Decrease /(increase) in Deferred Tax Assets	(3.79)	(9.64)
Increase /(decrease) in Deferred Tax Liability	27.15	(43.07)
Total Income Tax Expense	748.67	1,077.29

(A) Deferred Tax Expense/ (Income)

Expense/ (Income) recognised for the year ended	For the year ended March 31, 2021	For the year ended March 31, 2020
Deferred tax (liability)/ Asset recognised in statement of profit or loss	37.07	(42.43)
Deferred tax (liability)/ Asset recognised in Other Comprehensive Income	(13.71)	10.27
Deferred tax recognised in Total Comprehensive Income	23.36	(32.16)

(B) Reconciliation of tax expense and the accounting profit multiplied by tax rate

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit from continuing operation before income tax expense	2,613.16	4,463.29
Profit from discontinuing operation before income tax expense		-
Total	2,613.16	4,463.29
Tax @ 25.168% (31st March, 2019: 34.944%)	708.90	1,123.32
"Tax effect of amount which are not deductible (taxable) in calculating taxable income:"		
Goodwill impairment		
Amortization of other intangibles		
Weighted deduction on research and development expenditure		
Corporate social responsibility expenditure		
Employee share based payment expense	34.87	
Contingent consideration		
Other Items	8.92	10.86
Differences in Domestic tax rates		(56.89)
Adjustments of current tax of prior periods	1.65	
Tax losses for which no deferred income tax was recognised		
Previously unrecognised tax losses now recouped to reduce current tax expense	(5.67)	
Previously unrecognised tax losses used to reduce deferred tax expenses		
Income Tax expense	748.67	1,077.29

(C) Components of Tax expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Current tax expense	725.31	1,130.00
b) Amount of deferred tax expense (income) relating to the origination and reversal of temporary differences	24.53	4.18
c) Amount of deferred tax expense (income) relating to changes in tax rates or the imposition of new taxes		(56.89)
d) Amount of the benefit arising from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce current tax expense		-
e) Amount of the benefit from a previously unrecognised tax loss, tax credit or temporary difference of a prior period that is used to reduce deferred tax expense		-

38. Particulars of Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Profit attributable to equity holders:		
Continuing operations	1841.34	3408.01
Discontinued operation		-
Profit attributable to equity holders of the parent for basic earnings	1841.34	3408.01
Interest on convertible preference shares		-
Profit attributable to equity holders of the parent adjusted for the effect of dilution	1841.34	3408.01

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Weighted average number of Equity shares for basic EPS*	10170797	10168800
Effect of dilution		-
Equity shares allocated for Share warrants	120821.92	-
Convertible preference shares		-
Weighted average number of Equity shares adjusted for the effect of dilution	10291619	10168800

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements

Earnings per equity share (for continuing operations)	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Basic	18.10	33.51
b) Diluted	17.89	33.51

39. Effective interest rate

Name of the Bank	Outstanding as on March 31, 2021	Outstanding as on March 31, 2020	No. of Instalments	Commencement of instalments	Effective interest rate
a) Secured loan from Bank of India - Car - shift deziere	0.00	0.30	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.)"
b) Secured loan from Bank of India - Car - Audi	16.00	26.54	36 equal monthly instalments of Rs.0.95	October-2019	Flat Rate of interest 9.12%
c) Secured loan from Bank of India - Car - Creta	5.83	10.25	36 monthly instalments of Rs.0.39	August-2019	Flat Rate of interest 8.18%
d) Secured Loan From HDFC Bank- Term loan for KSEZ Plant	1538.47	0.00	20 quarterly instalments of Rs.100.00	June-2022	Flat Rate of interest 9.00%
Total	1,560.30	37.09			

40. Details of CSR expenditure

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
a) Gross amount required to be spent by the Company during the year:	100.48	84.47
b) Amount spent during the year	164.47	1.49
(i) Construction/acquisition of any asset	0.00	0.00
(ii) On purposes other than (i) above	164.47	-

Note: The amount unspent as at March 31, 2020 is Rs. 192.33 lakhs, as at March 31, 2019 Rs. 109.34 lakhs

Description of the CSR Expenses spent under various Heads

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	Details	Rs.	Details	Rs.
Purchase of new Ambulance and Ambulance Repairs & Maintenance		4.93		1.49
Expenditure on health care equipments – Purchase of humidifier & oxygen machine.		2.60		
Supply of Food grains to needy		13.94		
Amount paid Alluri Sitaramaraju Vignana Kendram towards Construction of Library		20.00		
Amount paid to Arunodaya Trust towards Women Empowerment through skills training towards economic support and self-reliance.		50.00		
Contribution towards Suraksha Old age and Health Society – Health, Poverty & Eradication of Hunger – oldage homes/orphan homes/ free covid/ medical camps/ food distribution.		20.00		
Amount paid to Global Helping Hands INC – Medical & health on present issues pandemic COVID – 19.		20.00		
Payments to M/s Association Saikorian – Campus Challenge on account of CSR expenses		5.40		
Payments to Touch Stone Charities for Eradicating hunger & poverty livelihood- for providing breakfast to Govt. schools situated around factory premises.		3.00		
Payments for bottle crusher – sanitization		4.48		
Supply of blankets		0.12		
PM Relief Fund		20.00		
Total		164.47		1.49

The amount unspent as at March 31, 2021 is Rs.128.34 lakhs , as at March 31, 2020 is Rs. 192.33 lakhs

41. Contingent liabilities/claims not provided for

Particulars	As at March 31, 2021	As at March 31, 2020
a. Unexpired Bank Guarantee issued in favour of:		
Against letters of credit (SBLC)	600.00	517.22
Outstanding Guarantees to Banks including Letters of Credit opened with Banks for supplier payments	27.79	21.40
b. Estimated amount of contracts remaining	3333.14	353.86

42. Assets pledged as security

The carrying amounts of assets pledged as security for current and non current borrowings are:

Particulars	Notes	March 31,2021	March 31,2020
Current assets			
Financial assets			
Trade receivables	11	3,015.70	3,847.95
Cash & cash equivalents	12		2.63
Bank balances other than above (ii)	13	1,341.46	686.34
Non-financial assets			
Inventories	10	8,924.64	7,767.06
Other Current assets	16	1,040.36	932.21

43. Segment information

The Company operates only in one business segment being the processing of Raw Shrimps and there are no geographical segments to be reported.

44. 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, 2021	For the year ended March 31, 2020
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	107.07	147.35
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	58.03	78.17
3)	Smt. Jeeja Valsaraj	Relative of KMP	Sitting fees	1.55	1.20
4)	Smt. Vijeta Valsaraj	Relative of KMP	Salary Amount paid	-	-
5)	Smt. Swaroopa Meruva	KMP (Company Secretary)	Salary Amount paid	11.59	10.29
6)	Mis. Vineesha Valsaraj	Relative of KMP	Salary Amount paid	3.00	3.00
7)	Sri T. Vishwanath	Relative of KMP	Labour charges Amount paid	251.40	158.63

(iii) Balance outstanding

Sl. No.	Name of the Party	Relationship	Nature of transaction	For the year ended March 31, 2021	For the year ended March 31, 2020
1)	Sri T. Valsaraj	KMP (MD)	Remuneration	10.05 Cr	53.13 Cr
2)	Sri G.V.V.Satyanarayana	KMP (WTD)	Remuneration	0.07 Cr	29.05 Cr
3)	Smt. Vijeta Valsaraj	Relative of KMP	Salary	0.14 Cr	0.14 Cr
4)	Smt. Vineesha Valsaraj	Relative of KMP	Salary	-	0.25 Cr

Note: All the aforesaid related party transactions were carried on at arm's length basis

45. Impairment of Assets

According to an internal technical assessment carried out by the Company, there is no impairment in the carrying cost of cash generating units of the Company in terms of Indian Accounting Standard 36 'Impairment Of Assets'

46. Impact of Covid 19

The Management has considered the possible effects, if any, that may result from COVID – 19 pandemic on amounts relating to trade receivables & inventories. In assessing the recoverability of receivables, the Company has considered internal and external information up to the date of approval of these financial results including credit reports and economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes and future economic conditions.

47. Balances Outstanding

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

48. Previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with the current year figures.

49. FINANCIAL INSTRUMENTS

49.1 Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

Particulars	Amortized cost	Measured at fair value through profit loss		Measured at fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	1,918.11	-	-	-	-	1,918.11	1,918.11
Investments:							
Unquoted equity instruments		-	-	218.30	-	218.30	218.30
Trade receivables		-	-	-	2,867.41	2,867.41	2,867.41
Loans		-	-	-	-	-	-
Other financial assets	3,591.65	-	129.17	-	27.29	3,748.11	3,748.11
Total	5,509.76	-	129.17	218.30	2,894.70	8,751.93	8,751.93
Liabilities:							
Trade payables	386.18	-	-	-	-	386.18	386.18
Other financial liabilities	14,141.06	-	-	-	-	14,141.06	14,141.06
Total	14,527.24	-	-	-	-	14,527.24	14,527.24

The carrying value and fair value of financial instruments by categories as of March 31, 2020 were as follows:

Particulars	Amortized cost	Measured at fair value through profit or loss		Measured at fair value through OCI		Total carrying value	Total Fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Cash and cash equivalents	1,539.88	-	-	-	-	1,539.88	1,539.88
Investments:							
Unquoted equity instruments		-	-	141.00	-	141.00	141.00
Trade receivables		-	-		3,755.29	3,755.29	3,755.29
Loans		-	-	-	-	-	-
Other financial assets	4,281.16	-	111.45	-	-	4,392.62	4,392.62
Total	5,821.04	-	111.45	141.00	3,755.29	9,828.79	9,828.79
Liabilities:							
Trade payables	1,509.50	-	-	-	-	1,509.50	1,509.50
Other financial liabilities	11,590.57	-	-	-	-	11,590.57	11,590.57
Total	13,100.07	-	-	-	-	13,100.07	13,100.07

49.2 Fair Valuation Techniques

The fair values of the financial assets and liabilities are included at the amount that would be received on sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A) The following methods and assumptions were used to estimate the fair values

The fair value of cash and cash equivalents, trade receivables and payables, financial liabilities and assets approximate their carrying amount largely due to the short-term maturities of these instruments. The management considers that the carrying amounts of financial assets and financial liabilities recognised at nominal cost/amortised cost in the financial statements approximate their fair values. The fair value of unquoted equity investments designated and recognised through Other Comprehensive Income has been determined by using the Cost approach technique through the net assets value method.

B) Fair value hierarchy

The fair value of financial instruments as referred to above note have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:

Level 1: Level 1 hierarchy includes inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs that are observable either directly or indirectly for the asset or liability, other than quoted prices included within level 1.

Level 3: Inputs for the asset or liability which are not based on observable market data (unobservable inputs).

C) Statement showing the fair value hierarchy of the financial assets and liabilities measured at fair value on a recurring basis

Particulars	Fair Values as at		Fair Value Hierarchy
	31/3/2021	31/3/2020	
Financial Assets			
Trade receivables	2,867.41	3,755.29	Level 2
Other financial assets	129.17	111.45	Level 2
Investment in unquoted Equity Instruments	141.00	141.00	Level 3

D) Management's approach and the key assumptions used to determine the fair value under Level 3 hierarchy:

Cost approach is the valuation technique used for determination of the fair value of the unquoted equity instruments. It considers the present net worth of those companies. The latest audited financial statements, prevailing market/ recoverable values for the assets of respective companies and the amounts payable to discharge its liabilities are the unobservable inputs considered to arrive the fair values of the unquoted equity instruments.

E) Reconciliation of fair value measurement of unquoted equity shares classified as FVTOCI assets:

Particulars	Amount in Lakhs
Balance as at 1 April 2020	141.00
Re-measurement recognised in OCI	77.30
Purchases	-
Reclassified in discontinued operations	-
Sales	-
Balance as at 31 March 2021	218.30

49.3 Offsetting financial assets and financial liabilities as on March 31,2021

Particular	Effects of offsetting on the balance sheet			Related amounts not set off		Net amount
	Gross amount	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instruments collateral	
Financial assets						
Cash and cash equivalents	1,918.11	-	1,918.11	-	-	1,918.11
Trade receivables	2,867.41	-	2,867.41	-	2,867.41	-
Other financial assets	3,939.12	-	3,939.12	-	-	3,939.12
Derivative financial instruments	-	-	-	-	-	-
Financial liabilities						
Trade payables	386.18	-	386.18	-	-	386.18
Borrowings	13,794.64	-	13,794.64	-	2,867.41	10,927.23
Other financial liabilities	346.42	-	346.42	-	-	346.42
Derivative financial instruments	-	-	-	-	-	-

Offsetting financial assets and financial liabilities as on March 31, 2020

Particulars	Effects of offsetting on the balance sheet			Related amounts not set off		Net amount
	Gross amount	Gross amounts set off in the balance sheet	Net amounts presented in the balance sheet	Amounts subject to master netting arrangements	Financial instruments collateral	
Financial assets						
Cash and cash equivalents	1,539.88	-	1,539.88	-		1,539.88
Trade receivables	3,755.29	-	3,755.29	-	3,755.29	-
Other financial assets	4,533.62	-	4,533.62	-		4,533.62
Derivative financial instruments	-	-	-	-		-
Financial liabilities						
Trade payables	1,509.50	-	1,509.50	-		1,509.50
Borrowings	11,189.57	-	11,189.57	-	3,755.29	7,434.28
Other financial liabilities	271.59	-	271.59	-		271.59
Derivative financial instruments	129.41	-	129.41	-		129.41

49.4 Financial risk management framework

A) The Groups's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors monitors the compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The risk management framework aims at,

- i) Improve financial risk awareness and risk transparency
- ii) Identify, control and monitor key risks
- iii) Identify risk accumulations
- iv) Provide management with reliable information on the Company's risk situation
- v) Improve financial returns

B) The Groups's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis, credit ratings	Credit Limits and Letters of Credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - Foreign exchange	Future commercial transactions. Recognised financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting Sensitivity analysis	Cash flows hedging - Forward foreign exchange contracts
Market risk - Interest rate	Long term borrowings at fixed rates for one year	Sensitivity analysis	Credit rating
Market risk - Commercial risk	Price variations	Sensitivity analysis	Product manufacturing planning

a) Credit risk:

i) **Credit risk** is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), from cash and cash equivalents, deposits with banks. The management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis

ii) Financial assets that are neither past due nor impaired

Cash and cash equivalents, deposits with banks, security deposits, investments in securities are neither past due nor impaired. Cash and cash equivalents, deposits are held with banks which are reputed and credit worthy banking institutions. Hence the expected credit loss is negligible.

Investments in securities - the fair value of the securities determined are higher than the cost incurred by the company and having sufficient margin. Hence the expected credit loss is negligible.

iii) Financial assets that are past due but not impaired

Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The average credit period on sales of products is less than 90 days. All trade receivables are reviewed and assessed for default on a quarterly basis. For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. The provision matrix at the end of the reporting period is as follows:

Ageing	Expected Credit Loss (%)
With in the Credit Period	0%
Up to 60 days past due	0.25%
60-90 days past due	0.5%
More than 90 days past due	1%

b) Liquidity risk:

i) Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's objective is to maintain optimum level of liquidity to meet its cash and collateral requirements at all times. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit line to meet obligations. Due to the dynamic nature of underlying business, company maintains flexibility in funding by maintaining availability under committed credit lines.

ii) Maturities of financial liabilities

The table below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non derivative financial liabilities:

As on March 31, 2021

Current maturities of financial liabilities	Less than 6 months	6 months to 12 months	Greater than 12 months	Total
Non derivatives				
Borrowings	12,234.34	-	1,544.10	13778.44
Trade payables	386.18	-	-	386.18
Other financial liabilities	237.47	8.10	117.05	362.62
Derivatives				
Cash flows in hedging instruments	-	-	-	-

As on March 31, 2020

Current maturities of financial liabilities	Less than 6 months	6 months to 12 months	Greater than 12 months	Total
Non derivatives	11,152.48	-	20.89	11173.37
Borrowings	1,509.50	-	-	1509.50
Trade payables	266.69	8.10	13.00	287.79
Other financial liabilities				
Derivatives		129.41		129.41
Cash flows in hedging instruments				

c) Market Risk
i) Interest Rate Risk -

The group's main interest rate risk arises from long term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Sensitivity to changes in interest rates
(Rs in Lakhs)

Particulars	Impact on profit	
	FY 2020-21	FY 2019-20
Sensitivity Analysis of Borrowings		
Rate of Interest Increase by 1% Packing Credit Loan	140.00	82.75
	140.00	82.75
Rate of Interest Decrease by 1% Packing Credit Loan	(140.00)	(82.75)
	(140.00)	(82.75)

ii) Commercial risk -

The commercial risk is the risk due to the change in market prices of raw materials and finished goods and it is measured through sensitivity analysis by taking variance of 5%.

1. Selling price risk
(Rs in Lakhs)

Particulars	Impact on profit	
	FY 2020-21	FY 2019-20
Selling Price Increase by 5% Shrimp	1,857.54	2,519.95
	1,857.54	2,519.95
Selling Price Decrease by 5% Shrimp	(1,857.54)	(2,519.95)
	(1,857.54)	(2,519.95)

2. Raw materials price risk

(Rs in Lakhs)

Particulars	Impact on profit	
	FY 2020-21	FY 2019-20
Raw materials price Increase by 5% Shrimp	(1,418.35)	(1,975.13)
	(1,418.35)	(1,975.13)
Raw materials price Decrease by 5% Shrimp	1418.35	1975.13
	1418.35	1975.129

iii) Foreign currency risk -

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US\$. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency. The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge around 5% to 10% of forecasted foreign currency sales for subsequent 12 months and accordingly, foreign exchange forward contracts are taken to hedge the foreign exchange fluctuations on forecasted sales.

Foreign currency risk exposure at the end of the reporting periods:

(In US \$)

Particulars	31st March 2021	31st March 2020
Financial assets		
Investments in foreign subsidiary company		
Loan to wholly owned foreign subsidiary	30.00	30.00
Trade receivables	2.00	-
Foreign exchange forward contracts	80.62	82.23
- Sell foreign currency		
	112.62	112.23
Derivative liabilities		
Foreign exchange forward contracts		
- Sell foreign currency	30.00	69.00
	30.00	69.00

Sensitivity analysis

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

Particulars	Impact on Profit		Impact on OCI	
	31st March 2021	31st March 2020	31st March 2021	31st March 2020
USD sensitivity				
INR/USD - Increase by 10%	4527.89	5585.18	2.73	12.94
INR/USD - Decrease by 10%	-4527.89	-5585.18	-2.73	-12.94

49.5 Impact of hedging activities

a. Disclosure of effects of hedge accounting on financial position:

Particulars	Foreign exchange forward contracts	
	31st March 2021	31st March 2020
Nominal Value		
Assets		
Liabilities	2,242.15	5162.47
Carrying amount of hedging instrument		
Assets	27.29	
Liabilities		129.40
Maturity date	April to September	April to December
Hedge ratio	2020	2020
Weighted average strike price/rate	0.04	0.18
Changes in fair value of hedging instruments	74.74	74.82
Changes in the value of hedged item used as the basis for recognising hedge effectiveness	27.29	129.40
	27.29	-129.40

b. Disclosure of effects of hedge accounting on financial performance:

Particulars	Foreign exchange risk	
	31st March 2021	31st March 2020
Changes in the value of hedging instrument recognised in Other comprehensive income	27.29	129.40
Hedge ineffectiveness recognised in profit or loss	0.00	0.00
Amount reclassified from cash flow hedging reserve to profit or loss	-129.40	0.00
Line item affected in statement of profit and loss due to reclassification	0.00	0.00

c. Movements in cash flow hedging reserve

Risk Category	Foreign exchange risk	
	31st March 2021	31st March 2020
Derivative instruments		
Balance at the beginning of the year	-129.40	0.00
Add: Changes in discounted spot element of forward contracts	27.29	-129.40
Less: Amounts reclassified to profit or loss	-129.40	0.00
Balance at the end of the year	27.29	-129.40

49.6 Capital management

The group's objectives when managing capital is to safeguard their ability to continue as a going concern, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth and maximise the shareholders value. The company sets the amount of capital required on the basis of annual business and long term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and borrowed funds. The company tries to maintain an optimal capital structure to reduce cost of capital and monitors capital on the basis of debt-equity ratio.

Debt Equity Ratio

(Rs in Lakhs)

Particulars	FY 2020-21	FY 2019-20
Debt		
Borrowings-Non current	1544.10	20.89
Current maturities of long term debt	16.20	16.20
Total Debt	1560.30	37.09
Equity Share Capital	1067.88	1016.88
Other Equity	16509.31	13301.92
Total Equity	17577.19	14318.80
Debt to equity Ratio	0.09	0.00

Notes to the Consolidated Ind AS financial statements for the year ended March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES

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 Company has its primary listings on the BSE Limited.

Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the group consisting of Coastal Corporation Limited(the 'Company') and its subsidiaries.

1.1 Basis of preparation of financial statements:

1.1.1 Statement of compliance with Ind AS

The consolidated financial statements comply in all material aspects with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and guidelines issued by the Securities and Exchange Board of India (SEBI).

1.1.2 Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following –

- Certain financial instruments (including derivative instruments) which are measured at fair values,
- Assets held for sale measured at fair value less cost to be incurred to sell, and
- Defined benefit plans – plan assets measured at fair value.

1.2 Principles of consolidation:

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

The group combines the financial statements of its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

1.3 Foreign currency translation:

1.3.1 Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (INR), which is Coastal Corporation Limited's functional and presentation currency.

1.3.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the Notes to the Consolidated Ind AS financial statements for the year ended March 31, 2021 transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to the part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

1.3.3 Group Companies

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1.4 Use of Estimates:

The preparation of financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported

amount of revenues and expenses during the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in **note 4**. Accounting estimates could change from period to period. Actual results could differ from the estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

1.5 Current versus Non-current classification:

All assets and liabilities in the balance sheet are presented based on current/ non-current classification.

An asset is treated as current when it is:

- expected to be realised or intended to be sold or consumed in normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

The company has identified twelve months as its operating cycle.

1.6 Revenue Recognition:

Revenue is recognised as and when the entity satisfies a performance obligation by transferring a promised goods or services (i.e an asset) to a customer and recovery of the consideration is probable. An asset is transferred when (or as) the customer obtains control of that asset, which is upon delivery in case of export sales made to USA and in other cases upon shipment of goods. Revenue is measured at the transaction price which is determined based on the terms of contract and entity's customary practice. Amounts disclosed as revenue are inclusive of duties, but exclusive of Goods and Service tax (GST), which the company pays as principal and net of returns, trade allowances, rebates, and taxes collected on behalf of the government.

1.6 Property, Plant and Equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Historical cost includes all costs directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimation of dismantling and site restoration costs. Subsequent costs relating to property, plant and equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced.

Property, Plant and Equipment are componentized and are depreciated separately over their estimated useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives. 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.

An item of property, plant and equipment and any significant part initially recognised is de-recognised 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 de-recognised.

Capital work in progress

Expenditure during construction/erection period is included under Capital Work-in-Progress and allocated to the respective fixed assets on completion of construction/erection. 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.

1.7 Investment Properties:

Property that is held for long term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is de-recognised.

Investment properties are depreciated using the straight line method over their estimated useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

1.8 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 Group 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.

1.9 Bearer plants:

Bearer plants are living plants used in the production or supply of agriculture produce. They are expected to bear produce for more than one period and have a remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The Group's bearer plants comprise coconut trees and the same are presented and accounted for as "Property, Plant & Equipment" if they satisfy the recognition criteria.

Immature bearer plants are accounted for at accumulated cost, which consist mainly of the accumulated cost of land clearing, planting, fertilizing, up-keeping and maintaining the plantations, and allocations of indirect overhead costs up to the time the plants become commercially productive and available for harvest. Costs also include capitalized borrowing costs and other charges incurred in connection with the financing of the development of immature bearer plants. Immature bearer plants are not depreciated.

Immature bearer plants are reclassified to mature bearer plants when they are commercially productive and available for harvest. Mature bearer plants are stated at cost, and are depreciated using the straight-line method over their estimated useful lives. The useful lives and depreciation method are reviewed at each year end and adjusted prospectively, if necessary. The carrying amounts of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be fully recoverable.

The carrying amount of an item of bearer plants is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from de-recognition of the asset (calculated as the difference between the netdisposal proceeds and the carrying amount of the asset) is directly included in profit or loss when the item is de-recognized. Upkeep and maintenance costs are recognized in profit or loss when they are incurred. The cost of major renovation and restoration is included in the carrying amount of the related asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the company, and is depreciated over the remaining useful life of the related asset.

1.10 Biological assets:

The Group's biological assets comprise agricultural produce of the bearer plants, which primarily comprise coconuts. Biological assets are stated at fair value less costs to sell at the point of harvest. Gains or losses arising on initial recognition of biological assets

and from the change in fair value of biological assets at each reporting date are recognized in profit or loss for the period in which they arise.

The fair value of the biological assets is based on the quoted prices for coconuts in the market at the time of harvest. The group, in general, does not carry any inventory of agriculture produce at any given time as these are sold as and when harvested. Farming costs are expensed as incurred.

1.11 Government Grants:

Government Grants are recognised when the Group has a reasonable assurance that the entity will comply with all the conditions and the grants will be received. Grants related to depreciable assets are deducted while calculating the carrying value of the asset. All other grants are recognised as Income over the grant period.

Other government grants: A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

1.12 Inventories:

Inventories are valued at the lower of the cost (net of eligible input tax credits) or net realisable value.

Costs incurred in bringing each product to its present location and condition, are accounted for as follows:

- Raw materials, Packing materials & Stores and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.
- Finished goods: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs. Cost is determined on a weighted average basis.

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

1.13 Non-Derivative Financial Instruments:

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

1.13.1 Initial Recognition-

All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added/ deducted to/from the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

1.13.2 Subsequent measurement-

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

(i) Debt instruments at amortised cost

A debt instrument is subsequently measured at a mortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash-flows and the contractual terms of the financial asset give rise on specified dates to cashflows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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 amortisation of EIR is included in finance income in the profit or loss. The impairment losses and gain/loss on de-recognition are recognised in the profit or loss.

(ii) Debt instruments at fair value through other comprehensive income

A debt instrument is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments under this category are measured at fair value at each reporting date. Fair value movements are recognized in the other comprehensive income (OCI). However, the group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit & loss. On de-recognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL (residual category).

In addition, the group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The group has not designated any debt instrument as at FVTPL.

All equity instruments in scope of Ind AS 109 are measured at fair value by the Group. Equity investments which are held for trading are classified as at FVTPL. For all other equity instruments, the group decides to classify the same either as at FVTOCI or FVTPL. The classification is made on initial recognition and is irrecoverable.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

(iv) Equity instruments measured at fair value through other comprehensive income

The Group has made an irrevocable election to present the subsequent fair value changes in 'other comprehensive income' for its investments in equity instruments that are not held for trading. Fair value changes on the instrument, impairment losses & reversals and foreign exchange gain or loss are recognized in the OCI. Dividends are recognised in the Profit & Loss. There is no recycling of the amounts from OCI to Profit & Loss, even on sale of investment. However, the group may transfer the cumulative gain or loss within equity.

Financial liabilities are classified in two measurement categories:

- Financial liability measured at amortised cost
- Financial liability measured at fair value through profit or loss

(i) Financial liabilities measured at fair value through profit or loss

include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. The group has not designated any financial liability as at fair value through profit and loss.

(ii) Financial liability measured at amortised cost

All other financial liabilities are subsequently carried at amortized cost using effective interest rate (EIR) method, thereby resulting in amortisation of transaction costs and interest expenses through Profit & Loss over the life of the instrument. The EIR amortisation is included as finance costs in the statement of profit and loss.

1.13.3 Reclassification of financial assets-

The group reclassifies its financial assets only when there is a change in entity's business model for managing its financial assets.

1.13.4 De-recognition of financial instruments-

The Group de-recognizes a financial asset when the contractual rights to the cash-flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind.AS109.A financial liability (or a part of a financial liability) is de-recognized when the obligation specified in the contract is discharged or can be cancelled or expires.

1.13.5 Impairment of financial assets-

The Group applies expected credit losses (ECL) model for measurement and recognition of loss allowance on the following:

- a. Trade receivables
- b. Financial assets measured at amortized cost (other than trade receivables)
- c. Financial assets measured at fair value through other comprehensive income.

In case of trade receivables, the Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognized as loss allowance.

In case of other assets, the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognized as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognized as loss allowance.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss under the head 'Other expenses'.

1.13.6 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 either to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

1.13.7 Income recognition

a. Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. Dividend

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

1.13.8 Fair Value of Financial instruments-

In determining the fair-value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair-value included is counted cash-flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair-value result in general approximation of value, and such value may never actually be realized. For trade and other receivables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

1.14 Derivative financial instruments:

Derivatives are initially recognised at fair value on the date of a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of item being hedged and the type of hedge relationship designated.

The Group designates their derivatives as hedges of foreign exchange risk associated with the cash flows of highly probable forecast transactions (cash flow hedges).

The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss.

When a hedging instrument expires, or is sold or terminated, when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Net investment hedge

Hedges of net investments in foreign operations are accounted for similar to cash flow hedges.

(iii) Derivatives that are not designed as hedges

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.

1.15 Employee Benefits include:

(i) Short term employee benefits-

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

The group recognises a liability and an expense for bonus only when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of obligation can be made.

(ii) Post employment benefits-

The group operates the following post-employment schemes:

(a) Defined benefit plans such as gratuity; and

(b) Defined contribution plans such as provident and pension funds.

Defined Benefit Plans -The liability or as set recognised in the balance sheet in respect of defined benefit gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

Defined Contribution Plans- The group pays provident fund contributions to publicly administered provident funds as per local regulations. It has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

1.16 Leases:

The group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments.
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The group has elected not to recognise right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Under Ind AS 17

In the comparative period, leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease unless the payments are structured to increase in line with the expected general inflation to compensate for the lessors expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

1.17 Non-Current Assets held for Sale:

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. Again is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. Again or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition.

1.18 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.

1.19 Impairment of Non Financial Assets:

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs of disposal and value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash in flows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

1.21 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 Group are segregated based on the available information.

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.

1.22 Income Taxes:

Income tax expense comprises current and deferred income tax. Income-tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income-tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized. The

group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

1.23 Earnings Per Share:

Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects all dilutive potential equity shares.

1.24 Provisions:

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 Group 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 Group does not recognize a contingent liability but discloses its existence in the financial statements.

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

Note. 4 Significant accounting estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

4.1 Property, Plant and Equipment & Investment Properties

Property, plant and equipment represent a significant proportion of the asset base of the group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of group's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

4.2 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

4.3 Impairment of Financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.4 Leases

The accounting of leases involves significant management judgement for identification, classification and measurement of lease transactions at the time of lease commencement. The assessment of the lease liability and Right of Use asset under lease arrangements are based on the assumptions and estimates of the discount rate, lease term including judgement for exercise of options to extend or terminate the contract, dismantling and restoration costs, escalation in rentals etc. Further, these will be continuously monitored at each reporting period to reflect the changes in the agreements and management estimates.

4.5 Employee benefits (gratuity)

The cost of the defined benefit plans and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

4.6 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the cost approach model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions that are existing at the end of each reporting period. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

4.7 Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

4.8 Contingencies

Management judgement is required for estimating the possible inflow/ outflow of resources, if any, in respect of contingencies/claims/ litigations against the group/ by the group as it is not possible to predict the outcome of pending matters with accuracy.

STATEMENT OF ACCOUNTING RATIOS

The following tables present certain accounting and other ratios computed on the basis of amounts derived from the Audited Financial Statements included in "Financial Statements" as above:

- On Standalone Basis

Particulars	31-03-2022	31-03-2021	31-03-2020
Net Profit for the period/year ended on (A) (₹ in lakhs)	1,406.21	2,088.01	3,322.40
Net worth at the end of period/year ended on (B) (₹ in lakhs)	22,107.85	19,037.42	15,632.25
No. of equity shares outstanding at the period/year ended on (C) (in lakhs)	115.788	106.788	101.688
Basic Earnings Per Share (EPS)	13.89	19.90	34.25
Diluted Earnings Per Share (EPS)	12.95	19.67	34.25
Return on Net Worth (%) (A/B)	6.36%	10.97%	21.25%
Net Asset Value per Share (in ₹) (B/C)	190.93	178.27	153.73
EBITDA (₹ in lakhs)	3,087.56	3,547.34	5,495.91

- On Consolidated basis

Particulars	31-03-2022	31-03-2021	31-03-2020
Net Profit for the period/year ended on (A) (₹ in lakhs)	1,288.09	1,883.95	3,337.54
Net worth at the end of period/year ended on (B) (₹ in lakhs)	20,457.18	17,577.19	14,318.80
Weighted average no. of equity shares for basic EPS outstanding at the period/year ended on (C) (in lakhs)	115.788	106.788	101.688
Earnings Per Share (EPS)	12.55	18.10	33.51
Diluted Earnings Per Share (EPS)	11.71	17.89	33.51
Return on Net Worth (%) (A/B)	6.30%	10.72%	23.31%
Net Asset Value per Share (in ₹) (B/C)	176.68	164.60	140.81
EBITDA (₹ in lakhs)	2,971.19	3,395.88	5,480.25

Formula used:

1. Earnings Per Share (₹):

Basic Earnings per Share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects all dilutive potential equity shares.

- Return on Net Worth (%):** Net Profit after tax for the year attributable to Equity Shareholders divided by Net Worth at the end of the period multiplied by 100.
- Net Asset Value Per Share (₹):** Net Assets as at the year-end/ period end divided by total number of equity shares outstanding at the end of the period.
- EBITDA (₹ in lakhs):** Profit before tax plus finance costs plus depreciation and amortisation expense and interest income.

For **M/s.Brahmayya & Co.**
Chartered Accountants
Firm Registration No: 000513S

Sd/-

C V Ramana Rao
Partner
Membership No: 0018545
UDIN No: 22018545AKQBEU6183

Place: Visakhapatnam
Dated: 9th June, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion is intended to convey management's perspective on our audited financial condition and results of operations for the financial years ended March 31, 2022, 2021 and 2020. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with the section titled "Financial Information" beginning on page 68 of this Draft Letter of Offer. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" beginning on page 19 of this Draft Letter of Offer. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" beginning on page 16 of the Draft Letter of Offer.

Unless otherwise stated, the financial information of our Company used in this section has been derived from the Audited Financial Results of the Company for the FY ended March 31, 2022 and Annual Report of the Company for the FY ended March 31, 2021. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year. In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to "Coastal Corporation Limited", our Company.

BUSINESS OVERVIEW

Our Company is engaged in the processing of variety of Shrimps & Shrimp products. We offer shrimps in different forms such as raw, cooked in frozen blocks and cooked in IQF form as per Customer's specifications.

Our variety of Shrimps includes sea caught shrimps i.e., Black Tiger (*Penaeus Monodon*) and Vannamei (*Litopenaeus vannamei*) and aquaculture shrimps i.e., Black Tiger (*Penaeus Monodon*) and Vannamei (*Litopenaeus vannamei*).

We sell our products under the brand name of "Coastal", "Coastal Premium", "Coastal Gold", "Jewel" and "President".

We have three processing facilities: Unit I located in Survey No. 173/2, Marikavalasa Village, Madhuravada, Visakhapatnam, Andhra Pradesh - 530048; Unit II located in Survey No. 87, P. Dharmavaram Village, S Rayavaram Mandal, Visakhapatnam, Andhra Pradesh - 531005 and Unit III located in Plot No. D - 7 & 8, Ponnada Village, Kakinada SEZ, East Godavari District, Andhra Pradesh - 533448, which is yet to commence commercial operations. As on March 31, 2022, our processing facilities (Unit I and II) have a combined approved freezing capacity of 71 metric tons per day of raw and cooked shrimps in block and IQF Forms. Our company has established (a) Seacrest Seafoods Inc. during the Year 2015-16 in the State of Delaware, U.S.A, with an objective to export from India and sell sea foods in the American Markets (b) Continental Fisheries India Private Limited during the year 2014-15 in Andhra Pradesh, India with an objective to carry on the business of deep sea fishing and (c) Coastal Biotech Private Limited during the year 2020-21 with an objective to manufacture ethanol, as fully owned subsidiaries. Our Company has also set up a captive consumption solar power project at Daleswaram(V), Kanchili(M), Srikakulam District, Andhra Pradesh - 530002, which is yet to commence commercial production as certain documentation is in process with APEPDCL.

For further detailed information, please refer to chapter titled "**Our Business**" beginning from page 54 of this Draft Letter of Offer.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST AUDITED PERIOD

In the opinion of the Board of Directors of our Company and except as disclosed in this Draft Letter of Offer and as disclosed below, since the date of the last financial statement i.e., December 31, 2021, there have not arisen any circumstance that materially or adversely affect or are likely to affect the trading or profitability of our Company or the value of its assets or its ability to pay its material liabilities within the next twelve months:

There has been a revision in the interest equalisation rates under Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit as per Reserve Bank of India (RBI) Notification RBI/2021-22/180 DOR.STR.REC.93/04.02.001/2021-22, dated 8th March, 2022. The Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit ('Scheme') up to March 31, 2024 or till further review, whichever is earlier. The extension takes effect from October 1, 2021 and ends on March 31, 2024. However the interest equalisation rates under the Scheme will now be 3 per cent for MSME manufacturer exporters exporting under any HS lines, and 2 per cent for manufacturer exporters and merchant exporters exporting under 410 HS lines. Previously the interest equalisation rate was 5 per cent. This would have an adverse impact on the margins of the company.

KEY FACTORS AFFECTING OUR RESULTS OF OPERATION

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "**Risk Factor**" beginning on page 19 of this Draft Letter of Offer. Our results of operations and financial conditions are affected by numerous factors including the following:

- Uncertainty of the continuing impact of Covid-2019 on our financial conditions and operations.
- The environmentally sensitive industry in which we operate is subject to biosecurity risks at our processing and other facilities and during the transportation of raw and processed shrimp products;
- General outbreaks of shrimp diseases;
- A significant portion of our revenue being generated from our limited number of large customers and any inability to maintain our relationship with such customers or reduction in their demand for our products. Further, these large customers exercise substantial negotiating leverage with us;
- A majority of our revenue being generated through the export of shrimp to the United States;
- Competition in our processed shrimp business segment from other competitors located both in India and globally;
- Contractual agreements not being executed with suppliers for our raw shrimp and an increase in the cost of or a shortfall in the availability of raw shrimp;
- The improper handling, processing or storage of raw materials or products, or spoilage of and damage to such raw materials and products, or any real or perceived contamination in our products;
- Exchange rate fluctuations and exchange controls and policies; and
- Failure to comply with the strict quality requirements, and regulatory and customer inspections that we are subject to; and
- Occurrences of natural disasters or calamities affecting the areas in which we have operations.

SIGNIFICANT ACCOUNTING POLICIES:

Our significant accounting policies are described in the section entitled “*Financial Information*” beginning from page 68 of this Draft Letter of Offer

SUMMARY OF THE RESULTS OF OPERATION:

The following table sets forth select financial data from Audited Consolidated Profit and Loss accounts for the financial year ended on 31st March 2022, 31st March 2021 and 31st March 2020 and the components of which are also expressed as a percentage of total income for such periods.

Particulars	<i>(Rs. in Lakhs)</i>					
	For the period/year ended					
	31-03-2022	% of Total Revenue	31-03-2021	% of Total Revenue	31-03-2020	% of Total Revenue
(1) Revenue						
(a) Revenue from Operations						
- Sale of Manufactured Goods	45,945.89	91.09	39,219.66	81.38	54,974.91	88.80
- Sale of Trading Goods	3,163.62	6.28	8,128.17	16.87	5,452.84	8.81
Revenue from Operations (Total)	49,109.51	97.37	47,347.83	98.24	60,427.75	97.61
(b) Other Income	1,328.79	2.63	845.97	1.76	1,481.09	2.39
Total Revenue (1)	50,438.30	100.00	48,193.80	100.00	61,908.84	100.00
(2) Expenses						
(a) Cost of Material Consumed	32,060.04	63.56	28,093.66	58.29	39,502.58	63.81
(b) Cost of Sale of Trading Goods	2,473.99	4.90	7,010.25	14.55	4,289.87	6.93
(c) Change in Inventory of Finished Goods	(1,031.89)	(2.05)	(806.08)	(1.67)	996.32	1.61
(d) Employee Benefit Expenses	1,724.18	3.42	1,416.43	2.94	1,466.74	2.37
(d) Other Expenses	12,240.79	24.27	9,083.66	18.85	10,173.08	16.43
Total Expenses (2)	47,467.11	94.11	44,797.92	92.95	56,428.59	91.15
(3) Profit/(Loss) before Interest, Depreciation and Tax (1-2)	2,971.19	5.89	3,395.88	7.05	5,480.25	8.85
Depreciation & Amortisation Expenses	430.78	0.85	353.20	0.73	331.96	0.54
(4) Profit/(Loss) before Interest and Tax	2,540.41	5.04	3,042.68	6.31	5,148.29	8.32
Financial Charges	605.70	1.20	429.52	0.89	685.00	1.11
(5) Profit/(Loss) before Tax	1,934.71	3.84	2,613.16	5.42	4,463.29	7.21
Tax expense						
(a) Current Tax	559.25	1.11	723.77	1.50	1,130.00	1.83
(b) Deferred Tax	26.57	0.05	37.07	0.08	(42.43)	(0.07)
(c) Tax related to earlier years	(6.42)	(0.01)	10.98	0.02	(32.29)	(0.05)
Total Tax Expenses	579.40	1.15	771.82	1.60	1,055.28	1.70
(6) Profit/(Loss) for the period/ year	1,355.31	2.69	1,841.34	3.82	3,408.01	5.50

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2022 WITH FISCAL 2021

During the year under review, the company has recorded a turnover of ₹50,438.30 Lakhs as compared to ₹48,193.80 Lakhs in the Previous Year. The Company has recorded a net profit to the tune of ₹1,355.31 Lakhs as compared to ₹1,841.34 Lakhs in the previous year.

Revenue from Operations:

The revenue from operation of the Company for the year ending March 31, 2022 is ₹49,109.51 Lakhs as compared to ₹47,347.83 Lakhs for the year ending March 31, 2021 showing an increase of 3.72% to the previous year.

Other Income:

The other income of the company for the year ending March 31, 2022 is ₹1,328.79 lakhs as compared to ₹845.97 lakhs for the year ending March 31, 2021, showing an increase of 57.07% to the previous year.

Total Expenditure

The total expenses excluding depreciation, finance cost and tax has been increased to ₹47,467.11 Lakhs in FY 2022 as compared to ₹44,797.92 Lakhs in FY 2021, representing an increase of 5.96% to the previous year. The total expenditure consists of cost of material consumed, cost of sales of trading goods, change in inventory of finished goods, employee benefit expenses and other expenses.

Depreciation

Depreciation expenses increased from ₹353.20 Lakhs in financial year 2020-21 to ₹430.78 Lakhs in financial year 2021-22, representing an increase of 21.96% to the previous year.

Finance Cost:

Finance Cost has increased from ₹429.52 Lakhs in financial year 2020-21 to ₹605.70 Lakhs in financial year 2021-22, representing an increase of 41.02% to the previous year.

Profit after Tax

Profit after tax decreased from ₹1,841.34 Lakhs in financial year 2020-21 to ₹1,355.31 Lakhs in financial year 2021-22 due to higher input cost, Higher Finance Cost and higher depreciation.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2021 WITH FISCAL 2020

In the first half of 2020, the pandemic entered all regions of the world, some worse than others, including many major fish-producing and/or fish-consuming countries and global suppliers of fish feed. While fishing and aquaculture and the distribution of their products are considered an essential activity in most countries, the measures adopted to contain the spread of infection caused significant direct and indirect challenges to the sector. The drop in demand, which in some cases has resulted in reduced prices of fish and fish products, low market demand has been a main concern worldwide as this has direct negative impact on quantities sold and price per unit, reducing revenues.

During the year under review, the company has recorded a total turnover of ₹48,193.80 Lakhs as compared to ₹61,908.84 Lakhs in the Previous Year. The Company has recorded a net profit to the tune of ₹1,883.95 Lakhs as compared to ₹3,337.54 Lakhs in the previous year. Our business activity has been adversely affected post March 20 due to slowdown resulting into overall lower turnover and profitability.

Revenue from Operations:

The revenue from operation of the Company for the year ending March 31, 2021 is ₹ 47,347.83 Lakhs as compared to ₹60,427.75 Lakhs for the year ending March 31, 2020 showing a decrease of 21.65% to the previous year which is as a result of reduction in sale of Manufactured/traded Goods due to covid-19 pandemic and restriction.

Other Income:

The other income of the company for the year ending March 31, 2021 is ₹845.97 lakhs as compared to ₹1,481.09 lakhs for the year ending March 31, 2020, showing a decrease of 42.88% to the previous year. Foreign exchange fluctuation gain is major component of other income. The Company has earned net gain from foreign exchange fluctuation of ₹411.31 lakhs during FY 2021 as compared to ₹1,111.06 Lakhs in FY 2020.

Total Expenditure

The total expenses excluding depreciation, finance cost and tax has been decreased to ₹44,797.92 Lakhs in FY 2021 as compared to ₹56,428.59 Lakhs in FY 2020, representing a decrease of 20.61% to the previous year. The total expenditure consists of cost of material consumed, cost of sales of trading goods, change in inventory of finished goods, employee benefit expenses and other expenses.

Depreciation

Depreciation expenses increased from ₹331.96 Lakhs in financial year 2019-20 to ₹353.20 Lakhs in financial year 2020-21, representing an increase of 6.40% to the previous year.

Finance Cost:

Finance Cost has been decreased from ₹685.00 Lakhs in financial year 2019-20 to ₹429.52 Lakhs in financial year 2020-21, representing a decrease of 37.30% to the previous year.

Profit after Tax

Profit after tax decreased from ₹3,408.01 Lakhs in financial year 2019-20 to ₹1,840.34 Lakhs in financial year 2020-21.

Except as described in this Draft Letter of Offer, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

OUTSTANDING LITIGATIONS, DEFAULTS AND MATERIAL DEVELOPMENTS

Our Company and Subsidiaries are involved in certain legal proceedings from time to time, which are primarily in the nature of tax disputes, criminal complaints, civil suits, and petitions pending before various authorities. Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company or our Subsidiaries; (ii) material violations of statutory regulations by our Company or our Subsidiaries; (iii) economic offences where proceedings have been initiated against our Company or our Subsidiaries; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position; and (v) other litigation involving our Company or our Subsidiaries, including civil or tax litigation proceedings, which involves an amount in excess of the Materiality Threshold (as defined below) or is otherwise material in terms of the Materiality Policy.

For the purpose of (v) above, as per the materiality policy in accordance with our Company's 'Policy on determination of materiality of events' framed in accordance with Regulation 30 of the SEBI Listing Regulations, the materiality threshold considered is ₹ 149.92 lakhs (being 10% of Net Profits for Financial Year 2022) or above; and (ii) any other litigation involving our Company which may be considered material by our Company for the purposes of disclosure in this section of this Draft Letter of Offer ("Materiality Threshold").

Litigations involving our Company and our Subsidiaries

Proceedings involving issues of moral turpitude or criminal liability Nil

Proceedings involving material violations of statutory regulations Nil

Economic offences where proceedings have been initiated against our Company/Subsidiaries Nil

Other proceedings involving our Company and/or Subsidiaries which involve an amount exceeding the Materiality Threshold or are otherwise material in terms of the Materiality Policy, and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company Nil

DISCLOSURES PERTAINING TO WILFUL DEFAULTERS / FRAUDULENT BORROWERS

Neither our Company, nor our Promoter or any of our directors are or have been categorized as a willful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on willful defaulters issued by the RBI.

DETAILS OF MATERIAL DEVELOPMENTS AFTER THE DATE OF LAST BALANCE SHEET I.E. MARCH 31, 2022.

Except as below no material circumstances have arisen since the date of last financial statement until the date of filing of this Draft Letter of Offer, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months to our knowledge.

There has been a revision in the interest equalisation rates under Interest Equalization Scheme on Pre and Post Shipment Rupee Export Credit as per Reserve Bank of India (RBI) Notification RBI/2021-22/180 DOR.STR.REC.93/04.02.001/2021-22, dated 8th March, 2022. The Government of India has approved the extension of Interest Equalization Scheme for Pre and Post Shipment Rupee Export Credit ('Scheme') up to March 31, 2024 or till further review, whichever is earlier. The extension takes effect from October 1, 2021 and ends on March 31, 2024. However, the interest equalisation rates under the Scheme will now be 3 per cent for MSME manufacturer exporters exporting under any HS lines, and 2 per cent for manufacturer exporters and merchant exporters exporting under 410 HS lines. Previously the interest equalisation rate was 5 per cent. This would have an adverse impact on the margins of our Company.

GOVERNMENT APPROVALS

Our Company is required to comply with the provisions of various laws and regulations and obtain approvals, registrations, permits and licenses under them for conducting our operations. The requirement for approvals may vary based on factors such as the activity being carried out and the legal requirements in the jurisdiction in which we are operating.

Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage. Our Company has obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time.

As on the date of this Draft Letter of Offer, there are no pending material Government and Regulatory approvals required for our Company to conduct our existing business and operations and objects of the Issue.

Authority for the Issue

1. The Issue of this Right Equity Shares to the eligible shareholders in terms of this draft Letter of Offer has been authorized by a resolution by the Board of Directors passed at their meeting held on March 29, 2022 under Section 62 of the Companies Act 2013.
2. Our Board/Right Issue Committee in its meeting held on [●] has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders aggregating up to ₹ [●] crores and decided to issue the Rights Equity Shares at an Issue Price of ₹ [●]/- per Rights Equity Share (including a premium of ₹ [●]/- per Rights Equity Share), in the ratio of [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares, as held on the Record Date. The Issue Price of ₹ [●]/- per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.
3. The Draft Letter of Offer has been approved by our Board pursuant to its resolution dated June 29, 2022.
4. The Letter of Offer has been approved by our Board pursuant to its resolution dated [●].
5. Our Company has received In-principle approval from BSE (being the Designated Stock Exchange) and NSE under regulation 28 of the SEBI Listing Regulation vide their letters dated [●] and [●] respectively for listing of Right Equity Shares to be allotted in the issue.
6. Our Company will also make applications to the BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the January 22, 2020 – Rights Issue Circular.
7. Our Company has been allotted the ISIN - [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see “*Terms of the Issue*” beginning on page 144 of this Draft Letter of Offer.

Confirmation:

- Our Company, our Promoters, Promoter Group, our Directors, person(s) in control of the promoter or our Company have not been or are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.
- Our Company, our Promoters, Promoters’ Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.
- None of our Directors are associated with the securities market in any manner and there has been no outstanding action initiated by the SEBI against the Directors.

Eligibility for the Issue:

In terms of Regulation 3 of SEBI (ICDR) regulation, in case of rights issue size is less than Rs. Fifty (₹50.00) crores, the issuer shall prepare the letter of offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI’s website.

Our Company is a listed company and is eligible to make this Rights Issue in terms of Chapter III of SEBI ICDR Regulations. Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information with the designated stock exchange in compliance with the listing agreements or SEBI Listing Regulations (to the extent applicable) for the last one year immediately preceding the date of this Draft Letter of Offer;
2. The reports, statements and information referred to in paragraph (1) above are available on the website of BSE and NSE with nationwide trading terminals.
3. Our Company has investor grievance-handling mechanism which includes meeting of the Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI (ICDR) Regulations:

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable, details are mentioned as under:

- Our Company, any of our Promoters, Promoter Group or our Directors are not debarred from accessing the capital market by SEBI.
- None of our promoters or Directors of our company is a promoter or director of any other company which is debarred from accessing the capital market by SEBI.
- None of our Promoters or our Directors are declared as Fugitive Economic Offenders within the meaning of the Fugitive Economic Offenders Act, 2018.
- Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company has made an application to BSE (designated stock exchanges having nationwide terminal) and NSE for their in-principle approval and undertakes to make an application to BSE and NSE for listing and trading approval of the Rights Equity Shares to be issued pursuant to the Issue.

All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Draft Letter of Offer.

- We will ensure compliance with the conditions specified in Regulation 62(2) of the SEBI ICDR Regulations, to the extent applicable.
- Neither our Company, nor our Promoters or our Directors, have been identified as a willful defaulter or fraudulent borrower by the RBI.
- The promoters or promoter group of our company will not renounce their rights except to the extent of renunciation within the promoter group.

DISCLAIMER CLAUSE OF SEBI

In terms of Regulation 3 of SEBI ICDR regulation, in case of Rights Issue size is less than Rs. Fifty (₹50.00) crores, the issuer shall prepare the draft letter of offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI's website.

Since the Board of Directors of our Company has approved and passed resolution on March 29, 2022 to authorize the Board of Directors to raise the funds by way of Right Offering aggregating to Rupees [●] Crores, the letter of offer has not been filed with SEBI for their approval. Only the Letter of Offer will be filed with the SEBI for information and dissemination on the SEBI's website.

HOWEVER, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER.

DISCLAIMER FROM OUR COMPANY AND THE LEAD MANAGER

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in the advertisements or any other material issued by or at the instance of our company and that anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in the Issue will be deemed to have been represented by our Company and the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Right Equity Shares of our Company, and are relying on independent advice/evaluation as to their ability and quantum of investment in this Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Equity Shareholders and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer with the SEBI/Stock Exchange.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorised information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

DISCLAIMER IN RESPECT OF JURISDICTION

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations there-under. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in **Visakhapatnam, Andhra Pradesh, India** only.

DISCLAIMER CLAUSE OF BSE

As required, a copy of the Draft Letter of Offer has been submitted to the BSE. The Disclaimer Clause as intimated by the BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

DISCLAIMER CLAUSE OF NSE

As required, a copy of this Draft Letter of Offer has been submitted to the NSE. The Disclaimer Clause as intimated by the NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

LISTING

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

FILING

The Draft Letter of Offer shall not be filed with SEBI, nor will SEBI issue any observation on the Draft Letter of Offer as the size of issue is less than Rupees Fifty Crores.

The Draft Letter of Offer has been filed with BSE and NSE for obtaining their in-principle approvals.

However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI and with the Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of the Letter of Offer to the e-mail address: cfdil@sebi.gov.in.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations.

- ✓ We have been registered with the SEBI Complaints Redress System (SCORES) as required by SEBI and monitor the same on regular interval.
- ✓ Our Company has a Stakeholders Relationship Committee to redress complaints, if any. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights.
- ✓ Our Company has appointed Ms. Swaroopa Meruva, Company Secretary, as the Compliance Officer to redress complaints, if any.

Bigshare Services Private Limited is Registrar to our Company. All investor grievances received by us have been handled by the Registrar in consultation with the Company Secretary and Compliance Officer.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar for the redressal of routine investor grievances shall be seven (7) to fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Investor Grievances arising out of the Issue

Our Company has appointed Bigshare Services Private Limited (“**BIGSHARE**”) as Registrar to this Right issue.

Our Company has also appointed Ms. Swaroopa Meruva, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or

demat account number, serial number of the Application Form, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip.

In case of non-routine grievances where verification at other agencies is involved, it would be the endeavor of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

Contact details of the Registrar to this issue and of our Company Secretary and Compliance Officer are as follows:

Registrar to the Issue

BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis,
Makwana Road,

Marol, Andheri East, Mumbai- 400059

Telephone: +91 22 6263 8200 / +91 22 6263 8222

Fax: 91 22 6263 8299,

Email Id: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email id:

investor@bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration No: INR000001385

CIN: U99999MH1994PTC076534

Company Secretary & Compliance officer

Ms. Swaroopa Meruva, Company Secretary

Coastal Corporation Limited

Registered & Corporate office: 15 - 1- 37 / 3, Jayapradha
Apartments. Nowroji Road, Maharani-peta, Visakhapatnam,
Andhra Pradesh, 530002

Telephone: 91 891 2567118

E-Mail Id: cs@coastalcorp.co.in;

Website: www.coastalcorp.co.in

Status of outstanding investor complaints in relation to our Company

As on the date of this Draft Letter of Offer, there were no outstanding investor complaints in relation to our Company.

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI (ICDR) Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or by mechanism as disclosed in this section.

Further, in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the January 22 – Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, the Eligible Equity Shareholders who are holding Equity Shares in physical form and are desirous of subscribing to the Issue, are advised to furnish the details of their demat account to the Registrar not later than two working days prior to the Issue Closing Date. However, SEBI, pursuant to the May 6 – Rights Issue Circular and July 24 – Rights Issue Circular has stated that in the event there are physical shareholders who have not been able to open a demat account pursuant to the January 22 – Rights Issue Circular or are unable to communicate their demat account details to our Company or the Registrar for credit of Rights Entitlements, such physical shareholders may be allowed to submit their application subject to conditions. For more details, see “*Application by Eligible Equity Shareholders holding Equity Shares in physical form*” beginning on page nos. **148 & 159** of this Draft Letter of Offer.

Investors are requested to note that application in this Issue can only be made through ASBA, in case of Eligible Equity Shareholders.

The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA Act, FEMA Rules, the SEBI (ICDR) Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Important:**Dispatch and availability of Issue materials:**

In accordance with the SEBI (ICDR) Regulations and relevant SEBI circulars on Rights Issue, our Company will send, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard.

The Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard.

Please note that Eligible Equity Shareholders, in order to update the respective Indian addresses/ email addresses/ mobile numbers in the records maintained by the Registrar or our Company, should visit www.bigshareonline.com. Investors can access this Draft Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

- our Company at www.coastalcorp.co.in;
- the Registrar at www.bigshareonline.com;

- the Lead Manager at www.finshoregroup.com;
- the Stock Exchanges at www.bseindia.com and www.nseindia.com

Eligible Equity Shareholders who have not received the Application Form may apply, along with the requisite application money, by using the application forms available on the websites above, or on plain paper, with the same details as per the application form available online.

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar www.bigshareonline.com (<https://www.bigshareonline.com/RightsIssueCAF.aspx>) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.coastalcorp.co.in).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation, our Company and the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form or delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Form or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Issue Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer is being filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Issue Shares may not be offered or sold, directly or indirectly, and this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorised or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed.

Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Issue Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates or the Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who makes an application to acquire Rights Entitlements and the Issue Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates or the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Our Company is undertaking this Issue for its Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Application Form and other applicable Issue materials primarily to the email addresses of the Eligible Equity Shareholders who have provided a valid email address and an Indian address to our Company. This Letter of Offer will be provided, primarily through e-mail, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian address to our Company.

Process for Application in this Issue:

In accordance with Regulation 76 of the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, see “Procedure for Application through the ASBA Process” below:

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue on the basis of the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see *“Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders”* on Page 147

ASBA facility: Investors can submit either the Application Form in physical mode to the Designated Branch of the SCSBs or online/electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see *“Procedure for Application through the ASBA Process”* beginning on page no. 156 of this Draft Letter of Offer

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see “Grounds for Technical Rejection” beginning on page 163 of this Draft Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see *“Application on Plain Paper under ASBA process”* beginning from page 158.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to. If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- (i) apply for its Equity Shares to the full extent of its Rights Entitlements; or
- (ii) apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- (iii) apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- (v) renounce its Rights Entitlements in full

Making of an Application through the ASBA facility:

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, refer <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts

Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders:

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (i.e., <https://www.bigshareonline.com/RightsIssueCAF.aspx>) by entering their DP ID and Client ID or Folio Number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is ISIN: [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchange after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Rights Equity Shares offered under Rights Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e., rightsissue@bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, “[●]”) opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our

Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Application by Eligible Equity Shareholders holding Equity Shares in physical form:

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date; Alternatively the same can be uploaded in the web portal of the Registrar at rightsissue@bigshareonline.com.
- b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- c) The remaining procedure for Application shall be same as set out in ***“Application on Plain Paper under ASBA process”*** on page **158**.


Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date will not be allowed to renounce their Rights Entitlements in the Issue. However, such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Equity Shares while submitting the Application

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Accordingly, such resident Eligible Equity Shareholders are required to send a communication to our Company or the Registrar containing the name(s), Indian address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by post, speed post, courier, electronic mail or hand delivery, to enable process of credit of Rights Equity Shares in such demat account.

Such resident Eligible Equity Shareholders must check the procedure for Application by and credit of Rights Equity Shares in ***“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”*** beginning from pages 148 & 159.

Application for Additional Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in ***“Basis of Allotment”*** beginning on page .

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for additional Equity Shares.

Investors to kindly note that after purchasing the Rights Entitlements through On Market Renunciation / Off Market Renunciation, an application has to be made for subscribing to the Rights Equity Shares. If no such Application is made by the renounee on or before Issue Closing Date, then such Rights Entitlements will get lapsed and shall be extinguished after the Issue Closing Date and no Rights Equity Shares for such lapsed Rights Entitlements will be credited. For procedure of Application by shareholders who have purchased the Right Entitlement through On Market Renunciation / Off Market Renunciation, please refer to the heading titled **“Procedure for Application through the ASBA process”** on page no. 156 of this Draft Letter of Offer.

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors: <http://www.bigshareonline.com/RightsIssueCAF.aspx>

Updation of Email address/ mobile number in the records maintained by the Registrar or our Company: Bigshare Services Private Limited (www.bigshareonline.com)

Updation of Indian address in the records maintained by the Registrar or our Company by email to rightsissue@bigshareonline.com

Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: <http://www.bigshareonline.com/RightsIssueCAF.aspx>

Submission of self-attested PAN, client master sheet and demat account details by non- resident Eligible Equity Shareholders: rightsissue@bigshareonline.com

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renounee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date, fixed in consultation with the Designated Stock Exchange, but excludes persons not eligible under applicable laws, rules, regulations and guidelines.

Rights Entitlements

Eligible Equity Shareholders whose name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.coastalcorp.co.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (www.bigshareonline.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts, except in case of resident Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form (i) only to e-mail addresses of the resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian address of resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an

Indian address to our Company; and (iv) to the e-mail addresses of the foreign corporate or institutional shareholders, and in each case who make a request in this regard.

The Letter of Offer will also be provided to any existing Shareholder who makes a request in this regard.

The Letter of Offer, the Abridged Letter of Offer and the Application Form may also be accessed on the websites of the Registrar, our Company and the Lead Manager through a link contained in the aforementioned email sent to email addresses of Eligible Equity Shareholders (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) and on the Stock Exchange websites. The distribution of the Letter of Offer, Abridged Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit this Issue in any jurisdiction where action would be required for that purpose, except that this Letter of Offer has been filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with this Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations. If the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an Application or acquire the Rights Entitlements referred to in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form. Any person who acquires Rights Entitlements or makes an Application will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, that it is entitled to subscribe for the Rights Equity Shares under the laws of any jurisdiction which apply to such person.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹10/-.

Issue Price

Each Rights Equity Share is being offered at a price of ₹[●]/- per Rights Equity Share (including a premium of ₹[●]/- per Rights Equity Share) in this issue. On Application, Investors will have to pay ₹[●]/- per Rights Equity Share, which constitutes [●]% of the Issue Price and the balance ₹[●]/- per Rights Equity Share, which constitutes [●]% of the Issue Price, will have to be paid, on one or more Call(s), as determined by our Board at its sole discretion, from time to time.

Ranking of Equity Shares

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and Articles of Association. The Rights Equity Shares shall rank pari-passu, in all respects including dividend, with our existing Equity Shares.

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Mode of Payment of Dividend

In the event of declaration of dividend, our Company shall pay dividend to the shareholders of our Company as per the provisions of the Companies Act and the provisions of the Articles of Association.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares held by the Eligible Equity Shareholders as on the Record Date, which will be credited in the demat account of the Applicant after the Allotment.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of [●] ([●]) Rights Equity Shares for every [●] ([●]) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than [●] ([●]) Equity Shares or is not in the multiple of [●] ([●]) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Rights Security if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [●] ([●]) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Shares, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Process of Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "[●]") opened by our Company, for the Eligible Equity Shareholders holding Equity Shares in physical form.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) till the Issue Opening Date and shall become active on the Issue Opening Date and remain active for renunciation or transfer during the Renunciation Period. It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date i.e., by [●], to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other relevant circulars, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other relevant circulars, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, see "**Procedure for Renunciation of Rights Entitlements**" on page 151.

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, and SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, **will not be able to renounce their Rights Entitlements.**

Trading of the Rights Entitlements

In accordance with the SEBI January 22 - Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date. For details, see *“Procedure for Renunciation of Rights Entitlements – On Market Renunciation”* and *“Procedure for Renunciation of Rights Entitlements – Off Market Renunciation”* on page 157 and page 158, respectively.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Payment Schedule of Rights Equity Shares

[●] Rights Equity Share is being offered at a price of ₹[●]/-per Rights Equity Share (including a premium of ₹[●]/- per Rights Equity Share), for every [●] Rights Equity Share allotted in this Issue. On Application, Investors will have to pay ₹ [●]/-per Rights Equity Share, which constitutes [●]% of the Issue Price and the balance ₹ [●]/-per Rights Equity Share, which constitutes [●]% of the Issue Price, will have to be paid, on one or more Call(s), as determined by our Board at its sole discretion, from time to time. Rights Equity Shares in respect of which the Calls payable remains unpaid may be forfeited, at any time after the due date for payment of the balance amount due in accordance with the Companies Act, 2013 and our Articles of Association.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations and SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Record date for Calls and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchanges for the purpose of determining the list of Rights Equity Shareholders to whom the notice for the Calls would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the calls have been made may be suspended prior to the Call Record Date.

Procedure for Calls for Rights Equity Shares

Our Company would convene a meeting of our Board to pass the required resolutions for making the Calls and suitable intimation would be given by our Company to the Stock Exchanges. The Calls shall be deemed to have been made at the time when the resolution authorising such Calls are passed at the meeting of our Board/ Committee. The Calls may be revoked or postponed at the discretion of our Board. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 14 days' notice for the payment of the Calls. Our Board may, from time to time at its discretion, extend the time fixed for the payments of the Calls. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Calls, and if it does not receive the Call Money as per the timelines stipulated unless extended by our Board, the defaulting Rights Equity Shareholders will be liable to pay interest as may be fixed by our Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Calls made.

Payment of Call Money

In accordance with the SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in calls for partly paid specified securities issued by the listed entity, the Investor may make payment of the Call Monies using ASBA Mechanism through the Designated Branch of the SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call Monies, in the Investor's ASBA Account. The Investor may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Monies.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company shall obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary procedures for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received In-principle approval from the BSE and NSE through letter bearing reference number [●] dated [●] and [●] dated [●] respectively. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, from the Call Record Date, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts, may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount under the Call notice for the final Call.

The existing Equity Shares are listed on BSE (Scrip Code: 501831) and NSE (Scrip Code: COASTCORP) under the ISIN: INE377E01016. The Rights Equity shall be credited to temporary ISINs which will be frozen until the receipt of the final listing/trading approvals from the Stock Exchange. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISINs and credited to the existing ISIN as fully paid-up Equity of our Company and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchange, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer -in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoter and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see *“Capital Structure - Intention and extent of participation by our Promoter and Promoter Group”* on page 36.

Rights of holders of Rights Equity Shares of our Company

Subject to applicable laws, holders of the Rights Equity Shares shall have the following rights:

- The Rights Equity Shares shall rank pari-passu with the existing Equity Shares in all respects.
- The right to receive dividend, if declared;
- The right to vote in person, or by proxy, except in case of Rights Equity Shares credited to the demat suspense account for resident Eligible Equity Shareholders holding Equity Shares in physical form;
- The right to receive surplus on liquidation;
- The right to free transferability of Rights Equity Shares;
- The right to attend general meetings of our Company and exercise voting powers in accordance with law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

Subject to applicable law and Articles of Association, holders of Rights Equity Shares shall be entitled to the above rights in proportion to amount paid-up on such Rights Equity Shares in this Issue.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for the Rights Equity Shares in dematerialized mode is one Equity Share.

Minimum Subscription

Pursuant to the Regulation 86 of the SEBI ICDR Regulations, as amended, the provision relating to the minimum subscription shall not be applicable to the proposed issue as the object of the proposed issue involves financing other than financing of capital expenditure for a project and our Promoter and Promoter Group have confirmed that they will subscribe to their entitlement in full and would also subscribe to any unsubscribed portion in this Issue.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. Application forms would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

Our Rights Equity Shares are traded in dematerialized form only and therefore the marketable lot is one Equity Share and hence no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI (ICDR) Regulations, SEBI Rights Issue Circulars and MCA General Circular No. 21/2020, our Company will send the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid e-mail address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders, in each case who make a request in this regard.

The Letter of Offer will also be provided by our Company to any existing Shareholder who makes a request in this regard.

In the event that e-mail addresses of the Eligible Equity Shareholders are not available with our Company or the Eligible Shareholders have not provided valid e-mail addresses to our Company, our Company will dispatch the Abridged Letter of Offer, Application Form and other applicable Issue materials by way of physical delivery as per the applicable laws to those Eligible Equity Shareholders who have provided their Indian address.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one Telugu language daily newspaper with wide circulation (Telugu being the regional language of Andhra Pradesh, where our Registered and Corporate Office is situated).

The Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to non-resident Eligible Equity Shareholders/Investors

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or in part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlements Letters/ letters of Allotment/Allotment advice.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent to the e-mail address of non-resident Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company, the Lead Manager and the Stock Exchanges. The Rights Committee may at its absolute discretion, agree to such terms and conditions as may be stipulated by

the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Any non-resident shareholder who has applied in the Issue without submitting RBI approval and/or without providing Indian address, his/her application will be liable for rejection.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. through email to rightsissue@bigshareonline.com.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see *“Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form”* on page nos. 148 & 159.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to the Eligible Equity Shareholders (i) only to e-mail addresses of resident Eligible Equity Shareholders who have provided their e-mail addresses; (ii) physical delivery, only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, whose e-mail addresses are not available with our Company or the Eligible Equity Shareholders have not provided the valid email address to our Company; (iii) physical delivery, only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (iv) to the e-mail addresses of foreign corporate or institutional shareholders. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email or physical delivery, as applicable, at least three days before the Issue Opening Date.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective e-mail addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.bigshareonline.com. Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

our Company at www.coastalcorp.co.in;

the Registrar at www.bigshareonline.com;

the Lead Manager at www.finshoregroup.com;

the Stock Exchanges at www.bseindia.com and www.nseindia.com

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders

holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.coastalcorp.co.in).

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB;

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected,

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see “*Grounds for Technical Rejection*” on page 163. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making an application that is available on the website of the Registrar, Stock Exchanges, Lead Manager or on a plain paper with the same details as per the Application Form available online. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “*Application on Plain Paper under ASBA process*” on page 158.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
- apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or
- renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section ***“Application on Plain Paper under ASBA process”*** on page 158.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. The Rights Entitlements comprise of [●] ([●]) Rights Equity. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section ***“Basis of Allotment”*** on page 166.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off -market transfer, during the Renunciation Period. Such renunciation shall result in renouncement of the Rights Equity Shares. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

(a) On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under the ISIN that shall be allotted for the Rights Entitlement subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN - [●] (for Rights Entitlement) that shall be allotted for the Rights Entitlement and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN (for Rights Entitlement) that shall be allotted for the Rights Entitlement, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants. The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB.

Applications on plain paper will not be accepted from any address outside India. Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

- Name of our Company, being "**Coastal Corporation Limited**";
- Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
- Registered Folio No./DP and Client ID No.;
- Number of Equity Shares held as on Record Date;
- Allotment option – only dematerialised form;
- Number of Rights Equity Shares entitled to;
- Total number of Rights Equity Shares applied for;
- Number of additional Rights Equity Shares applied for, if any;
- Total number of Rights Equity Shares applied for;
- Total amount paid at the rate of ₹[●]/-for Rights Equity Shares issued. However, ₹ [●]/-is to be paid on Application;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address, branch of the SCSB with which the account is maintained and a copy of the RBI approval obtained pursuant to Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
- Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

- Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
- Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
- In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”) except in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand that this application should not be forwarded to or transmitted in or to the United States at any time. I/ we understand that none of the Company, the Registrar, the Lead Managers or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Managers or any other person acting on behalf of the Company has reason to believe is in the United States, or if such person is outside India and the United States, such person is not a corporate shareholder, or is ineligible to participate in the Issue under the securities laws of their jurisdiction. I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S under the US Securities Act (“Regulation S”), or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States, and (ii) is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S.

I/ We acknowledge that the Company, the Lead Manager, their affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.” In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected. Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.bighshareonline.com.

I/ We acknowledge that Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors’ ASBA Accounts on or before the Issue Closing Date”.

Mode of payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor’s ASBA Account. The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account, details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar’s instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly,

Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit www.bigshareonline.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

- (a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date.
- (b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;
- (c) The Eligible Equity Shareholders can access the Application Form from:
our Company at www.coastalcorp.co.in;
the Registrar at www.bigshareonline.com;
the Lead Manager at www.finshoregroup.com;
the Stock Exchanges at www.bseindia.com and www.nseindia.com

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (www.bigshareonline.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.coastalcorp.co.in);

The Eligible Equity Shareholders shall, on or before the Issue Closing Date submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Further, such resident Eligible Equity Shareholder can:
apply for its Rights Equity Shares to the full extent of its Rights Entitlements;
apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); and
apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE “ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS” ON PAGE 167.

General instructions for Investors

- (a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you.
- (c) The Application Form can be used by both the Eligible Equity Shareholders and the Renounees.

- (d) Application should be made only through the ASBA facility.
- (e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section “*Application on Plain Paper under ASBA process*” on page 158.
- (g) An Investor participating in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.
- (h) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.
- (i) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.
- (j) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.
- (k) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be “suspended for credit” and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors.
- (l) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.
- (m) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (n) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
- (o) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Shares in physical form.
- (p) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.
- (q) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI

registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

- (r) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.
- (s) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.
- (t) Only persons outside restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

Do's:

- Ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.
- Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.
- Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("Demographic Details") are updated, true and correct, in all respects.
- Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

- Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
- Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- Do not pay the Application Money in cash, by money order, pay order or postal order.
- Do not submit multiple Applications.

Do's for Investors applying through ASBA:

- Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.
- Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification dated February 13, 2020 read with press release dated June 25, 2021 and September 17, 2021

Don'ts for Investors applying through ASBA:

- Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.
- (b) Sending an Application to the Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.
- (c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (e) Account holder not signing the Application or declaration mentioned therein.
- (f) Submission of more than one Application Forms for Rights Entitlements available in a particular demat account.
- (g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
- (j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (l) Physical Application Forms not duly signed by the sole or joint Investors.
- (m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.
- (n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (o) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs) or other jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include

the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) outside India and the United States and is a foreign corporate or institutional shareholder eligible to subscribe for the Rights Equity Share under the applicable securities laws or (b) a U.S. QIB in the United States, and in each case such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

- (p) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (q) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.

Applications by a non-resident without the approval from RBI with respect to Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

Depository account and bank details for Investors holding Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for non-resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders.

The Letter of Offer will be provided by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders at (i) the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company; and (ii) the e-mail addresses of the foreign corporate or institutional shareholders, in each case who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.
3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

Non-resident Renounees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made in respect the Rights Entitlements using same demat account, such Applications shall be liable to be rejected. However supplementary applications in relation to further Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple application. Similarly, a separate Application can be made against Equity Shares held in dematerialised form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see **“Procedure for Applications by Mutual Funds”** below. Cases where Investor submits Application Forms along with plain paper or multiple plain paper Applications for same Rights Entitlements shall be treated as multiple applications.

In cases where multiple Application Forms are submitted, such Applications shall be treated as multiple applications and are liable to be rejected.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], i.e., Issue Closing Date. The Rights Committee may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by the Rights Committee, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and the Rights Committee shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, **“Basis of Allotment”** on page 166.

Please note that on the Issue Closing Date Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION*	[●]
ISSUE CLOSING DATE	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company or the Lead Manager. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the main board platforms of BSE and NSE are taken within the prescribed timelines, the time table may change due to various factors such as extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE and NSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE and NSE in accordance with the applicable laws.

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*

The Board of Directors or the Rights Issue Committee will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see **“General Information - Issue Schedule”** on page 33.

Our Board / The Rights Issue Committee may however decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.
- b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment

of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

- d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.
- e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding. After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;
2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will e-mail Allotment advice, refund intimations or demat credit of Shares and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and the Directors who are "officers in default" shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. Then blocking of ASBA funds/refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Shares

The demat credit of Shares to the respective beneficiary accounts or the demat suspense account (pending receipt of demat account details for Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO

(A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR

(B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR

(C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialised form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.
5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, i.e., the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post -Offer Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates.

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. The FPIs who wish to participate in the Offer are advised to use the Application Form for non-residents. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against Shares held

by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCsBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India (“OCI”) may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid - up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government of India. It is not clear from the press note whether or not an issuance of the Rights Equity Shares to Restricted Investors will also require a prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required and such approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies (“NBFC-SI”)

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net-worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its Shares; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its Shares; or otherwise induces directly or indirectly a company to allot,

or register any transfer of, Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

In case the fraud involves (i) an amount which is less than ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakhs or with both.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

The Board of Directors/Rights Committee reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In cases where refunds are applicable, such refunds shall be made within a period of 15 days. In case of failure to do so, our Company and the Directors who are “officers in default” shall pay interest at the prescribed rate. In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Undertakings by our Company

Our Company undertakes the following:

- The complaints received in respect of the issue shall be attended to by our Company expeditiously and satisfactorily.
- All steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the Right Equity Shares are to be listed are taken within the time limit specified by the SEBI.
- The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the issue by our Company.
- Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- Where release of block on the application amount for unsuccessful bidders or part of the application amount in case of proportionate allotment, a suitable communication shall be sent to the applicants.
- Adequate arrangements shall be made to collect all ASBA applications

Utilisation of Issue Proceeds:

Our Board declares that:

- A. All monies received out of issue of this Right Equity Issue to the public shall be transferred to a separate bank account.
- B. Details of all monies utilized out of this Right Issue referred to in clause (A) above shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilised; and

- C. Details of all unutilized monies out of this Right Issue referred to in clause (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Important

Please read this Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

All enquiries in connection with this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed “**COASTAL CORPORATION LIMITED – RIGHT ISSUE**” on the envelope and postmarked in India or in the email) to the Registrar at the following address:

BIGSHARE SERVICES PRIVATE LIMITED

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road,

Marol, Andheri East, Mumbai- 400059

Telephone:022- 6263 8200 Fax: 022 – 6263 8299,

Email: rightsissue@bigshareonline.com

Website: www.bigshareonline.com

Investor Grievance Email Id: investor@bigshareonline.com

Contact Person: Mr. Vijay Surana

SEBI Registration No: INR000001385

CIN: U99999MH1994PTC076534

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.bigshareonline.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (+91 22 62638200/+91 22 62638222).

This Issue will remain open for a minimum seven days. However, the Rights Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the “automatic route”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

As per Rule 7 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, the RBI has given general permission to Indian companies to issue rights securities to non-resident shareholders including additional rights securities. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, inter alia, (i) subscribe for additional securities over and above their rights entitlement; (ii) renounce the securities offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the securities renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, Allotment of Rights Equity Shares and issue of Allotment advice. This Draft Letter of Offer, Abridged Letter of Offer, Rights Entitlement Letter and Application Form shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only. If an NR or NRI Investors has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Rights Entitlements and Rights Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers, and sale occur. The Rights Entitlements, Rights Equity Shares and Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Applicants are advised to consult their legal counsel, to make their independent investigations and ensure that Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations prior to accepting any provisional allotment of Rights Equity Shares, applying for excess Rights Equity Shares or making any offer, sale, resale, pledge or other transfer of the Rights Entitlements or the Rights Equity Shares.

SECTION X: STATUTORY AND OTHER INFORMATION

A) *Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.*

B) Material Contracts and Documents for Inspection

The copies of the following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date.

A. Material Contracts to the Issue

1. Issue Agreement dated April 9, 2022 entered into among our Company and the Lead Manager.
2. RTA Agreement dated April 19, 2022 entered into among our Company and the Registrar to the Issue.
3. Escrow Agreement dated [●] among our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

B. Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated May 30, 1981 as a private limited company issued by Registrar of Companies, Hyderabad, Andhra Pradesh in the name of Coastal Trawlers Private Limited.
3. Certificate of Incorporation dated January 29, 1985 issued by Registrar of Companies, Hyderabad, Andhra Pradesh pursuant to conversion into a Public Limited Company.
4. A fresh certificate of incorporation dated February 22, 2005 issued by Registrar of Companies, Hyderabad, Andhra Pradesh pursuant to the change of name from Coastal Trawlers Limited to Coastal Corporation Limited.
5. Resolution of the Board of Directors of our Company under section 62 of the Companies Act, 2013 dated March 29, 2022 authorizing the Issue.
6. Resolution of the Board/Rights Issue Committee dated March 29, 2022 approving the terms of the Issue.
7. Resolution of our Board dated June 30, 2022 approving this Draft Letter of Offer.
8. Resolution of our Board dated [●] approving the Letter of Offer.
9. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Statutory Auditor, Banker to the Issue, Lead Manager, Registrar to the Issue, to include their names in this Draft Letter of Offer to act in their respective capacities.
10. Annual Reports of our Company for Fiscal 2021, 2020, 2019, 2018 and 2017.
11. The reports of the Statutory Auditor, in relation to the Audited Financial Statements for the quarter and year ended March 31, 2022 dated May 30, 2022 as reported to the Exchanges.
12. Statement of Tax Benefits from Statutory Auditor of our Company dated April 13, 2022
13. In-principle listing approval dated [●] and [●] from BSE and NSE respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We, hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made there-under. All the legal requirements connected with the issue as also the guidelines, instructions etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

We further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Mr. Emandi Shankara Rao <i>DIN: 05184747</i> <i>Designation: Chairman and Non Executive Independent Director</i>	Sd/-
Mr. Valsaraj Thottoli <i>DIN: 00057558</i> <i>Designation: Vice Chairman and Managing Director</i>	Sd/-
Mr. Ganta Veera Venkata Satyanarayana <i>DIN: 00187006</i> <i>Designation: Whole-time Director designated as Director – Finance & CFO</i>	Sd/-
Mr. Venkata Suryanarayana Malakapalli <i>DIN: 00372812</i> <i>Designation: Non Executive Independent Director</i>	Sd/-
Mrs. Jeeja Valsaraj <i>DIN: 01064411</i> <i>Designation: Non Executive Director</i>	Sd/-
Mr. Venkateswara Rao Kamireddi <i>DIN: 01678973</i> <i>Designation: Non Executive Independent Director</i>	Sd/-
Mr. Kalyanaraman P. R. <i>DIN: 01993027</i> <i>Designation: Non Executive Independent Director</i>	Sd/-

SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER	SIGNED BY DIRECTOR -FINANCE (CHIEF FINANCIAL OFFICER)
Sd/- <hr/> Ms. Swaroopa Meruva	Sd/- <hr/> Mr. Ganta Veera Venkata Satyanarayana

Dated: June 30, 2022

Place: Visakhapatnam